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CERTIFICATE OF NEED PROGRAM  
DEPARTMENT OF HEALTH

Certificate of Need Application  
Kidney Disease Treatment Facilities

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code [\(WAC\) 246-310-990](#).

Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington [\(RCW\) 70.38](#) and [WAC 246-310](#), rules and regulations adopted by the Washington State Department of Health. I attest that the statements made in this application are correct to the best of my knowledge and belief.

<p>Signature and Title of Responsible Officer</p> <p><i>Rudy Lai</i></p> <p>Rudy Lai Director Special Projects</p> <p>Email Address Rudy.lai@davita.com</p>	<p>Date December 2, 2019</p> <p>Telephone Number (510) 421-7568</p>
<p>Legal Name of Applicant</p> <p>Total Renal Care Inc., a wholly-owned subsidiary of DaVita Inc.</p> <p>Address of Applicant: DaVita Inc. 2000 16<sup>th</sup> Street Denver, CO 80202</p>	<p>Provide a brief project description (example: # of stations/location)</p> <p>DaVita Vancouver Camas Dialysis Center 26 stations</p> <p>Estimated capital expenditure: \$3,764,121</p>
<p>This application is submitted under (check <b>one</b> box only):</p> <p><input type="checkbox"/> Concurrent Review <b>Cycle 1</b> – Special Circumstances:</p> <p><input type="checkbox"/> Concurrent Review <b>Cycle 1</b> – Nonspecial Circumstance</p> <p>-----</p> <p><input type="checkbox"/> Concurrent Review <b>Cycle 2</b> – Special Circumstances:</p> <p><input checked="" type="checkbox"/> Concurrent Review <b>Cycle 2</b> – Nonspecial Circumstance</p>	

<p>Identify the Planning Area for this project as defined in <a href="#">WAC 246-310-800(15)</a>.</p> <p>Clark County ESRD Planning Area</p>
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# DAVITA

## VANCOUVER CAMAS DIALYSIS CENTER

### CERTIFICATE OF NEED APPLICATION

#### EXECUTIVE SUMMARY

Total Renal Care, Inc., a subsidiary of DaVita Inc. (hereafter "DaVita"), proposes to establish a new dialysis facility with twenty-six (26) Certificate of Need-approved stations plus one (1) Certificate of Need-exempt isolation station in the Clark County ESRD Planning (hereafter, "Clark County"). DaVita's proposal for a twenty-six station facility in Vancouver, Washington, will provide ESRD patients and their families with important new access. The Total Capital Expenditure as reflected in Table 10 will be \$3,764,121 and will be financed through operational funds on-hand allocated for the project.

The proposed DaVita Vancouver Camas Dialysis Center will occupy 12,000 rentable square feet located at **16575 SE 18<sup>th</sup> St., Vancouver, 98683.**

This planning area, as defined by the Department of Health, is currently served by five approved facilities with a total of 84 stations. The facility that DaVita proposes to establish will increase the total station count in the planning area by twenty-six (26) stations to meet patient need.

**DAVITA  
VANCOUVER CAMAS DIALYSIS CENTER**

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**CERTIFICATE OF NEED APPLICATION**

## I. APPLICANT DESCRIPTION

### 1. Provide the legal name(s) and address(es) of the applicant(s).

The legal name of the applicant is Total Renal Care, Inc., a subsidiary of DaVita Inc. (hereafter, DaVita) d.b.a. Vancouver Camas Dialysis Center. DaVita's address is DaVita Inc., 2000 16th Street, Denver, CO 80202.

We also provide the following additional information regarding DaVita:

- DaVita 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 more than 2,470 outpatient dialysis centers located in the United States, serving approximately 220,000 patients.
- Consistent with DaVita's mission statement to "Be the Provider, Partner and Employer of Choice," serving patients by providing quality clinical outcomes is paramount. DaVita has instituted a nationally recognized Dialysis Quality Outcomes program and maintains an aggressive Continuous Quality Improvement (CQI) program. The DaVita philosophy is patient-focused in serving the chronically ill dialysis patient by addressing all dimensions of the dialysis patient's illness state and by providing quality services through a clinical outcomes measurement and management approach to treating ESRD.
- DaVita is committed to serving the chronic kidney disease patient in union with nephrologist partners. The DaVita Vancouver Camas Dialysis Center will continue to carry out this commitment through:
  - Serving patients where they live and work.
  - Providing the highest quality patient care.
  - Providing proven infrastructure and continuity to grow rapidly and cost effectively in an underserved community.
  - Supporting new patients – All DaVita dialysis centers within Washington State provide regular, in-center education and training with the goal to empower patients through information about their disease and ability to self-manage their care.
  - DaVita offers Kidney Smart, a non-branded, community-based education program for Chronic Kidney Disease (CKD) patients and their families.
  - DaVita offers access to a national non-profit kidney disease advocacy program: Dialysis Patient Citizens.
  - DaVita dialysis centers partner with a specialty-focused pharmacy service, WellDyneRx, for dialysis patients.
  - DaVita's Guest Services Program provides assistance in locating other dialysis facilities for patients wishing to travel or relocate.
  - DaVita will contribute to the community through increased taxes, thereby increasing the community's ability to provide support services for the ESRD patient population.

**2. Identify the legal structure of the applicant (LLC, PLLC, etc) and provide the UBI number.**

Total Renal Care, Inc. is a subsidiary of DaVita Inc., a publically held, for-profit Delaware corporation. Total Renal Care's UBI number is 601-134-681.

**3. Contact person for this application**

Rudy Lai – Director, Special Projects  
DaVita Inc. – North Star Division Office  
32275 32<sup>nd</sup> Ave S.  
Federal Way, WA 98001  
Phone Number: (510) 421-7568  
Email: [rudy.lai@DaVita.com](mailto:rudy.lai@DaVita.com)

**4. Provide the name, title, address, telephone number, and email address of the consultant authorized to speak on your behalf related to the screening of this application (if any).**

Not Applicable

**5. Provide an organizational chart that clearly identifies the business structure of the applicant(s).**

DaVita is governed by its Board of Directors. Board of Director meetings are held quarterly. Organization charts are included as Appendix 1.

**6. Identify all healthcare facilities owned, operated by, or managed by the applicant. This should include all facilities in Washington State as well as out-of-state facilities, and should identify the license/accreditation status of each facility.**

All DaVita facilities nationally, and their CMS license and accreditation status, are listed in Appendix 2. All applicable state regulatory agencies are listed in Appendix 13.

State licensure and accreditation is not required for outpatient dialysis facilities in Washington State. However, to establish and maintain federal Medicare certification, each DaVita facility undergoes the process established by the state in which the facility operates. Medicare certification is established through surveys conducted by the Department of Health Facility and Licensing Division. All operating Washington State DaVita facilities are Medicare-certified. All operating DaVita facilities listed in Appendix 2 are Medicare certified or awaiting survey as noted.

DaVita owns, operates or has been approved to operate forty-four (44) dialysis facilities in Washington State. Facilities in Washington State include:

<b>Battle Ground Dialysis Center</b>	<b>Olympia Dialysis Center</b>
720 West Main St. Battle Ground, WA 98604 (360) 687-4677 Medicare Certified	335 Cooper Point Rd NW, Ste 105 Olympia, WA 98502 (360) 357-6198 Medicare Certified
<b>Belfair Dialysis Center</b>	<b>Olympic View Dialysis Center</b>
23961 NE State Route 3, Suite B Belfair, WA 98528 (360) 275-0141 Medicare Certified	125 16th Ave E., 5th Floor Seattle, WA 98112 (206) 323-8900 Medicare Certified
<b>Bellevue Dialysis Center</b>	<b>Parkland Dialysis Center</b>
3535 Factoria Blvd SE, Ste 150 Bellevue, WA 98006 (425) 641-6514 Medicare Certified	331 140th Street South Tacoma, WA 98444 (253) 536-5961 Medicare Certified
<b>Cascade Dialysis Center</b>	<b>Pilchuck Dialysis Center</b>
145 Cascade Place, Ste 100 Burlington, WA 98223 (360) 707-5373 Medicare Certified	1250 State Avenue Marysville, WA 98270 (360) 651-0780 Medicare Certified
<b>Cooks Hill Dialysis Center</b>	<b>Puyallup Community Dialysis Center</b>
1821 Cooks Hill Road Centralia, WA 98531 (360)-736-1188 Medicare Certified	716 South Hill Park Drive, Suite C Puyallup, WA 98373 (253) 845-2127 Medicare Certified
<b>Chinook Kidney Center</b>	<b>Rainier View Dialysis Center</b>
1351 Aaron Drive Richland, WA 99352 (509) 943-4598 Medicare Certified	1822 - 112th Street East, STE A Tacoma, WA 98445 (253) 539-5659 Medicare Certified

<b>Downtown Spokane Renal Center</b>	<b>Redondo Heights Dialysis Center</b>
601 W. 5 <sup>th</sup> Avenue, Suite 101 Spokane, WA 99204 (509) 363-0700 Medicare Certified	27320 Pacific Highway South Kent, WA 98003 (253) 529-7825 Medicare Certified
<b>East Wenatchee Dialysis Center</b>	<b>Renton Dialysis Center</b>
300 N. Colorado Avenue East Wenatchee, WA 98802 (509) 886-4950 Medicare Certified	4110-E NE 4 <sup>th</sup> St Renton, WA 98059 (425) 226-2408 Medicare Certified
<b>Echo Valley Dialysis Center</b>	<b>Seaview Dialysis Center</b>
198 Ponderosa Rd. #A Colville, WA 99114 (509) 684-2285 Medicare Certified	101 18th Street SE Seaview, WA 98631 (360) 642-3442 Medicare Certified
<b>Wapato Dialysis Center</b>	<b>Spokane Valley Renal Center</b>
502 W. 1 <sup>st</sup> Street Wapato, WA 98951  Medicare Certified	12610 E. Maribeu Pkwy, Suite 100 Spokane, WA 99216 (509) 228-9933 Medicare Certified
<b>Ellensburg Dialysis Center</b>	<b>Tacoma Dialysis Center</b>
2101 W Dolarway Rd, STE 1 Ellensburg, WA 98926 (509) 925-2333 Medicare Certified	3401 South 19 <sup>th</sup> Street Tacoma, WA 98405 (253) 573-1600 Medicare Certified
<b>Everett Dialysis Center</b>	<b>Tumwater Dialysis Center</b>
8130 Evergreen Way Everett, WA 98203 (425) 353-6036 Medicare Certified	855 Troser Rd SW, STE 110 Tumwater, WA 98512 (360) 352-7522 Medicare Certified

<b>Kent Community Dialysis Center</b>	<b>Union Gap Dialysis Center</b>
1015 S 348th St Kent, WA 98003 (253) 661-9055 Medicare Certified	1236 Ahtanum Ridge Dr. Union Gap, WA 98903-1813 (509) 469-6292 Medicare Certified
<b>Graham Dialysis Center</b>	<b>Vancouver Dialysis Center</b>
10219 196th Street Ct. E., Ste C Graham, WA 98338 (253) 875-5382 Medicare Certified	9120 NE Vancouver Mall Drive, Ste 160 Vancouver, WA 98662 (360) 891-5777 Medicare Certified
<b>Kennewick Dialysis Center</b>	<b>Wenatchee Valley Dialysis Center</b>
3208 W 19th Ave, Ste 101 Kennewick, WA 99336 (509) 585-5535 Medicare Certified	116 Olds Station Rd Wenatchee, WA 98801 (509) 664-3487 Medicare Certified
<b>Kent Community Dialysis Center</b>	<b>Westwood Dialysis Center</b>
21851 84th Ave S Kent, WA 98032 (253) 872-5474 Medicare Certified	2615 SW Trenton Street Seattle, WA 98126 (206) 938-6738 Medicare Certified
<b>Lakewood Community Dialysis Center</b>	<b>Whidbey Island Dialysis Center</b>
5919 Lakewood Towne Center Blvd SW Lakewood, WA 98499 (253) 512-2400 Medicare Certified	32650 State Route 20, Bldg. D, Ste 101 Oak Harbor, WA 98277 (360) 240-1596 Medicare Certified
<b>Lynnwood Dialysis Center</b>	<b>Yakima Dialysis Center</b>
13619 Mukilteo Speedway, #D-1 Lynnwood, WA 98087  Medicare Certified	1221 N. 16th Ave. Yakima WA 98902-1347 (509) 457-8333 Medicare Certified



<b>Mid-Columbia Kidney Center</b>	<b>Zillah Dialysis Center</b>
6825 Burden Boulevard, Suite A Pasco, WA 99301 (509) 545-0205 Medicare Certified	823 Zillah West Road, Ste 300 Zillah, WA 98953 (509) 829-0209 Medicare Certified
<b>Mill Creek Dialysis Center</b>	<b>Mount Baker Kidney Center</b>
18001 Bothell Everett Hwy, Ste 112 Bothell, WA 98012 (425) 481-5258 Medicare Certified	410 Birchwood Avenue, Ste 100 Bellingham, WA 98225 (360) 734-4243 Medicare Certified
<b>Mt. Adams Kidney Center</b>	<b>North Spokane Renal Center</b>
3220 Picard Place Sunnyside, WA 98944 (509) 837-2013 Medicare Certified	7407 N. Division St., Suite F Spokane, WA 99208 (509) 465-4779 Medicare Certified
<b>Lacey Dialysis Center</b>	<b>Sumner Dialysis Center</b>
Project in Process	Project in Process

## II. Project Description

### 1. Provide the name and address of the existing facility.

Not applicable.

### 2. Provide the name and address of the proposed facility.

The new DaVita Vancouver Camas Dialysis Center will provide kidney dialysis services for residents of the Clark County ESRD planning area. The location is:

**DaVita Vancouver Camas Dialysis Center**

16575 SE 18<sup>th</sup> St.  
 Vancouver, WA 98683

**3. Provide a detailed project description of the proposed project.**

This project will add twenty-six (26) new stations to the service area, thereby fully meeting the 2018-2022 projected need and providing a convenient new location for Vancouver resident ESRD patients.

DaVita Vancouver Camas Dialysis Center will be located in Clark County, which has experienced an annualized 4.92% ESRD population growth rate over the past 3 years, per the NWRN modality reports. The five existing centers in the area have a combined station utilization of 5.35 stations per patient. The current ESRD population and ongoing capacity challenges support adding additional capacity and provider choice via DaVita Vancouver Camas Dialysis Center.

Patients of DaVita Vancouver Camas Dialysis will also gain access to DaVita national programs. The proposed dialysis center will offer access to a specialty-focused pharmacy partner, WellDyneRx. Patients and their families will also have access to the Guest Services Program that provides assistance in locating other dialysis facilities for patients wishing to travel or relocate. Additionally, the Kidney Smart Education Program, which is described in Appendix 18, offers robust education for those in the community whose disease may not have yet progressed to ESRD, generating greater awareness of how best to self-manage their care and what treatment options are available to discuss with their nephrologists.

**4. Identify any affiliates for this project, as defined in WAC 246-310-800(1).**

This question is not applicable, as DaVita Inc., through Total Renal Care, Inc., will be the sole owner of DaVita Vancouver Camas Dialysis Center. It therefore has no affiliates for this project.

**5. Provide an estimated timeline for project implementation.**

The table below outlines the anticipated dates of approval, design completion, construction commencement and completion, and preparation for survey based on an approval date, assuming all variables operate according to historical trends. DaVita continues to refine and streamline the facility development process.

<b>Table 1</b> <b>DaVita Vancouver Camas Dialysis Center</b> <b>Anticipated Dates of Commencement &amp; Completion of Project</b>	
<b>Event</b>	<b>Anticipated Date</b>

<i>Project Approval</i>	<i>June 2020</i>
Design Complete	September 2020
Construction Commenced	June 2021
Construction Completed	July 2022
Facility Prepared for Survey/ "Operational"	January 2023

**6. Identify the date the facility is expected to be operational as defined in WAC 246-310-800(12).**

DaVita expects that Vancouver Camas Dialysis Center will be operational and prepared for survey as defined in WAC 246-310-800(12) by **January 2023**, based on a June 2020 project approval date.

**7. Provide a detailed description of the services represented by this project. For existing facilities, this should include a discussion of existing services and how these would or would not change as a result of the project.**

DaVita Vancouver Camas Dialysis Center will provide twenty-six (26) total chronic dialysis stations plus exempt isolation station, offering services to:

- Hemodialysis patients who dialyze in the chronic setting,
- Hemodialysis patients requiring isolation,
- Hemodialysis patients requiring dialysis in a permanent bed station,
- Hemodialysis patients requiring treatment shifts that begin after 5:00 PM,

Additional services provided will include:

- Treatment for visiting hemodialysis patients from other areas outside Clark County, and
- Community education for patients recently diagnosed with Chronic Kidney Disease (CKD).

**8. Provide a general description of the types of patients to be served by the facility at project completion.**

DaVita Vancouver Camas Dialysis Center will serve patients requiring in-center hemodialysis (both chronic and acute). In addition, it will serve patients requiring isolation and those requiring treatment shifts beginning after 5:00 PM, as well as those requiring dialysis in a permanent bed station. Finally, it will serve visiting hemodialysis patients and recently diagnosed CKD patients.

**9. Provide a copy of the letter of intent that was already submitted according to WAC 246-310-080.**

A copy of the letter of intent is included in Appendix 5.

**10. Provide single-line drawings (approximately to scale) of the facility, both before and after project completion. Reference WAC 246-310-800(11) for the definition of maximum treatment area square footage. Ensure that stations are clearly labeled**

**with their square footage identified, and specifically identify future expansion stations (if applicable)**

A single line drawing, showing DaVita Vancouver Camas Dialysis Center both before and after project completion, is included as Appendix 16. Note that up to three hundred (300) square feet is allocated for future expansion stations per WAC 246-310-800(11)(c) on the proposed line drawing.

**11. Provide the gross and net square feet of this facility. Treatment area and non-treatment area should be identified separately.**

The DaVita Vancouver Camas Dialysis Center will consist of 12,000 gross square feet, and 12,000 net square feet. The treatment area will consist of 5,829 square feet, and non-treatment area of 6,171 square feet.

Vancouver Camas Dialysis Center space allocations are included in Table 2 below.

SQUARE FOOTAGE ALLOCATION	
Category	Area (S.F.)
<b>Treatment Floor Area</b>	
Chronic Dialysis Stations	2,000
Isolation Station	146
Permanent Bed Station	100
Expansion Stations	160
Nurse Station / Med Prep Area	1,244
Patient Prep	150
Circulation	1,695
Lab Prep	82
Storage	252
<b>Treatment Floor Area Total</b>	<b>5,829</b>
<b>Non-Treatment Floor Area</b>	
Water Room / Lab Prep	408
Re-Use	0
Bi-Med	120
Staff Toilet / Lounge	460
Janitorial / Electrical	143
Business Office / Medical Records	297
Reception	721
Conference Room / Huddle	359
Home Training, PD & HHD Nurses	288
Patient Toilets	228
Storage / Med Waste / Wheelchair	438
Staff Offices	629
HVAC / Circulation	2,080
Clean Supplies / Kidney Care Training	0
<b>Non-Treatment Floor Area Total</b>	<b>6,171</b>
<b>Total Area</b>	<b>12,000</b>

In Table 3, below, is calculated the maximum treatment area square footage of 7,788 square feet. Treatment floor area at project completion will be 5,829 square feet, below the maximum allowable square footage.

MAXIMUM TREATMENT FLOOR AREA SQUARE FOOTAGE			
Category	S.F.	No. of Stations	Total S.F.
(a) General use in-center station and each nonisolation station	150	25	3,750
(b) Each isolation station and each permanent bed station	200	1 ISO / 1 BED	400
(c) Future expansion of two in-center treatment stations; and	150	2	300
(d) Other treatment floor space is 75% of the sum of (a), (b), and (c)			3,338
<b>Maximum Treatment Floor Area Square Footage</b>			<b>7,788</b>

**12. Confirm that the facility will be certified by Medicare and Medicaid. Provide the existing facility’s Medicare and Medicaid numbers.**

DaVita Vancouver Camas Dialysis Center will be certified by Medicare and Medicaid upon completion. DaVita’s track record of certification by Medicare and Medicaid (for 42 current facilities in Washington, with one additional awaiting survey) should provide the Department of Health confidence both in DaVita’s intent to achieve certification by Medicare and Medicaid and its track record of providing high quality care borne out via successful survey.

**III. Certificate of Need Review Criteria**

**A. Need (WAC 246-310-210 and 246-310-800 to 246-310-833)**

**1. List all other dialysis facilities currently operating in the planning area, as defined in WAC 246-310-800(15).**

WAC 246-310-800(15) defines the Clark County ESRD planning area zip codes. Table 4 provides a list of all currently approved dialysis facilities operating in the Clark County planning area.

Table 4		
Existing Dialysis Facilities in Clark County	Provider	Approved Stations
DVA VANCOUVER 502550	DVA	12
DVA BATTLE GROUND 502584	DVA	10
PNRS FT VANCOUVER 502522	FMC	24
PNRS SALMON CRK Vanc. 502524	FMC	16
PNRS CLARK CO Btl Grnd 502574	FMC	22

## 2. Provide utilization data for the facilities listed above according to the most recent NWRN modality report.

WAC 246-310-812(3) requires that projected station need must be based on 4.8 resident in-center patients per station in urban areas, and 3.2 patients per station in designated rural counties. The applicable utilization standard for Clark County is 4.8 patients per station, therefore WAC 246-310-812(5) applies, and all certificate of need counted stations at each facility in the planning area must be operating at 4.5 in-center patients per station as of the letter of intent submission date, have been in operation for three or more years, or have not met the timeline presented in their Certificate of Need application. The relevant data for this analysis is the quarterly facility utilization report prepared by the Northwest Renal Network (hereafter "NWRN"). Table 5 provides current utilization levels for all existing Clark County dialysis facilities.

Table 5		Quarterly Utilization of Existing Stations			
Existing Dialysis Facilities in Clark County	Provider	Approved Stations	NWRN 12/31/2018		Standard Met?
			Patients	Patients Per Station	4.5 Patients Per Station
DVA VANCOUVER 502550	DVA	12	70	5.83	Yes
DVA BATTLE GROUND 502584	DVA	10	45	4.50	Yes
PNRS FT VANCOUVER 502522	FMC	24	137	5.71	Yes
PNRS SALMON CRK Vanc. 502524	FMC	16	94	5.86	Yes
PNRS CLARK CO Btl Grnd 502574	FMC	22	103	4.68	Yes

As outlined in Table 5, all facilities in the planning area are at 4.5 patients per station, thus the utilization standard for 4.8 planning areas is met.

## 3. Complete the quantitative station need methodology outlined in WAC 246-310-812.

WAC 246-310-812 outlines the applicable standards and methodology to determine planning area need. WAC 246-310-800(15) defines a "planning area" as an individual geographic area designated by the department for which kidney dialysis station need projections are calculated. The 6 year in-center hemodialysis patient historical volume for the Clark County ESRD planning area zip codes is represented below in Table 6, per data from the year-end NWRN modality reports.

Planning Area In-Center Hemodialysis Patients by Year						
Clark	2013	2014	2015	2016	2017	2018
Clark County	359	378	374	412	437	432
<b>Total</b>	<b>359</b>	<b>378</b>	<b>374</b>	<b>412</b>	<b>437</b>	<b>432</b>

Table 7 analyzes the historical growth rate for the number of resident in-center patients from Clark County to determine if the linear or nonlinear regression methodology will be used in determining need per WAC 246-

310-812(4)(a)(i-ii). The linear regression methodology was selected as year-to-year increases are less than 6% in several of the past five annual increases, including 2013-2014.

<b>Clark</b>	2013	2014	2015	2016	2017	2018
Total	359	378	374	412	437	432
% Change		5.29%	-1.06%	10.16%	6.07%	-1.14%

Table 8 projects dialysis utilization for five years after the last calendar year when year-end in-center patient data by planning area from the NWRN modality reports is available prior to the letter of intent submission date, per WAC 246-310-812(4)(b). This fifth future year is deemed to be the projection year for identifying the maximum number of stations that may be approved within a planning area under the state methodology, per WAC 246-310-800(16). This methodology is based on the following:

- Performing a 5-year future regression of 5-year historical data, described in WAC 246-310-812(4), using either the linear or nonlinear regression methodology determined in the prior table to determine total projected patient volume. In this case, the linear methodology is used.
- Applying the patient to station conversion factor – either 4.8 patients per station for urban areas or 3.2 patients per station for designated rural counties – to determine total station need in the area. In this case, the 4.8 patients per station utilization factor is applied.
- Subtracting existing stations for dialysis facilities in the planning area from the total station need and rounding up to the next whole number of stations to determine net station need.

<b>Clark</b>	Year 1	Year 2	Year 3	Year 4	Year 5
	2019	2020	2021	2022	2023
Projected Hemodialysis Patients	457.9	475.0	492.1	509.2	526.3
Patient:Station Conversion Factor	4.8	4.8	4.8	4.8	4.8
Total Station Need	95.40	98.96	102.52	106.08	109.65
Rounded to the next whole number	96.00	99.00	103.00	107.00	110.00
Existing Stations	84	84	84	84	84
Net Station Need	-12.00	-15.00	-19.00	-23.00	-26.00

Clark County shows need for twenty-six (26) stations in the fifth year of the projection, 2023.

**4. For existing facilities, provide the facility's historical utilization for the last three full calendar years.**

This question is not applicable as Vancouver Camas Dialysis Center would be a new facility.

**5. For existing facilities proposing to add one or two stations under WAC 246-310-818, provide the facility's historical utilization data for the most recent six months preceding the letter of intent period**

This question is not applicable, as DaVita is not applying under WAC 246-310-818.

**6. Provide projected utilization of the proposed facility for the first three full years of operation. For existing facilities, also provide the intervening years between historical and projected. Include all assumptions used to make these projections.**

The table below provides a summary of projected utilization for the first three full years of operation through completion of the third full year of operation (2023 - 2025). In-center patient volume is based on a 5-year projection of Clark County patients using a regression of 5 years historical data per the Department's methodology and DaVita's own experience. In-center treatments are based on an assumption of 3 treatments per week per patient for 52 weeks with a 5% allowance for missed treatments.

<b>Table 9 DaVita Vancouver Camas Dialysis Center Projected Utilization</b>	<b>Partial Year 2022</b>	<b>Projection Year 2023</b>	<b>Projection Year 2024</b>	<b>Projection Year 2025</b>
Total in-center stations (excluding CON exempt ISO)	26	26	26	26
Total in-center patients (average)	10.50	30.80	62.40	105.50
Total in-center treatments	787	4,565	9,248	15,635
Total home patients (average)	0	0	0	0
Total home treatments	0	0	0	0

**7. For existing facilities, provide patient origin zip code data for the most recent full calendar year of operation.**

This question is not applicable as DaVita Vancouver Camas Dialysis would be a new facility.

**8. Identify any factors in the planning area that could restrict patient access to dialysis services.**

DaVita is not aware of factors relating to its proposed offering of services at DaVita Vancouver Camas Dialysis that could restrict patient access to dialysis services in the planning area. On the contrary, an addition of twenty-six (26) stations in the planning area, where the current facilities average 5.35 patients per station, will enhance patient access and offer provider choice. As detailed in its response to question 7 under the Project Description, no existing services provided to dialysis patients or community members diagnosed with chronic kidney disease (CKD) will be curtailed under this project.



**9. Identify how this project will be available and accessible to low-income persons, racial and ethnic minorities, women, mentally handicapped persons, and other under-served groups.**

DaVita's history of providing dialysis services at numerous locations throughout Washington State shows that all persons, including the underserved groups identified in WAC 246-310-210(2), have adequate access to DaVita's facilities, as required by the regulation. We have provided as Appendix 14 copies of the applicable admission, patient financial evaluation, and patient involuntary transfer policies. Additionally, the pro forma the funds that have been budgeted to provide charity care.

**10. If this project is either a partial or full relocation of an existing facility, provide a detailed discussion of the limitations of the current site consistent with WAC 246-310-210(2).**

This question is not applicable to this project.

**11. If this project is either a partial or full relocation of an existing facility, provide a detailed discussion of benefits associated with the relocation consistent with WAC 246-310-210(2).**

This question is not applicable to this project.

**12. Provide a copy of the following policies:**

- Admissions policy
- Charity care or financial assistance policy
- Patient Rights and Responsibilities policy
- Non-discrimination policy
- Any other policies directly associated with patient access (example, involuntary discharge)

Copies of these policies are provided in Appendix 14. Additionally, DaVita's history of providing dialysis services at numerous locations throughout Washington State shows that all persons, including the underserved groups identified in WAC 246-310-210(2), have adequate access to DaVita's facilities, as required by the regulation.

**B. Financial Feasibility (WAC 246-310-220 and 246-310-815)**

**1. Provide the following agreements/contracts:**

- Management agreement.
- Operating agreement
- Medical director agreement
- Development agreement
- Joint Venture agreement

A draft Medical Director Agreement, valid through at least the first three full years following completion of the project, is included in Appendix 3. The Medical Director is Dr. Sudha Pidikiti, M.D. (MD # 1275623563).

Neither a management agreement nor an operating agreement are applicable to this project as DaVita Inc. will be the sole owner and operator of Vancouver Camas Dialysis Center. No joint venture agreement applicable, as DaVita will be the sole owner of Vancouver Camas Dialysis Center.

**2. Provide documentation of site control. This could include either a deed to the site or a lease agreement for the site. If a lease agreement is provided, the terms must be for at least five years following project completion.**

The DaVita Vancouver Camas Dialysis Center executed lease, with a term extending at least five years beyond project completion, is included in Appendix 15.

**3. Provide county assessor information and zoning information for the site. If zoning information for the site is unclear, provide documentation or letter from the municipal authorities showing the proposed project is allowable at the identified site.**

Zoning & county assessor documentation for the proposed DaVita Vancouver Camas Dialysis Center is provided in Appendix 15.

**4. Complete the table below with the estimated capital expenditure associated with this project. Capital expenditure for the purposes of dialysis applications is defined under WAC 246-310-800(3). If you have other line items not listed below, include the definition of the line item. Include all assumptions used to create the capital expenditure estimate.**

<b>Table 10: Estimated Capital Expenditure</b>	
<b>Item</b>	<b>Cost</b>
a. Land Purchase	\$ -
b. Utilities to Lot Line	\$ 2,962
c. Land Improvements	\$ -
d. Building Purchase	\$ -
e. Residual Value of Replaced Facility	\$ -
f. Building Construction	\$ 2,330,795
g. Fixed Equipment (not already included in the construction contract)	\$ 269,656
h. Movable Equipment	\$ 901,015
i. Architect and Engineering Fees	\$ 168,000
j. Consulting Fees	\$ -
k. Site Preparation	\$ -
l. Supervision and Inspection of Site (including Permits)	\$ 91,693
m. Any Costs Associated with Securing the Sources of Financing (include interim interest during construction)	
1. Land	\$ -
2. Building	\$ -
3. Equipment	\$ -
4. Other	\$ -
n. Washington Sales Tax (included in above where applicable)	
<b>Total Estimated Capital Expenditure</b>	<b>\$3,764,121</b>

Construction cost is estimated based on the non-binding contractor estimate presented in response to Question 6. Construction cost number includes sales tax. Sales tax is assumed at Vancouver rate of 8.1% for all fixtures, furnishings, and equipment, and where else applicable. Sales tax is not attributed to dialysis machines.

- 5. Identify the entity responsible for the estimated capital costs identified above. If more than one entity is responsible, provide breakdown of percentages and amounts for all.**

DaVita Inc, via its subsidiary Total Renal Care, Inc., is solely responsible for the capital costs identified above.

- 6. Provide a non-binding contractor's estimate for the construction costs for the project.**

Please see the estimate provided in Appendix 21.

**7. Provide a detailed narrative regarding how the project would or would not impact costs and charges for services. WAC 246-310-220.**

The DaVita Vancouver Camas Dialysis Center Detailed Projected Operating Statement (Pro Forma) covering the first three full years in operation is included in Appendix 9. As required per WAC 246-310-815(1)(b), that pro forma is based on the three nearest DaVita facilities' current payer mixes and current expenses. All major pro forma assumptions are also outlined in Appendix 9.

No existing facility is expected to lose volume or market share below Certificate of Need standards as a result of this project, as all existing dialysis facilities in the planning area are operating above the utilization threshold of 4.5 patients per station. The proposed facility will operate at utilization levels consistent with required utilization levels after three years. Finally, reimbursements for dialysis services are not subject to or affected by capital improvements and expenditures by providers; the proposed project will have no impact on increases in charges for services within the ESRD planning area, and will actually increase patient choice of provider from one provider to two in the planning area.

**8. Provide documentation that the costs of the project, including any construction costs, will not result in an unreasonable impact on the costs and charges for health services in the planning area. WAC 246-310-220.**

WAC 246-310-815(2) requires that applicants limit the costs of facility projects by creating a test of reasonableness in the construction of finished treatment floor area square footage. The treatment floor area must not exceed the maximum treatment floor area square footage defined in WAC 246-310-800(11). As outlined in response to Question Eleven under the Project Description, DaVita does not propose to construct treatment floor space in excess of the maximum treatment floor area square footage, and thus, under the WAC 246-310-815(2) test, this project does not have an unreasonable impact on costs and charges.

Additionally, as noted in response to question seven, reimbursements for dialysis services are not subject to or affected by capital improvements and expenditures by providers; the proposed project will have no impact on increases in charges for services within the ESRD planning area.

**9. Provide the projected payer mix by revenue and by patients using the example table below. If "other" is a category, define what is included in "other."**

<b>Table 11</b>		
<b>DaVita Vancouver Camas Dialysis Center</b>		
<b>Projected Payor Mix</b>		
	<b>Percentage by Revenue</b>	<b>Percentage by Patient</b>
Medicare	41.2%	65.6%
Medicaid	7.2%	10.5%
Commercial, HMO, Other Government, and Other	51.6%	23.9%
Total	100.0%	100.0%

**10. If this project proposes the addition of stations to an existing facility, provide the historical payer mix by revenue and patients for the existing facility.**

This question is not applicable to this project.

**11. Provide a listing of all new equipment proposed for this project. The list should include estimated costs for the equipment. If no new equipment is required, explain.**

Table 12 provides a listing of all new equipment proposed for this project (including estimated sales tax where applicable).

<b>Table 12 DaVita Vancouver Camas Dialysis Center New Equipment</b>	
<b>Expenditure Category</b>	<b>Allocated Equipment Cost</b>
Communication/Computer Equipment	\$ 246,324
Water Treatment/Biomedical/Reuse	\$ 219,946
Clinical Equipment	\$ 552,231
Dialysis Machines, IV Pumps, AED, EKG, etc.	
Permanent bed	
Patient Scale, Ice Machine, Patient Lift, etc.	
Dialysis Chairs, Chart Racks, Stools, etc.	
Storage, Fixtures, Artwork, Office Equipment, etc.	\$ 152,170
Sales Tax (included in above where applicable)	
<b>Total Equipment Costs</b>	<b>\$ 1,170,671</b>

**12. Identify the source(s) of financing (loan, grant, gifts, etc.) and provide supporting documentation from the source.**

The project will be funded from DaVita's capital expenditures budget. Capital budgeting reflects appropriate allocations of funds for projects in the Pacific Northwest. A letter from Mike Staffieri, Chief Operating Officer, committing to these funds is included as Appendix 6.

**13. Provide the applicant's audited financial statements covering at least the most recent three years. WAC 246-310-220.**

Audited financial statements for DaVita Inc., covering the time period from 2016-2018, are provided in Appendix 10.

### C. Structure and Process (Quality) of Care (WAC 246-310-230)

1. Provide a table that shows FTEs [full time equivalents] by category for the proposed facility. If the facility is currently in operation, include at least the last three full years of operation, the current year, and the first three full years of operation following project completion. There should be no gaps in years.

Table 13 presents the staffing for the DaVita Vancouver Camas Dialysis Center. The salary and wage and benefit costs for the facility are detailed below.

Table 13	Comp Clinics		FTEs			
	Avg Wage Rate	Staffing Ratio (pts per shift, station)	PY	FY22	FY23	FY24
Administrator	\$ 45.89	80	1.00	1.00	1.00	1.00
Admin Assistant	\$ 23.26	110	1.00	1.00	1.00	1.00
Social Worker	\$ 30.83	120	0.20	0.30	0.55	0.90
Dietician	\$ 32.13	120	0.20	0.30	0.55	0.90
RN - In-Center	\$ 40.51	12	0.50	1.00	2.00	3.00
PCT	\$ 20.28	4	1.00	3.00	5.50	9.00
RN - PD	\$ 41.77	18	-	-	-	-
Biomed	\$ 31.09	40	0.68	0.68	0.68	0.68
Other	\$ 29.64	80	0.13	0.39	0.78	1.32

2. Provide the assumptions used to project the number and types of FTEs identified for this project.

DaVita projects FTEs based on staffing ratios for patients per shift, combined with clinical expertise. Standard ratios are noted in Table 13. Overall census estimates are based on the assumptions describing the pro forma in Appendix 9. The “Other” category includes, among other miscellaneous categories, patient education and inventory management roles, as well as training hours.

3. Identify the salaries, wages, and employee benefits for each FTE category.

Aggregated wage rates for each FTE category are noted in Table 13, based on actual rates from 2017 comparable facilities. Benefits are calculated at 55.47% of gross wages, and include non-base pay.

**4. Provide the name and professional license number of the current or proposed medical director. If not already disclosed under 210(1) identify if the medical director is an employee or under contract.**

The proposed Medical Director is Dr. Sudha Pidikiti, M.D. (MD # 1275623563). He is under contract to provide medical director services to Vancouver Camas Dialysis Center, and is not an employee of DaVita.

**5. Identify key staff, if known. (nurse manager, clinical director, etc.)**

DaVita Vancouver Camas Dialysis Center will have a Facility Administrator (FA) and Clinical Coordinator (CC). These staff are not yet identified.

**6. For existing facilities, provide names and professional license numbers for current credentialed staff.**

This question is not applicable.

**7. Describe your methods for staff recruitment and retention. If any barriers to staff recruitment exist in the planning area, provide a detailed description of your plan to staff this project.**

DaVita anticipates no difficulty in recruiting the necessary personnel to staff DaVita Vancouver Camas Dialysis Center. While new staff will be required, DaVita has been repeatedly recognized as a Top Employer and a Military Friendly Employer (DaVita.com/about/awards) and offers a competitive wage and benefit package to employees. DaVita posts openings nationally both internally and external to DaVita.

**8. Provide a listing of proposed ancillary and support agreements for the facility. For existing facilities, provide a listing of the vendors.**

Please see a listing of proposed ancillary and support agreements for DaVita Vancouver Camas Dialysis Center in Appendix 11.

**9. For existing facilities, provide a listing of ancillary and support service vendors already in place.**

This question is not applicable.

**10. For new facilities, provide a listing of ancillary and support services that will be established.**

Please see a listing of proposed ancillary and support agreements, and services to be established, for DaVita Vancouver Camas Dialysis Center in Appendix 11.

**11. Provide a listing of ancillary and support services that would be provided on site and those provided through a parent corporation off site.**

Ancillary services such as social services, nutrition services, financial counseling, pharmacy access, patient education, staff education, information services, material management, administration and biomedical technical services will be provided on site. Additional services are coordinated through DaVita's main office in Denver, Colorado, and support offices in Federal Way and Tacoma, Washington, and elsewhere. These ancillary and support services provided centrally include the Guest Services Program that provides assistance in locating other dialysis facilities for patients wishing to travel or relocate. In addition, DaVita offers centralized revenue cycle, management services, quality improvement services, biomedical equipment maintenance and a number of other high-value off-site programs.

**12. Identify whether any of the existing ancillary or support agreements are expected to change as a result of this project.**

No existing ancillary or support agreements are expected to change as a result of this project.

**13. If the dialysis center is currently operating, provide a listing of healthcare facilities with which the dialysis center has working relationships.**

This question is not applicable.

**14. For a new facility, provide a listing of healthcare facilities with which the dialysis center would establish working relationships.**

DaVita anticipates establishing working relationships with local hospitals, both for emergency patient transfer as well as coordinated discharge and acceptance of patients. DaVita also anticipates continuing its relationships with area physician practices to ensure the highest quality coordinated care for patients. Finally, DaVita anticipates establishing relationships with local nursing homes to provide care for their resident ESRD patients, many of which it already collaborates with in other area dialysis facilities.

**15. Provide a copy of the existing or proposed transfer agreement with a local hospital**

Please see the Transfer Agreement in Appendix 12.

**16. Clarify whether any of the existing working relationships would change as a result of this project.**

No existing working relationships are expected to change as a result of this project, although area hospitals and nursing homes may expect enhanced access for their ESRD patients upon project completion.



**17. Fully describe any history of the applicant concerning the actions noted in Certificate of Need rules and regulations WAC 246-310-230(5)(a). If there is such history, provide documentation that the proposed project will be operated in a manner that ensures safe and adequate care to the public to be served and in conformance with applicable federal and state requirements. This could include a corporate integrity agreement or plan of correction.**

On October 22, 2014, DaVita and the United States Department of Health and Human Services, Office of Inspector General entered into a Corporate Integrity Agreement (“CIA”) to promote compliance with the statutes, regulations, and written directives of Medicare, Medicaid, and all other Federal health care programs and, in particular, included the appointment of an Independent Monitor to prospectively review DaVita’s arrangements with nephrologists and other health care providers for compliance with the Anti-Kickback Statute (collectively, “Federal Health Care Programs and Laws”). That Independent Monitor completed the prospective review process in the fall of 2017. Each arrangement is now reviewed by the Risk Rating team to ensure that it is compliant with these Federal Health Care Programs and Laws. The Corporate Integrity Agreement expired October 22, 2019. During the five-year term of the agreement, DaVita continued to thrive and though no longer required to pursuant to the agreement, DaVita plans to continue most of the policies and spirit of the agreement. For reference, the expired Corporate Integrity Agreement is attached as Appendix 20.

**18. Provide documentation that the proposed project will promote continuity in the provision of health care services in the planning area, and not result in an unwarranted fragmentation of services. WAC 246-310-230**

Appendix 17 provides a summary of quality and continuity of care indicators used in DaVita’s quality improvement program. The DaVita Continuous Quality Improvement (CQI) program incorporates all areas of the dialysis program. The program monitors and evaluates all activities related to clinical outcomes, operations management, and process flow. Dialysis-specific statistical tools (developed by DaVita) are used for measurement, analysis, communication, and feedback. Continuing employee and patient education are integral parts of this program. Appendix 17 includes an example of DaVita Quality Index (DQI) data. Appendix 18 includes an example of DaVita’s Physician, Community and Patient Services offered through DaVita’s Kidney Smart Education Program. Appendix 12 includes a copy of a draft transfer agreement between DaVita Vancouver Camas Dialysis Center and an area care hospital partner. DaVita has been honored as one of the World’s Most Admired Companies® by FORTUNE® magazine since 2006, confirming its excellence in working effectively with the communities it serves (DaVita.com/about/awards).

From the perspective of a dialysis patient with multiple relevant healthcare providers, such as a primary care provider, nephrologist, home care caregivers or skilled nursing or assisted living caregivers, and perhaps (unfortunately) a recently-visited hospital. DaVita is committed to the wellbeing of its patients, and for patients with a diagnosis as complex as end-stage renal disease, that wellbeing by necessity requires communication and coordination with multiple caregivers, such as those above. DaVita uses an interdisciplinary team

consisting of the facility social worker, dietician, clinical nurse manager, medical director, and the patient's nephrologist to facilitate communication and coordination through the healthcare system. If a comorbidity is identified that impacts the patient's health, the patient's nephrologist or medical director would reach out to the patient's primary care physician for consult. DaVita would also ensure any change in the care plan from the patient's nephrologist is executed in consultation with the facility medical director. DaVita collaborates with home or assisted living and skilled nursing caregivers on a daily basis, including in cases such as the patient's above, reviewing transportation, dialysis medication needs, access care, as well as taking in any dialysis-related concerns those patients may have and reviewing them in consultation with the interdisciplinary team. When a hospital is unfortunately required to intervene in a patient's care, DaVita facilitates rapid discharges back to chronic dialysis, coordination of medical records into the patient's chart, and coordination with the patient's nephrologist for any care plan changes. Additionally, all DaVita dialysis centers enter into hospital and nursing home transfer agreements, and participate in community emergency preparedness drills to ensure maximum coordination in the healthcare arena. Dialysis is one of the healthcare modalities that, due to its regular cadence and length, is one of patients' most consistent touchpoints with the healthcare system, and DaVita is committed to working with its patients to use these points to coordinate and communicate among the patient's healthcare providers across the healthcare system.

**19. Provide documentation that the proposed project will have an appropriate relationship to the service area's existing health care system as required in WAC 246-310-230.**

The proposed DaVita Vancouver Camas Dialysis Center will have an appropriate relationship to the service area's existing health care system. DaVita Vancouver Camas Dialysis will be a key component of the expanded health care system in the service area, and the project will enable enhanced patient access in Clark County. Furthermore, DaVita has a long track record of working with area providers and collaborating with them to provide the highest quality care for patients.

**20. Provide documentation to verify that the facility would be operated in compliance with applicable state and federal standards. The assessment of the conformance of a project to this criterion shall include, but not be limited to, consideration as to whether the applicant or licensee has no history, in this state or elsewhere, of a criminal conviction which is reasonably related to the applicant's competency to exercise responsibility for the ownership or operation of a health care facility, a denial or revocation of a license to operate a health care facility, a revocation of a license to practice a health profession, or a decertification as a provider of services in the Medicare or Medicaid program because of failure to comply with applicable federal conditions of participation.**

The applicant has no adverse history of license revocation or decertification in Washington State. DaVita has no criminal convictions related to DaVita's competency to exercise responsibility for the ownership or operation of its facilities. As previously reported, a DaVita facility in Tennessee was decertified and closed ten

years ago (2007) and DaVita voluntarily temporarily shut down a facility in Texas nine years ago (2008). DaVita has also supplied, in Appendix 13, a list of all state regulatory agencies with which it interacts.

## **D. Cost Containment (WAC 246-310-240)**

### **1. Identify all alternatives considered prior to submitting this project.**

**Alternative 1: Do nothing. That is, do not apply for additional stations in the Clark County planning area.** Clark County is growing in ESRD population, with a three-year annualized in-center ESRD census growth rate of 4.92% and demonstrated need for twenty-six (26) stations. Other centers in the area are all above 75% utilization. With strong demand for access to DaVita's services but no application, patients will be forced to dialyze at less convenient times, locations, or even out of the planning area entirely. This alternative was rejected.

**Alternative 2: Apply for twenty-six (26) stations in the Clark County planning area.** As summarized above, Clark County shows substantial need for dialysis services. DaVita will rapidly offer high-quality dialysis services to patients in the Clark County planning area, additional provider choice, and additional, centrally located access. **This alternative was selected.**

### **2. Provide a comparison of the project with alternatives rejected by the applicant. Include the rationale for considering this project to be superior to the rejected alternatives. Factors to consider can include, but are not limited to: patient access to healthcare services, capital cost, legal restrictions, staffing impacts, quality of care, and cost or operation efficiency.**

Please see the exploration and analysis of alternatives in response to Question One above.

### **3. For existing facilities, identify your closest two facilities as required in WAC 246-310-827(3)(a).**

This question is not applicable.

### **4. For new facilities, identify your closest three facilities as required in WAC 246-310-827(3)(b).**

DaVita's three closest, non-exception facilities to its proposed Vancouver Camas Dialysis Center are:

- DaVita Seaview Dialysis Center
- DaVita Vancouver Dialysis Center

- DaVita Battle Ground Dialysis Center

**5. Identify whether any aspects of the facility's design could lead to operational efficiency. This could include but is not limited to: LEED building, water filtration, or the methods for construction, etc. WAC 246-310-240(2) and (3).**

DaVita Vancouver Camas Dialysis Center will meet all current energy conservation standards required. Furthermore, DaVita design standards, reflected in the single-line drawing, are planned to promote energy efficiency, create efficient workflows, clean sightlines and a safe and welcoming environment for patients.

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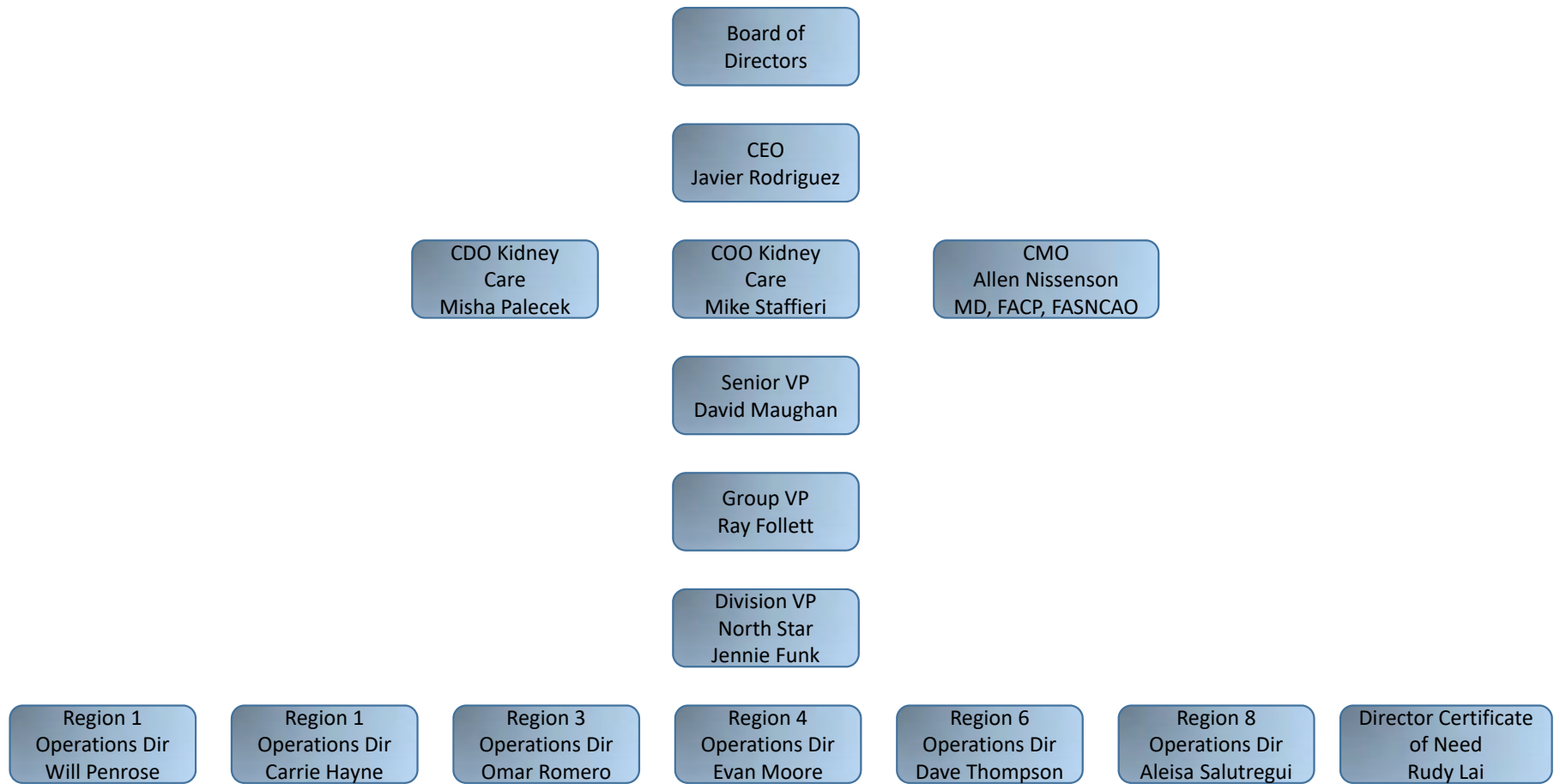
## APPENDICES

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<b>Appendix 20</b>	Corporate Integrity Agreement
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# Appendix 1

## Organizational Chart

# Davita Organizational Structure



## Appendix 2

### Master Legal Entity List National DaVita Facilities



Entity Name	Domestic Jurisdiction	Formation Date	Entity Type	CSC Indicator	CSC Service Status	Entity Status	Entity Status Date	Wholly Owned (Yes/No)	DVA Ownership 50% or Less (Yes/No)	SIC/NAICS
Aberdeen Dialysis, LLC	DE	11/06/2006	LLC	CSC	ACTIVE	Active	11/06/2006	No	No	621492
Able Dialysis, LLC	DE	03/08/2013	LLC	CSC	ACTIVE	Active	03/08/2013	No	No	621492
Acadia Dialysis, LLC	DE	11/20/2012	LLC	CSC	ACTIVE	Active	11/20/2012	Yes	No	621492
Accountable Kidney Care, LLC	DE	01/31/2011	LLC	CSC	ACTIVE	Active	01/31/2011	Yes	No	621492
Ackley Dialysis, LLC	DE	10/08/2015	LLC	CSC	ACTIVE	Active	10/08/2015	Yes	No	621492
Acton Dialysis, LLC	DE	01/10/2013	LLC	CSC	ACTIVE	Active	01/10/2013	Yes	No	621492
Adair Dialysis, LLC	DE	08/20/2012	LLC	CSC	ACTIVE	Active	08/20/2012	Yes	No	621492
Adiron Dialysis, LLC	DE	12/02/2016	LLC	CSC	ACTIVE	Active	12/02/2016	Yes	No	621492
Afton Dialysis, LLC	DE	09/02/2014	LLC	CSC	ACTIVE	Active	09/02/2014	Yes	No	621492
Ahern Dialysis, LLC	DE	06/16/2015	LLC	CSC	ACTIVE	Active	06/16/2015	No	No	621492
AI Care Insights, LLC	DE	01/29/2019	LLC	CSC	ACTIVE	Active	01/29/2019	Yes	No	
Aikens Dialysis, LLC	DE	12/04/2013	LLC	CSC	ACTIVE	Active	12/04/2013	Yes	No	621492
Alamosa Dialysis, LLC	DE	09/03/2008	LLC	CSC	ACTIVE	Active	09/03/2008	Yes	No	621492
Alenes Dialysis, LLC	DE	10/08/2015	LLC	CSC	ACTIVE	Active	10/08/2015	No	No	621492
Alexandria Dialysis, LLC	DE	01/10/2012	LLC	CSC	ACTIVE	Active	01/10/2012	Yes	No	621492
Allister Dialysis, LLC	DE	10/05/2018	LLC	CSC	ACTIVE	Active	10/05/2018	Yes	No	621492
Alomie Dialysis, LLC	DE	01/09/2014	LLC	CSC	ACTIVE	Active	01/09/2014	Yes	No	621492
Altterra Dialysis, LLC	DE	10/05/2016	LLC	CSC	ACTIVE	Active	10/05/2016	No	No	621492
Amarillo Dialysis, LLC	DE	06/19/2007	LLC	CSC	ACTIVE	Active	06/19/2007	Yes	No	621492
American Dialysis, LLC	DE	05/16/2008	LLC	CSC	ACTIVE	Active	05/15/2008	Yes	No	621492
American Fork Dialysis, LLC	DE	06/21/2007	LLC	CSC	ACTIVE	Active	06/21/2007	No	No	621492
American Medical Insurance, Inc.	AZ	09/25/2017	CORP	CSC	ACTIVE	Active	09/25/2017	Yes	No	
Amery Dialysis, LLC	DE	02/27/2008	LLC	CSC	ACTIVE	Active	02/27/2008	No	No	621492
Amity Dialysis, LLC	DE	08/15/2017	LLC	CSC	ACTIVE	Active	08/15/2017	No	No	621492
AMR - Assistencia Medica Ao Renal Ltda.	Brazil	12/26/1979	LLCL	NonCSC	N/A	Active	12/26/1979	Yes	No	
Anderson Kidney Dialysis, LLC	DE	12/17/2010	LLC	CSC	ACTIVE	Active	12/12/2010	Yes	No	621492
Andrews Dialysis, LLC	DE	07/08/2014	LLC	CSC	ACTIVE	Active	07/08/2014	Yes	No	621492
Aneka Produktif Sdn. Bhd.	Malaysia	04/18/2016	PCLS	NonCSC	N/A	Active	04/18/2016	Yes	No	
Animas Dialysis, LLC	DE	09/23/2008	LLC	CSC	ACTIVE	Active	09/23/2008	Yes	No	621492
Arcadia Gardens Dialysis, LLC	DE	11/15/2007	LLC	CSC	ACTIVE	Active	11/15/2007	No	No	621492
Arcadia Outpatient Surgery Center, L.P.	CA	03/09/1988	LP	NonCSC	N/A	Active	03/09/1988	No		
Arches Dialysis, LLC	DE	05/16/2008	LLC	CSC	ACTIVE	Active	05/16/2008	Yes	No	621492
Ardigm Dialysis, LLC	DE	06/26/2015	LLC	CSC	ACTIVE	Active	06/26/2015	Yes	No	621492
Argyle Dialysis, LLC	DE	11/01/2013	LLC	CSC	ACTIVE	Active	11/01/2013	Yes	No	621492
Arrowhead Dialysis, LLC	DE	03/10/2009	LLC	CSC	ACTIVE	Active	03/10/2009	Yes	No	621492
ARTA Health Network, P.C.	CA	06/15/1994	PC	NonCSC	N/A	Active	06/15/1994		Yes	621111
ARTA Western California, Inc.	CA	03/30/1995	CORP	NonCSC	N/A	Active	03/30/1995	No	Yes	621111
Artesia Dialysis, LLC	DE	02/13/2015	LLC	CSC	ACTIVE	Active	02/13/2015	No	No	621492
Ashdow Dialysis, LLC	DE	08/22/2017	LLC	CSC	ACTIVE	Active	08/22/2017	No	No	621492
Aspen Group	DC	09/16/2014	NFP	NonCSC	N/A	Active	09/16/2014			
Astro, Hobby, West Mt. Renal Care Limited Partnership	DE	12/27/1996	LP	CSC	ACTIVE	Active	12/27/2006	Yes	No	621492
Atchess Dialysis, LLC	DE	01/16/2019	LLC	CSC	ACTIVE	Active	01/16/2019	Yes	No	621492
Atchison Dialysis, LLC	DE	11/28/2016	LLC	CSC	ACTIVE	Active	11/28/2016	No	No	621492
Athio Dialysis, LLC	DE	12/16/2014	LLC	CSC	ACTIVE	Active	12/16/2014	No	No	621492
Atlantic Dialysis, LLC	DE	03/13/2013	LLC	CSC	ACTIVE	Active	03/13/2013	No	No	621492
Attell Dialysis, LLC	DE	12/23/2015	LLC	CSC	ACTIVE	Active	12/23/2015	No	No	621492
Austin Dialysis Centers, L.P.	DE	07/14/2004	LP	CSC	ACTIVE	Active	07/14/2004	No	No	621492
Avertrail Dialysis, LLC	DE	03/10/2017	LLC	CSC	ACTIVE	Active	03/10/2017	No	Yes	621492
Babler Dialysis, LLC	DE	09/26/2014	LLC	CSC	ACTIVE	Active	09/26/2014	No	No	621492
Bagby Dialysis, LLC	DE	04/09/2013	LLC	CSC	ACTIVE	Active	04/09/2013	Yes	No	621492
Bainbridge Dialysis, LLC	DE	02/16/2012	LLC	CSC	ACTIVE	Active	02/16/2012	No	No	621492
Baker Dialysis, LLC	DE	07/09/2014	LLC	CSC	ACTIVE	Active	07/09/2014	Yes	No	621492
Balch Springs Dialysis, LLC	DE	09/08/2011	LLC	CSC	ACTIVE	Active	09/08/2011	Yes	No	621492
Bancroft Dialysis, LLC	DE	07/18/2017	LLC	CSC	ACTIVE	Active	07/18/2017	Yes	No	621492
Bandelier Dialysis, LLC	NY	04/12/2019	LLC	CSC	ACTIVE	Active	04/12/2019	Yes	No	621492
Banfort Dialysis, LLC	DE	03/31/2017	LLC	CSC	ACTIVE	Active	03/31/2017	No	No	621492
Bannack Dialysis, LLC	DE	11/12/2015	LLC	CSC	ACTIVE	Active	11/12/2015	No	No	621492
Bannon Dialysis, LLC	DE	10/24/2013	LLC	CSC	ACTIVE	Active	10/24/2013	No	No	62149
Barnell Dialysis, LLC	DE	09/19/2013	LLC	CSC	ACTIVE	Active	09/19/2013	No	No	621492
Barnstable Dialysis, LLC	NY	08/15/2018	LLC	CSC	ACTIVE	Active	08/13/2018	Yes	Yes	621492
Barrington Dialysis, LLC	DE	09/19/2012	LLC	CSC	ACTIVE	Active	09/19/2012	Yes	No	621492
Barrons Dialysis, LLC	DE	11/07/2017	LLC	CSC	ACTIVE	Active	11/07/2017	No	No	621492
Barton Dialysis, LLC	DE	08/02/2011	LLC	CSC	ACTIVE	Active	08/02/2011	No	No	621492
Basin Dialysis, LLC	DE	05/23/2012	LLC	CSC	ACTIVE	Active	05/23/2012	No	No	621492
Bastrop Dialysis, LLC	DE	09/19/2012	LLC	CSC	ACTIVE	Active	09/19/2012	Yes	No	621492
Bayfield Dialysis, LLC	DE	03/27/2018	LLC	CSC	ACTIVE	Active	03/27/2018	No	No	621492
Bayonne Renal Center, LLC	DE	11/01/2000	LLC	CSC	ACTIVE	Active	11/01/2000	Yes	No	621492
Baysshore Dialysis, LLC	DE	12/04/2013	LLC	CSC	ACTIVE	Active	12/05/2013	No	No	621492

Entity Name	Domestic Jurisdiction	Formation Date	Entity Type	CSC Indicator	CSC Service Status	Entity Status	Entity Status Date	Wholly Owned (Yes/No)	DVA Ownership 50% or Less (Yes/No)	SIC/NAICS
Baytown Dialysis, LLC	DE	06/08/2007	LLC	CSC	ACTIVE	Active	06/08/2007	Yes	No	621492
Beachside Dialysis, LLC	DE	01/11/2012	LLC	CSC	ACTIVE	Active	01/11/2012	No	No	621492
Beacon Dialysis, LLC	DE	12/07/2010	LLC	CSC	ACTIVE	Active	12/07/2010	No	No	621492
Beals Dialysis, LLC	DE	04/03/2014	LLC	CSC	ACTIVE	Active	04/03/2014	Yes	No	621492
Bear Creek Dialysis Center, L.P.	DE	03/23/2006	LP	CSC	ACTIVE	Active	03/23/2006	No	No	621492
Beck Dialysis, LLC	DE	11/01/2012	LLC	CSC	ACTIVE	Active	11/01/2012	Yes	No	621492
Bedell Dialysis, LLC	DE	06/30/2015	LLC	CSC	ACTIVE	Active	06/30/2015	Yes	No	621492
Belfair Dialysis, LLC	DE	03/13/2013	LLC	CSC	ACTIVE	Active	03/13/2013	Yes	No	621492
Bellevue Dialysis, LLC	DE	07/30/2012	LLC	CSC	ACTIVE	Active	07/30/2012	No	No	621492
Belmont Dialysis, LLC	DE	10/05/2016	LLC	CSC	ACTIVE	Active	10/05/2016	No	No	621492
Bemity Dialysis, LLC	DE	02/05/2016	LLC	CSC	ACTIVE	Active	02/05/2016	Yes	No	621492
Bennett Dialysis, LLC	NY	04/23/2015	LLC	CSC	ACTIVE	Active	04/23/2015	Yes	No	621492
Beverly Dialysis, LLC	DE	11/03/2010	LLC	CSC	ACTIVE	Active	11/03/2010	Yes	No	621492
Beverly Hills Dialysis Partnership	CA	12/01/1994	GP	NonCSC	N/A	Active - Dissolution Pending	08/15/2016	Yes	No	621492
Bidwell Dialysis, LLC	DE	10/01/2012	LLC	CSC	ACTIVE	Active	10/01/2012	Yes	No	621492
Birch Dialysis, LLC	OH	12/29/2010	LLC	CSC	ACTIVE	Active	12/29/2010	Yes	No	621492
Biscayne Dialysis, LLC	DE	05/09/2014	LLC	CSC	ACTIVE	Active	05/09/2014	Yes	No	621492
Blackfoot Dialysis Partners, LLC	DE	06/09/2006	LLC	CSC	ACTIVE	Active	06/09/2006	Yes	No	621492
Bladon Dialysis, LLC	DE	03/29/2011	LLC	CSC	ACTIVE	Active	03/29/2011	No	No	621492
Blake Dialysis, LLC	DE	04/20/2011	LLC	CSC	ACTIVE	Active	04/20/2011	Yes	No	621492
Blanco Dialysis, LLC	DE	07/22/2011	LLC	CSC	ACTIVE	Active	07/22/2011	No	No	621492
Blancott Dialysis, LLC	DE	10/24/2018	LLC	CSC	ACTIVE	Active	10/24/2018	Yes	No	621492
Blauvelt Dialysis, LLC	DE	12/05/2016	LLC	CSC	ACTIVE	Active	12/05/2016	Yes	No	621492
Bliss Dialysis, LLC	DE	07/16/2012	LLC	CSC	ACTIVE	Active	07/16/2012	No	No	621492
Blue Dialysis, LLC	DE	09/02/2008	LLC	CSC	ACTIVE	Active	09/02/2008	Yes	No	621492
Bluegrass Dialysis, LLC	DE	05/16/2008	LLC	CSC	ACTIVE	Active	05/16/2008	No	No	621492
Bogachiel Dialysis, LLC	DE	04/23/2014	LLC	CSC	ACTIVE	Active	04/23/2014	No	No	621492
Bohama Dialysis, LLC	DE	10/01/2012	LLC	CSC	ACTIVE	Active	10/01/2012	No	No	621492
Bollinger Dialysis, LLC	DE	09/29/2014	LLC	CSC	ACTIVE	Active	09/29/2014	No	No	621492
Boltron Dialysis, LLC	DE	11/21/2013	LLC	CSC	ACTIVE	Active	11/21/2013	Yes	No	621492
Bonister Dialysis, LLC	DE	12/23/2015	LLC	CSC	ACTIVE	Active	12/23/2015	No	No	621492
Boonville Dialysis, LLC	DE	02/23/2017	LLC	CSC	ACTIVE	Active	02/23/2017	Yes	No	621492
Borrego Dialysis, LLC	DE	12/18/2012	LLC	CSC	ACTIVE	Active	12/18/2012	No	No	621492
Bothwell Dialysis, LLC	DE	08/20/2014	LLC	CSC	ACTIVE	Active	08/20/2014	No	No	621492
Botkins Dialysis, LLC	DE	11/06/2017	LLC	CSC	ACTIVE	Active	12/06/2017	Yes	No	621492
Bottle Dialysis, LLC	DE	05/02/2011	LLC	CSC	ACTIVE	Active	05/02/2011	No	No	621492
Bowan Dialysis, LLC	DE	01/11/2013	LLC	CSC	ACTIVE	Active	01/11/2013	Yes	No	621492
Brache Dialysis, LLC	DE	05/16/2014	LLC	CSC	ACTIVE	Active	05/16/2014	No	No	621492
Braddock Dialysis, LLC	DE	12/22/2016	LLC	CSC	ACTIVE	Active	12/22/2016	No	No	621492
Braden Dialysis, LLC	DE	05/30/2013	LLC	CSC	ACTIVE	Active	05/30/2013	Yes	No	621492
Braggs Dialysis, LLC	DE	01/16/2013	LLC	CSC	ACTIVE	Active	01/16/2013	Yes	No	621492
Braidwood Dialysis, LLC	DE	12/05/2013	LLC	CSC	ACTIVE	Active	12/05/2013	Yes	No	621492
Branbur Dialysis, LLC	DE	10/05/2018	LLC	CSC	ACTIVE	Active	10/05/2018	Yes	No	621492
Brantley Dialysis, LLC	DE	02/04/2011	LLC	CSC	ACTIVE	Active	02/04/2011	Yes	No	621492
Bretton Dialysis, LLC	DE	07/11/2017	LLC	CSC	ACTIVE	Active	07/11/2017	No	No	621492
Bridge of Life, Inc.	DE	05/29/2013	NFP	CSC	ACTIVE	Active	05/29/2013			
Bridges Dialysis, LLC	DE	05/18/2010	LLC	CSC	ACTIVE	Active	05/18/2010	No	No	621492
Bright Dialysis, LLC	DE	06/18/2009	LLC	CSC	ACTIVE	Active	10/01/2015	No	No	621492
Brighton Dialysis Center, LLC	DE	01/12/2004	LLC	CSC	ACTIVE	Active	01/12/2004	Yes	No	621492
Brimfield Dialysis, LLC	DE	06/15/2018	LLC	CSC	ACTIVE	Active	06/15/2018	Yes	Yes	621492
Bronson Dialysis, LLC	DE	02/08/2016	LLC	CSC	ACTIVE	Active	02/08/2016	Yes	No	621492
Brook Dialysis, LLC	DE	12/08/2010	LLC	CSC	ACTIVE	Active	12/08/2010	No	No	621492
Brooksprings Dialysis, LLC	DE	03/27/2018	LLC	CSC	ACTIVE	Active	03/27/2018	No	No	621492
Brownville Kidney Center, Ltd.	TX	07/10/1995	LP	CSC	ACTIVE	Active	07/10/1995	No	No	621492
Brownwood Dialysis, LLC	DE	01/11/2012	LLC	CSC	ACTIVE	Active	01/11/2012	No	No	621492
Brule Dialysis, LLC	DE	11/08/2017	LLC	CSC	ACTIVE	Active	11/08/2017	Yes	No	621492
Bruno Dialysis, LLC	DE	09/17/2008	LLC	CSC	ACTIVE	Active	09/17/2008	No	No	621492
Bryce Dialysis, LLC	DE	09/09/2008	LLC	CSC	ACTIVE	Active	09/09/2008	Yes	No	621492
Buckhorn Dialysis, LLC	DE	11/20/2017	LLC	CSC	ACTIVE	Active	11/20/2017	No	No	621492
Buescher Dialysis, LLC	NY	12/12/2012	LLC	CSC	ACTIVE	Active	12/12/2012	Yes	No	621492
Buford Dialysis, LLC	DE	03/07/2006	LLC	CSC	ACTIVE	Active	03/07/2006	No	No	621492
Bulfinch Dialysis, LLC	DE	11/07/2011	LLC	CSC	ACTIVE	Active	11/07/2011	Yes	No	621492
Bullards Dialysis, LLC	DE	08/10/2011	LLC	CSC	ACTIVE	Active	08/01/2011	No	No	621492
Bullock Dialysis, LLC	DE	12/23/2015	LLC	CSC	ACTIVE	Active	12/23/2015	No	No	621492
Burman Dialysis, LLC	DE	02/28/2017	LLC	CSC	ACTIVE	Active	02/28/2017	No	No	621492
Burney Dialysis, LLC	DE	11/22/2011	LLC	CSC	ACTIVE	Active	11/22/2011	Yes	No	621492
Burton Dialysis, LLC	DE	06/17/2008	LLC	CSC	ACTIVE	Active	06/17/2008	Yes	No	621492

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Butano Dialysis, LLC	DE	08/03/2011	LLC	CSC	ACTIVE	Active	08/03/2011	No	No	621492
Caballo Dialysis, LLC	DE	06/24/2011	LLC	CSC	ACTIVE	Active	06/24/2011	Yes	No	621492
Cache Dialysis, LLC	DE	07/14/2014	LLC	CSC	ACTIVE	Active	07/14/2014	Yes	No	621492
Caddo Dialysis, LLC	DE	08/08/2011	LLC	CSC	ACTIVE	Active	08/08/2011	Yes	No	621492
Caddoan Dialysis, LLC	DE	10/20/2016	LLC	CSC	ACTIVE	Active	10/20/2016	No	No	621492
Cadiz Dialysis, LLC	DE	11/09/2016	LLC	CSC	ACTIVE	Active	11/09/2016	No	No	621492
Caesar Dialysis, LLC	DE	05/14/2014	LLC	CSC	ACTIVE	Active	05/14/2014	Yes	No	621492
Cagles Dialysis, LLC	DE	06/17/2013	LLC	CSC	ACTIVE	Active	06/17/2013	No	No	621492
Cahaba Dialysis, LLC	DE	04/13/2017	LLC	CSC	ACTIVE	Active	04/13/2017	Yes	No	621492
Calamus Dialysis, LLC	DE	03/08/2012	LLC	CSC	ACTIVE	Active	03/08/2012	Yes	No	621492
Calante Dialysis, LLC	DE	07/05/2016	LLC	CSC	ACTIVE	Active	07/05/2016	No	No	621492
Calaveras Dialysis, LLC	DE	09/17/2012	LLC	CSC	ACTIVE	Active	09/17/2012	Yes	No	621492
Calico Dialysis, LLC	DE	08/25/2017	LLC	CSC	ACTIVE	Active	08/25/2017	Yes	No	621492
California Medical Group Insurance Company, Risk Retention Group	AZ	10/04/2004	CORP	NonCSC	N/A	Active	10/04/2004	No	Yes	524292
Cama Dialysis, LLC	DE	07/09/2014	LLC	CSC	ACTIVE	Active	07/09/2014	No	No	621492
Camino Dialysis, LLC	DE	12/17/2010	LLC	CSC	ACTIVE	Active	12/17/2010	No	No	621492
Campton Dialysis, LLC	DE	03/07/2013	LLC	CSC	ACTIVE	Active	03/07/2013	No	No	621492
Canney Dialysis, LLC	DE	06/23/2017	LLC	CSC	ACTIVE	Active	06/23/2017	No	No	621492
Cannon Dialysis, LLC	DE	10/28/2011	LLC	CSC	ACTIVE	Active	10/28/2011	No	No	621492
Canoe Dialysis, LLC	DE	02/20/2015	LLC	CSC	ACTIVE	Active	02/20/2015	No	No	621492
Canyon Dialysis, LLC	DE	03/16/2016	LLC	CSC	ACTIVE	Active	03/16/2016	No	No	621492
Canyon Springs Dialysis, LLC	DE	08/22/2007	LLC	CSC	ACTIVE	Active	08/22/2007	No	No	621492
Canyonlands Dialysis, LLC	DE	04/30/2008	LLC	CSC	ACTIVE	Active	04/30/2008	Yes	No	621492
Capano Dialysis, LLC	DE	09/20/2016	LLC	CSC	ACTIVE	Active	09/20/2016	Yes	No	621492
Capelville Dialysis, LLC	DE	01/16/2008	LLC	CSC	ACTIVE	Active	01/16/2008	Yes	No	621492
Capes Dialysis, LLC	DE	10/06/2010	LLC	CSC	ACTIVE	Active	10/06/2010	No	No	621492
Capital Dialysis Partnership	CA	11/01/1997	GP	NonCSC	N/A	Active	12/05/2005	No	No	621492
Capron Dialysis, LLC	DE	08/28/2018	LLC	CSC	ACTIVE	Active	08/28/2018	Yes	No	621492
Captree Dialysis, LLC	DE	03/07/2017	LLC	CSC	ACTIVE	Active	03/07/2017	No	No	621492
Cardinal Dialysis, LLC	DE	12/05/2013	LLC	CSC	ACTIVE	Active	12/05/2013	Yes	No	621492
CardioCentrum Betriebs GmbH	Germany	08/09/2012	GMBH	NonCSC	N/A	Active	08/09/2012	Yes	No	N/A
Carlsbad Dialysis, LLC	DE	07/05/2012	LLC	CSC	ACTIVE	Active	07/05/2012	Yes	No	621492
Carlton Dialysis, LLC	U.S. Virgin Islands	02/10/2014	LLC	CSC	ACTIVE	Active	02/10/2014	Yes	No	621492
Carroll County Dialysis Facility Limited Partnership	MD	06/11/1990	LP	CSC	ACTIVE	Active	06/11/1990	No	No	621492
Carroll County Dialysis Facility, Inc.	MD	04/26/1990	CORP	CSC	ACTIVE	Active	04/26/1990	Yes	No	621492
Casas Dialysis, LLC	DE	01/26/2009	LLC	CSC	ACTIVE	Active	01/26/2009	Yes	No	621492
Cascades Dialysis, LLC	DE	06/11/2008	LLC	CSC	ACTIVE	Active	06/11/2008	No	No	621492
Cassin Dialysis, LLC	U.S. Virgin Islands	02/12/2014	LLC	CSC	ACTIVE	Active	02/12/2014	Yes	No	621492
Castle Dialysis, LLC	DE	06/27/2014	LLC	CSC	ACTIVE	Active	06/27/2014	Yes	No	621492
Castlewood Dialysis, LLC	DE	10/23/2017	LLC	CSC	ACTIVE	Active	10/23/2017	Yes	No	621492
Caswell Dialysis, LLC	DE	09/05/2008	LLC	CSC	ACTIVE	Active	09/05/2008	No	No	621492
Cataldo Dialysis, LLC	NY	02/08/2013	LLC	CSC	ACTIVE	Active	02/08/2013	Yes	No	621492
Catello Dialysis, LLC	DE	11/21/2013	LLC	CSC	ACTIVE	Active	11/21/2013	Yes	No	621492
Cathedral Dialysis, LLC	DE	12/03/2010	LLC	CSC	ACTIVE	Active	12/03/2010	Yes	No	621492
Caverns Dialysis, LLC	DE	10/05/2012	LLC	CSC	ACTIVE	Active	10/05/2012	Yes	No	621492
Cawen Dialysis, LLC	DE	04/11/2018	LLC	CSC	ACTIVE	Active	04/11/2018	Yes	No	641492
Cedar Dialysis, LLC	DE	03/03/2009	LLC	CSC	ACTIVE	Active	03/03/2009	Yes	No	621492
Centennial LV, LLC	DE	04/23/2007	LLC	CSC	ACTIVE	Active	04/23/2007	No	No	621492
Central Carolina Dialysis Centers, LLC	DE	01/26/2004	LLC	CSC	ACTIVE	Active	01/26/2004	No	No	621492
Central Georgia Dialysis, LLC	DE	04/28/2005	LLC	CSC	ACTIVE	Active	04/28/2005	No	No	621492
Central Iowa Dialysis Partners, LLC	DE	02/24/2004	LLC	CSC	ACTIVE	Active	02/24/2004	No	No	621492
Central Kentucky Dialysis Centers, LLC	DE	07/14/2004	LLC	CSC	ACTIVE	Active	07/14/2004	Yes	No	621492
Central Ohio Dialysis, LLC	DE	07/29/2005	LLC	CSC	ACTIVE	Active	07/29/2005	Yes	No	621492
Cerito Dialysis Partners, LLC	DE	05/12/2010	LLC	CSC	ACTIVE	Active	02/01/2011	No	No	621492
Chadron Dialysis, LLC	DE	07/08/2008	LLC	CSC	ACTIVE	Active	07/08/2008	Yes	No	621492
Chaffee Dialysis, LLC	DE	02/20/2018	LLC	CSC	ACTIVE	Active	02/20/2018	No	No	621492
Challis Dialysis, LLC	DE	06/23/2017	LLC	CSC	ACTIVE	Active	06/23/2017	No	No	621492
Champions Dialysis, LLC	DE	01/19/2010	LLC	CSC	ACTIVE	Active	01/19/2010	Yes	No	621492
Channel Dialysis, LLC	DE	08/27/2008	LLC	CSC	ACTIVE	Active	08/01/2008	Yes	No	621492
Chantry Dialysis, LLC	DE	03/08/2017	LLC	CSC	ACTIVE	Active	03/08/2017	No	No	621492
Charemont Dialysis, LLC	DE	04/30/2018	LLC	CSC	ACTIVE	Active	04/30/2018	Yes	No	621492
Chenango Dialysis, LLC	DE	01/25/2017	LLC	CSC	ACTIVE	Active	01/25/2017	No	No	621492
Cheraw Dialysis, LLC	DE	10/04/2013	LLC	CSC	ACTIVE	Active	10/04/2013	No	No	621492
Cherry Valley Dialysis, LLC	DE	07/05/2007	LLC	CSC	ACTIVE	Active	07/05/2007	Yes	No	621492
Cheshire Dialysis, LLC	DE	04/11/2018	LLC	CSC	ACTIVE	Active	04/11/2018	Yes	No	641492
Cheshire MD Holdings, LLC	DE	05/25/2018	LLC	CSC	ACTIVE	Active	05/25/2018	Yes	No	621492
Chesterfield Dialysis, LLC	DE	11/01/2004	LLC	CSC	ACTIVE	Active	11/01/2004	Yes	No	621492

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Chicago Heights Dialysis, LLC	DE	06/08/2004	LLC	CSC	ACTIVE	Active	06/08/2004	Yes	No	621492
Chicot Dialysis, LLC	DE	06/13/2017	LLC	CSC	ACTIVE	Active	06/13/2017	Yes	No	621492
Chipeta Dialysis, LLC	DE	09/02/2008	LLC	CSC	ACTIVE	Active	09/02/2008	Yes	No	621492
Chitto Dialysis, LLC	DE	12/06/2018	LLC	CSC	ACTIVE	Active	12/06/2018	Yes	No	621492
Chitue Dialysis, LLC	DE	03/15/2019	LLC	CSC	ACTIVE	Active	03/15/2019	Yes	No	621492
Chouteau Dialysis, LLC	DE	08/18/2014	LLC	CSC	ACTIVE	Active	08/18/2014	No	No	621492
Churchill Dialysis, LLC	DE	10/26/2010	LLC	CSC	ACTIVE	Active	10/26/2010	No	No	621492
Cimarron Dialysis, LLC	DE	08/09/2012	LLC	CSC	ACTIVE	Active	08/09/2012	No	No	621492
Cinco Rios Dialysis, LLC	DE	03/10/2010	LLC	CSC	ACTIVE	Active	03/10/2010	No	No	621492
Clark Dialysis, LLC	DE	02/22/2011	LLC	CSC	ACTIVE	Active	02/22/2011	No	No	621492
Clayton Dialysis, LLC	DE	02/16/2012	LLC	CSC	ACTIVE	Active	02/16/2012	No	No	621492
Clearee Dialysis, LLC	DE	09/14/2012	LLC	CSC	ACTIVE	Active	09/14/2012	Yes	No	621492
Cleburne Dialysis, LLC	DE	09/19/2012	LLC	CSC	ACTIVE	Active	09/09/2012	No	No	621492
Clifton Dialysis, LLC	DE	09/19/2013	LLC	CSC	ACTIVE	Active	09/19/2013	Yes	No	621492
Clinica Central do Bonfim S.A.	Portugal	05/25/2006	S.A.	NonCSC	N/A	Active	05/25/2006	Yes	No	CAE:86220R3 (Primar)
Clinica Medica DaVita Arapongas Servicos de Nefrologia Ltda.	Brazil	05/03/1993	LLCL	NonCSC	N/A	Active	03/05/1993	No	No	
Clinica Medica DaVita Londrina Servicos de Nefrologia Ltda.	Brazil	08/11/1989	LLCL	NonCSC	N/A	Active	08/11/1989	No	No	
Clinica Medica DaVita Rolandia Servicos de Nefrologia Ltda.	Brazil	04/09/2013	LLCL	NonCSC	N/A	Active	04/09/2013	No	No	
Clinical Partners of Colorado Springs, LLC	CO	05/30/2013	LLC	NonCSC	N/A	Active	05/30/2013	No	Yes	
Clinton Township Dialysis, LLC	DE	06/28/2007	LLC	CSC	ACTIVE	Active	06/28/2007	No	No	621492
Cloudland Dialysis, LLC	DE	08/12/2014	LLC	CSC	ACTIVE	Active	08/12/2014	Yes	No	621492
Clover Dialysis, LLC	DE	01/30/2013	LLC	CSC	ACTIVE	Active	01/30/2013	No	No	621492
Clyfee Dialysis, LLC	DE	08/19/2014	LLC	CSC	ACTIVE	Active	08/19/2014	No	No	621492
Coast Dialysis, LLC	DE	08/19/2010	LLC	CSC	ACTIVE	Active	08/19/2010	No	No	621492
Coastal Physicians Management, Inc.	CA	06/27/1996	CORP	NonCSC	N/A	Active	12/12/2018	Yes	No	
Cobbles Dialysis, LLC	DE	06/27/2013	LLC	CSC	ACTIVE	Active	07/09/2013	Yes	No	621492
Coe Dialysis, LLC	DE	12/30/2008	LLC	CSC	ACTIVE	Active	12/30/2008	Yes	No	621492
Colleton Dialysis, LLC	DE	07/19/2013	LLC	CSC	ACTIVE	Active	07/19/2013	No	No	621492
Collier Dialysis, LLC	DE	10/22/2010	LLC	CSC	ACTIVE	Active	10/22/2010	Yes	No	621492
Colorado Innovative Physician Solutions, Inc.	CO	03/10/2011	CORP	NonCSC	N/A	Active	03/10/2011	Yes		
Columbus-RNA-DaVita, LLC	DE	01/25/2008	LLC	CSC	ACTIVE	Active	01/25/2008	Yes	No	621492
Colville Dialysis, LLC	DE	06/19/2007	LLC	CSC	ACTIVE	Active	06/19/2007	Yes	No	621492
Commerce Township Dialysis Center, LLC	DE	11/09/2006	LLC	CSC	ACTIVE	Active	11/09/2006	No	No	621492
Community Acutes Dialysis, LLC	DE	01/23/2009	LLC	CSC	ACTIVE	Active	01/23/2009	Yes	No	621492
Comprehensive Care Solutions, LLC	PA	06/30/2016	LLC	CSC	ACTIVE	Active	06/30/2016	No	No	TBD
Conchasa Dialysis, LLC	DE	10/15/2012	LLC	CSC	ACTIVE	Active	10/15/2012	Yes	No	621492
Conconully Dialysis, LLC	DE	04/17/2012	LLC	CSC	ACTIVE	Active	06/01/2013	No	No	621492
Conecuh Dialysis, LLC	DE	05/12/2017	LLC	CSC	ACTIVE	Active	05/12/2017	No	No	621492
Continental Dialysis Center of Springfield-Fairfax, Inc.	VA	10/18/1982	CORP	CSC	ACTIVE	Active	10/18/1992	Yes	No	621492
Continental Dialysis Center, Inc.	VA	08/10/1983	CORP	CSC	ACTIVE	Active	08/10/1983	Yes	No	621492
Cooper Dialysis, LLC	DE	02/25/2009	LLC	CSC	ACTIVE	Active	02/25/2009	No	No	621492
Coral Dialysis, LLC	DE	01/30/2013	LLC	CSC	ACTIVE	Active	01/30/2013	No	No	621492
Cordele Dialysis Center, LLC	DE	08/24/2007	LLC	CSC	ACTIVE	Active	08/24/2007	Yes	No	621492
Cormick Dialysis, LLC	DE	01/29/2016	LLC	CSC	ACTIVE	Active	01/29/2016	Yes	No	621492
Cottonwood Dialysis, LLC	DE	11/30/2009	LLC	CSC	ACTIVE	Active	11/30/2009	Yes	No	
Couer Dialysis, LLC	DE	10/02/2015	LLC	CSC	ACTIVE	Active	10/02/2015	No	No	621492
Court Dialysis, LLC	DE	10/28/2010	LLC	CSC	ACTIVE	Active	10/28/2010	No	No	621492
Covell Dialysis, LLC	DE	04/10/2015	LLC	CSC	ACTIVE	Active	04/10/2015	Yes	No	621492
Cowell Dialysis, LLC	DE	09/07/2011	LLC	CSC	ACTIVE	Active	09/07/2011	No	No	621492
Cowesett Dialysis, LLC	DE	08/28/2018	LLC	CSC	ACTIVE	Active	08/28/2018	No	No	621492
Cowley Dialysis, LLC	NY	11/04/2016	LLC	CSC	ACTIVE	Active	11/04/2016	Yes	No	621492
Crawford Dialysis, LLC	DE	07/18/2014	LLC	CSC	ACTIVE	Active	07/18/2014	Yes	No	621492
Creek Dialysis, LLC	DE	08/27/2008	LLC	CSC	ACTIVE	Active	08/27/2008	Yes	No	621492
Creston Dialysis, LLC	DE	02/15/2013	LLC	CSC	ACTIVE	Active	02/15/2013	Yes	No	621492
Crestshore Dialysis, LLC	NY	02/08/2013	LLC	CSC	ACTIVE	Active	02/08/2013	Yes	No	621492
Croft Dialysis, LLC	DE	05/31/2013	LLC	CSC	ACTIVE	Active	05/31/2013	Yes	No	621492
Croskee Dialysis, LLC	DE	11/12/2015	LLC	CSC	ACTIVE	Active	11/12/2015	No	No	621492
Crossings Dialysis, LLC	DE	02/20/2015	LLC	CSC	ACTIVE	Active	02/20/2015	Yes	No	621492
Crowder Dialysis, LLC	DE	08/20/2014	LLC	CSC	ACTIVE	Active	08/20/2014	No	No	621492
Crystals Dialysis, LLC	DE	06/25/2008	LLC	CSC	ACTIVE	Active	06/25/2008	No	No	621492
Cuivre Dialysis, LLC	DE	08/20/2014	LLC	CSC	ACTIVE	Active	08/20/2014	No	No	621492
Culbert Dialysis, LLC	DE	03/01/2018	LLC	CSC	ACTIVE	Active	03/01/2018	Yes	No	621492
Curecanti Dialysis, LLC	DE	07/18/2012	LLC	CSC	ACTIVE	Active	07/18/2012	No	No	621492
Curlew Dialysis, LLC	DE	02/06/2012	LLC	CSC	ACTIVE	Active	02/06/2012	No	No	621492
Custers Dialysis, LLC	DE	05/11/2016	LLC	CSC	ACTIVE	Active	05/11/2016	Yes	No	621492
Cypremort Dialysis, LLC	DE	02/18/2019	LLC	CSC	ACTIVE	Active	02/18/2019	Yes	No	621492
Dackman Dialysis, LLC	DE	02/23/2017	LLC	CSC	ACTIVE	Active	02/23/2017	Yes	No	621492
Dagmar Dialysis, LLC	DE	06/20/2017	LLC	CSC	ACTIVE	Active	06/20/2017	Yes	No	621492

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Dale Dialysis, LLC	DE	07/31/2014	LLC	CSC	ACTIVE	Active	07/31/2014	Yes	No	621492
Dalhart Dialysis, LLC	DE	03/23/2017	LLC	CSC	ACTIVE	Active	03/23/2017	No	No	621492
Dallas-Fort Worth Nephrology II, LLC	DE	12/29/2006	LLC	CSC	ACTIVE	Active	12/29/2006	Yes	No	621492
Dallas-Fort Worth Nephrology, L.P.	DE	03/07/2005	LP	CSC	ACTIVE	Active	03/07/2005	Yes	No	621492
Damon Dialysis, LLC	DE	06/28/2011	LLC	CSC	ACTIVE	Active	06/28/2011	No	No	621492
Daroga Dialysis, LLC	DE	05/10/2012	LLC	CSC	ACTIVE	Active	05/10/2012	No	No	621492
Darter Dialysis, LLC	DE	05/08/2017	LLC	CSC	ACTIVE	Active	05/08/2017	Yes	No	621492
Davis Dialysis, LLC	DE	02/18/2011	LLC	CSC	ACTIVE	Active	02/18/2011	No	No	612492
DaVita (Shandong) Kidney Disease Hospital Co., Ltd.	China	10/28/2013	LLC	NonCSC	N/A	Active	02/26/2015	No	No	
DaVita - Riverside II, LLC	DE	08/17/2006	LLC	CSC	ACTIVE	Active	08/17/2006	No	No	621492
DaVita - Riverside, LLC	DE	03/01/2002	LLC	CSC	ACTIVE	Active	03/01/2002	No	No	621492
DaVita - West, LLC	DE	12/17/2001	LLC	CSC	ACTIVE	Active	12/17/2001	Yes	No	621492
DaVita Accountable Care Solutions, LLC	DE	11/10/2015	LLC	CSC	ACTIVE	Active	11/10/2015	Yes	No	621492
DaVita APAC Holding B.V.	Netherlands	12/14/2016	BV	NonCSC	N/A	Active	12/14/2016	Yes	No	
DaVita Brasil Participacoes e Servicos de Nefrologia Ltda.	Brazil	08/19/2015	LLCL	NonCSC	N/A	Active	08/19/2015	Yes	No	
DaVita Brasil Servicos de Nefrologia Uber Ltda.	Brazil	06/27/1993	LLCL	NonCSC	N/A	Active	08/24/1993	No	No	
DaVita Care (Saudi Arabia)	Saudi Arabia	05/30/2012	LLC	NonCSC	N/A	Active	05/30/2012	Yes	No	
DaVita Care (Taiwan) Private Limited	Taiwan, Province Of China	01/04/2011	CLBS	NonCSC	N/A	Active	10/24/2011	No		
DaVita Care KSA B.V.	Netherlands	02/21/2013	BV	NonCSC	N/A	Active	02/21/2013			
DaVita Care Pte. Ltd.	Singapore	07/02/2010	PRIVATELIMITED	NonCSC	N/A	Active	08/16/2010	No	No	
DaVita Children's Foundation	CA	09/22/2000	NFP	CSC	ACTIVE	Active	09/22/2000		Yes	
DaVita China Pte. Ltd.	Singapore	02/16/2012	PRIVATELIMITED	NonCSC	N/A	Active	03/27/2012	Yes	No	
DaVita CKD Dietitians, LLC	DE	03/15/2016	LLC	CSC	ACTIVE	Active	03/15/2016	Yes	No	621492
DaVita Clinical Research Deutschland GmbH	Germany	12/17/2010	GMBH	NonCSC	N/A	Active	12/17/2010	Yes	No	N/A
DaVita Clinical Trials, LLC	DE	07/18/2014	LLC	NonCSC	N/A	Active	07/18/2014	Yes	No	541712
DaVita Dakota Dialysis Center, LLC	DE	05/16/2007	LLC	CSC	ACTIVE	Active	05/16/2007	No	No	621492
DaVita Denham Springs Kidney Care, LLC	DE	06/23/2004	LLC	CSC	ACTIVE	Active	06/23/2004	Yes	No	621492
DaVita Deutschland AG	Germany	01/15/2002	AG	NonCSC	N/A	Active	03/30/2012	Yes	No	N/A
DaVita Deutschland Beteiligungs GmbH & Co. KG	Germany	05/12/2014	GMBH	NonCSC	N/A	Active	05/12/2014	No		N/A
DaVita Deutschland Verwaltungen GmbH	Germany	12/05/2014	GMBH	NonCSC	N/A	Active	12/05/2014	No	No	N/A
DaVita Dialysis Contracting, LLC	DE	08/23/2012	LLC	CSC	ACTIVE	Active	08/23/2012	Yes	No	
DaVita El Paso East, L.P.	DE	03/23/2006	LP	CSC	ACTIVE	Active	03/23/2006	No	No	621492
DaVita Germany GmbH	Germany	01/11/2011	GMBH	NonCSC	N/A	Active	10/24/2011	Yes	Yes	N/A
DaVita Health Plan of California, Inc.	DE	03/25/2013	CORP	NonCSC	N/A	Active	03/25/2013	Yes	No	524292
DaVita Health Plan of Nevada, Inc.	NV	09/05/2013	CORP	NonCSC	N/A	Active	09/05/2013	Yes	No	621111
DaVita Health Solutions, LLC	DE	07/08/2016	LLC	CSC	ACTIVE	Active	07/08/2016	Yes	No	621492
DaVita HealthCare Brasil Servicos Medicos Ltda.	Brazil	02/09/2017	LLCL	NonCSC	N/A	Active	02/09/2017	Yes	No	
DaVita HK Holdings Limited	Hong Kong	12/14/2017	CLBS	NonCSC	N/A	Active	12/14/2017	Yes	No	
DaVita Hospital Management Consulting (Shanghai) Co., Ltd.	China	06/29/2012	LLC	NonCSC	N/A	Active	06/29/2012	Yes	No	
DaVita Inc.	DE	04/04/1994	CORP	CSC	ACTIVE	Active	04/04/1994	No	No	551112
DaVita Institute for Patient Safety, Inc.	DE	06/25/2015	CORP	CSC	ACTIVE	Active	06/25/2015	Yes	No	
DaVita International Limited	United Kingdom	10/16/2017	PVLC	NonCSC	N/A	Active	10/16/2017	Yes	No	86900
DaVita Magan Management, Inc.	CA	08/06/1975	CORP	NonCSC	N/A	Active	08/06/1975	Yes	No	561110
DaVita Medical ACO Florida, LLC	FL	08/01/2011	LLC	NonCSC	N/A	Active	08/01/2011	Yes	No	621111
DaVita Medical ACO New Mexico, LLC	DE	05/11/2016	LLC	NonCSC	N/A	Active	05/11/2016	Yes	No	
DaVita Medical ACO, LLC	CA	08/15/2011	LLC	NonCSC	N/A	Active	08/15/2011	Yes	No	
DaVita Medical Colorado ASC, LLC	CO	06/02/2017	LLC	NonCSC	N/A	Active	06/02/2017	Yes	No	
DaVita Medical Colorado, LLC	CO	10/27/2014	LLC	NonCSC	N/A	Active	10/27/2014	Yes	No	621111
DaVita Medical Endoscopy Center New Mexico, LLC	NM	11/21/2007	LLC	NonCSC	N/A	Active	11/21/2007	Yes	No	621498
DaVita Medical Explorer, LLC	DE	03/20/2014	LLC	NonCSC	N/A	Active	03/20/2014	Yes	No	621111
DaVita Medical Florida, Inc.	DE	09/15/1983	CORP	NonCSC	N/A	Active	09/15/1983	Yes	No	621111
DaVita Medical Group Colorado Springs, LLC	CO	10/27/2014	LLC	NonCSC	N/A	Active	10/27/2014	Yes	No	621111
DaVita Medical Group Florida CI, LLC	DE	07/20/2017	LLC	NonCSC	N/A	Active	07/20/2017	Yes	No	
DaVita Medical Group New Mexico, LLC	DE	01/13/2005	LLC	NonCSC	N/A	Active	01/13/2005	Yes	No	621111
DaVita Medical Group South Florida, LLC	FL	09/30/2011	LLC	NonCSC	N/A	Active	09/30/2011	Yes	No	621111
DaVita Medical Holding Company, New Mexico, LLC	NM	02/23/2007	LLC	NonCSC	N/A	Active	02/23/2007	Yes	No	551112
DaVita Medical Holdings Colorado, LLC	CO	08/01/2017	LLC	NonCSC	N/A	Active	08/01/2017	Yes	No	561110
DaVita Medical Holdings Florida, Inc.	DE	06/03/2003	CORP	NonCSC	N/A	Active	06/03/2003	Yes	No	551112
DaVita Medical Holdings, LLC	CA	02/16/2005	LLC	NonCSC	N/A	Active	02/16/2005	Yes	No	551112
DaVita Medical Management, LLC	CA	02/23/2005	LLC	NonCSC	N/A	Active	02/23/2005	Yes	No	621111
DaVita Nephrology Associates Of Utah, L.L.C.	UT	11/25/2002	LLC	CSC	ACTIVE	Active	11/25/2002	Yes	No	621492
DaVita Nephron Care Servicos de Nefrologia Ltda.	Brazil	05/08/1994	LLCL	NonCSC	N/A	Active	05/08/1994	Yes	No	
Davita Nurse Practitioner Organization New Jersey, LLC	NJ	01/13/2017	LLC	CSC	ACTIVE	Active	01/13/2017	No	Yes	621492
DaVita of New York, Inc.	NY	09/04/2007	CORP	CSC	ACTIVE	Active	09/04/2007	Yes	No	621492
DaVita Renal Pte. Ltd.	Singapore	07/29/2010	PRVTCOMP	NonCSC	N/A	Active	08/16/2010	Yes	No	

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DaVita Rien Servicos de Nefrologia Ltda.	Brazil	12/09/1992	LLCL	NonCSC	N/A	Active	06/01/2018	Yes	No	
DaVita Rx, LLC	DE	12/21/2005	LLC	CSC	ACTIVE	Active	12/21/2005	Yes	No	621399
DaVita S.A.S.	Colombia	05/29/2012	SPAS	NonCSC	N/A	Active	06/01/2013	No		
DaVita Servicos de Cirurgia Vascular Ltda.	Brazil	02/21/2011	LLCL	NonCSC	N/A	Active	06/01/2017	Yes	No	
DaVita Servicos de Nefrologia Araruama Ltda.	Brazil	11/13/2007	LLCL	NonCSC	N/A	Active	12/01/2018	Yes	No	
DaVita Servicos de Nefrologia Cabo Frio Ltda.	Brazil	03/13/1987	LLCL	NonCSC	N/A	Active	03/13/1987	Yes	No	
DaVita Servicos de Nefrologia de Araraquara Ltda.	Brazil	02/29/1988	LLCL	NonCSC	N/A	Active	12/01/2016	No	No	
DaVita Servicos de Nefrologia Distrito Federal Ltda.	Brazil	01/16/1997	LLCL	NonCSC	N/A	Active	01/16/1997	Yes	No	
DaVita Servicos de Nefrologia Guarulhos Ltda.	Brazil	07/02/1993	LLCL	NonCSC	N/A	Active	07/02/1993	Yes	No	
DaVita Servicos de Nefrologia Itaboraí Ltda.	Brazil	08/11/1994	LLCL	NonCSC	N/A	Active	08/11/1994	Yes	No	
DaVita Servicos de Nefrologia Jardim das Imbuías Ltda.	Brazil	04/06/1994	LLCL	NonCSC	N/A	Active	04/06/1994	Yes	No	CNAE 86.40-2-03
DaVita Servicos de Nefrologia Jardim Itapeceira Ltda.	Brazil	06/20/2006	LLCL	NonCSC	N/A	Active	12/01/2017	Yes	No	
DaVita Servicos de Nefrologia Juiz Fora Ltda.	Brazil	05/01/2018	LLCL	NonCSC	N/A	Active	05/01/2018	Yes	No	
DaVita Servicos de Nefrologia Meireles Ltda.	Brazil	01/12/1981	LLCL	NonCSC	N/A	Active	08/01/2017	Yes	No	
DaVita Servicos de Nefrologia Mondubim Ltda.	Brazil	04/18/1997	LLCL	NonCSC	N/A	Active	08/01/2017	Yes	No	
DaVita Servicos de Nefrologia Niteroi Ltda.	Brazil	06/14/1994	LLCL	NonCSC	N/A	Active	06/01/2017	No	No	
DaVita Servicos de Nefrologia Recife Ltda.	Brazil	01/26/1994	LLCL	NonCSC	N/A	Active	01/12/1994	No	No	
DaVita Servicos de Nefrologia Salvador Ltda.	Brazil	07/26/1991	LLCL	NonCSC	N/A	Active	12/01/2017	Yes	No	
DaVita Servicos de Nefrologia Santo Andre Ltda.	Brazil	03/17/2008	LLCL	NonCSC	N/A	Active	01/01/2019	Yes	No	
DaVita Servicos de Nefrologia Santos Ltda.	Brazil	01/31/2000	LLCL	NonCSC	N/A	Active	06/01/2017	Yes	No	
DaVita Servicos de Nefrologia Sao Bernardo do Campo Ltda.	Brazil	06/24/1985	LLCL	NonCSC	N/A	Active	06/01/2018	Yes	No	
DaVita Servicos de Nefrologia Sao Caetano do Sul Ltda.	Brazil	05/10/1996	LLCL	NonCSC	N/A	Active	06/12/2018	Yes	No	
DaVita Servicos de Nefrologia Sao Gerardo Ltda.	Brazil	08/01/2017	LLCL	NonCSC	N/A	Active	08/01/2017	Yes	No	
DaVita Servicos Dialise Movei Ltda.	Brazil	12/06/2017	LLCL	NonCSC	N/A	Active	12/06/2017	Yes	No	
DaVita Singapore Pte. Ltd.	Singapore	03/14/2019	PCLS	NonCSC	N/A	Active	03/14/2019	Yes	No	
DaVita Sp. z o.o.	Poland	10/19/2011	SPZOO	NonCSC	N/A	Active	05/14/2012	Yes		N/A
DaVita Sud-Niedersachsen GmbH	Germany	08/12/2015	GMBH	NonCSC	N/A	Active	08/12/2015	Yes	No	N/A
DaVita Tidewater - Virginia Beach, LLC	DE	10/13/2006	LLC	CSC	ACTIVE	Active	10/13/2006	Yes	No	621492
DaVita Tidewater, LLC	DE	05/06/2004	LLC	CSC	ACTIVE	Active	05/06/2004	Yes	No	621492
DaVita UTR Servicos de Nefrologia Ltda.	Brazil	07/01/1999	LLCL	NonCSC	N/A	Active	05/01/2018	No	No	
DaVita VillageHealth of California, Inc.	CA	01/11/2008	CORP	CSC	ACTIVE	Active	01/11/2008	Yes	No	
DaVita VillageHealth of Colorado, Inc.	CO	05/22/2007	CORP	CSC	ACTIVE	Active	05/22/2007	Yes	No	N/A
DaVita VillageHealth of Kansas, Inc.	KS	03/23/2007	CORP	CSC	ACTIVE	Active	03/23/2007	Yes	No	
DaVita VillageHealth, Inc.	DE	12/15/2006	CORP	CSC	ACTIVE	Active	12/15/2006	Yes	No	
Dawson Dialysis, LLC	DE	09/09/2014	LLC	CSC	ACTIVE	Active	09/09/2014	No	No	621492
Daytone Dialysis, LLC	DE	02/05/2010	LLC	CSC	ACTIVE	Active	02/05/2010	Yes	No	621492
DC Healthcare International, Inc.	DE	07/07/2010	CORP	CSC	ACTIVE	Active	07/07/2010	Yes	No	
DE Oro Dialysis, LLC	DE	07/22/2008	LLC	CSC	ACTIVE	Active	07/22/2008	Yes	No	621492
Decker Dialysis, LLC	DE	11/30/2007	LLC	CSC	ACTIVE	Active	11/30/2007	Yes	No	621492
Decklund Dialysis, LLC	DE	02/18/2016	LLC	CSC	ACTIVE	Active	02/18/2016	No	No	621492
Dedham Dialysis, LLC	DE	08/02/2018	LLC	CSC	ACTIVE	Active	08/02/2018	Yes	No	621492
Deerbrook Dialysis Center, LLC	DE	07/19/2006	LLC	CSC	ACTIVE	Active	07/19/2006	Yes	No	621492
Delabar Dialysis, LLC	DE	11/12/2013	LLC	CSC	ACTIVE	Active	11/12/2013	No	No	621492
Demlow Dialysis, LLC	DE	02/20/2018	LLC	CSC	ACTIVE	Active	02/20/2018	Yes	No	621492
Deneault Dialysis, LLC	DE	03/01/2018	LLC	CSC	ACTIVE	Active	03/01/2018	Yes	No	621492
Deowee Dialysis, LLC	DE	07/26/2013	LLC	CSC	ACTIVE	Active	07/26/2013	No	No	621492
Deschutes Dialysis, LLC	DE	01/13/2012	LLC	CSC	ACTIVE	Active	01/13/2012	No	No	621492
Desert Rocks Dialysis, LLC	DE	07/26/2011	LLC	CSC	ACTIVE	Active	07/26/2011	No	No	621492
DeSoto Dialysis, LLC	DE	05/03/2011	LLC	CSC	ACTIVE	Active	05/03/2011	No	No	621492
Detroit Integrated Kidney Care, LLC	DE	07/17/2015	LLC	CSC	ACTIVE	Active	07/17/2015	Yes	No	621492
Diablo Dialysis, LLC	DE	01/09/2013	LLC	CSC	ACTIVE	Active	01/09/2013	Yes	No	621492
DiaCare AG	Switzerland	10/04/2014	STOCKCORP	NonCSC	N/A	Active	10/04/2014	No	No	
Dialysis Center Of Abilene, L.P.	DE	02/10/2005	LP	CSC	ACTIVE	Active	02/10/2005	Yes	No	621492
Dialysis Holdings, Inc.	DE	04/25/1989	CORP	CSC	ACTIVE	Active	04/25/1989	Yes	No	
Dialysis of Des Moines, LLC	DE	04/02/2003	LLC	CSC	ACTIVE	Active	04/02/2003	No	No	621492
Dialysis of North Atlanta, LLC	DE	05/13/2002	LLC	CSC	ACTIVE	Active	05/13/2002	Yes	No	621492
Dialysis of Northern Illinois, LLC	DE	05/20/2003	LLC	CSC	ACTIVE	Active	05/20/2003	No	No	621492
Dialysis Specialists of Dallas, Inc.	TX	11/17/1993	CORP	CSC	ACTIVE	Active	11/17/1993	Yes	No	621492
Dierks Dialysis, LLC	DE	09/12/2017	LLC	CSC	ACTIVE	Active	09/12/2017	No	No	621492
Dighton Dialysis, LLC	DE	06/04/2018	LLC	CSC	ACTIVE	Active	06/04/2018	No	No	621492
Dillard Dialysis, LLC	DE	08/21/2014	LLC	CSC	ACTIVE	Active	08/21/2014	Yes	No	621492
DNP Management Company, LLC	DE	08/13/2007	LLC	CSC	ACTIVE	Active	08/13/2007	Yes	No	
Dolores Dialysis, LLC	DE	09/03/2008	LLC	CSC	ACTIVE	Active	09/03/2008	No	No	621492
Dome Dialysis, LLC	DE	02/22/2011	LLC	CSC	ACTIVE	Active	02/22/2011	No	No	621492
Dorchester Dialysis, LLC	DE	05/28/2014	LLC	CSC	ACTIVE	Active	05/28/2014	No	No	621492
Doves Dialysis, LLC	DE	05/21/2010	LLC	CSC	ACTIVE	Active	05/21/2010	Yes	No	621492
Downriver Centers, Inc.	MI	09/07/1999	CORP	CSC	ACTIVE	Active	09/07/1999	Yes	No	621492
Downtown Houston Dialysis Center, L.P.	DE	01/23/2004	LP	CSC	ACTIVE	Active	01/23/2004	No	No	621492

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DPS CKD, LLC	DE	10/30/2017	LLC	CSC	ACTIVE	Active	10/30/2017	Yes	No	621492
Dresher Dialysis, LLC	DE	02/21/2014	LLC	CSC	ACTIVE	Active	02/21/2014	No	No	621492
Drummer Dialysis, LLC	DE	05/16/2016	LLC	CSC	ACTIVE	Active	05/16/2016	No	No	621492
Dunes Dialysis, LLC	DE	11/12/2015	LLC	CSC	ACTIVE	Active	11/12/2015	No	No	621492
Dunkins Dialysis, LLC	DE	09/29/2014	LLC	CSC	ACTIVE	Active	09/29/2014	Yes	No	621492
Dunklinson Dialysis, LLC	DE	10/23/2017	LLC	CSC	ACTIVE	Active	10/23/2017	No	No	621492
Durango Dialysis Center, LLC	DE	08/25/2004	LLC	CSC	ACTIVE	Active	08/25/2004	No	No	621492
Duston Dialysis, LLC	DE	07/01/2015	LLC	CSC	ACTIVE	Active	07/01/2015	No	No	621492
Duxbury Dialysis, LLC	DE	12/14/2018	LLC	CSC	ACTIVE	Active	12/14/2018	Yes	No	621492
DV Care Netherlands B.V.	Netherlands	12/06/2011	BV	NonCSC	N/A	Active	12/29/2011	Yes	No	SBI-Code: 6420
DV Care Netherlands C.V.	Netherlands	12/13/2013	CV	NonCSC	N/A	Active	12/23/2013	Yes	No	
DV Pharmaceuticals B.V.	Netherlands	04/14/2015	BV	NonCSC	N/A	Active	04/14/2015	Yes	No	
DV Renal Care Denmark ApS	Denmark	09/18/2015	APS	NonCSC	N/A	Active	09/18/2015	Yes	No	
DV Renal Care Sweden AB	Sweden	08/03/2011	PRLLC	NonCSC	N/A	Active	11/03/2011	Yes	No	N/A
DVA (Malaysia) SDN. BHD.	Malaysia	10/27/2010	PCLS	NonCSC	N/A	Active	10/27/2010	No	Yes	
DVA Healthcare - Southwest Ohio, LLC	TN	03/18/1997	LLC	CSC	ACTIVE	Active	03/18/1997	No	No	621492
DVA Healthcare of Maryland, LLC	MD	12/16/2016	LLC	CSC	ACTIVE	Active	05/10/1995	Yes	No	621492
DVA Healthcare of Massachusetts, Inc.	MA	04/23/1993	CORP	CSC	ACTIVE	Active	04/23/1993	Yes	No	
DVA Healthcare of New London, LLC	TN	05/10/1999	LLC	CSC	ACTIVE	Active	05/10/1999	No	No	621492
DVA Healthcare of Norwich, LLC	TN	05/10/1999	LLC	CSC	ACTIVE	Active	05/10/1999	No	No	621492
DVA Healthcare of Pennsylvania, LLC	PA	10/06/1997	LLC	CSC	ACTIVE	Active	10/06/1997	Yes	No	621492
DVA Healthcare of Tuscaloosa, LLC	TN	11/15/1995	LLC	CSC	ACTIVE	Active	11/15/1995	No	No	621492
DVA Healthcare Procurement Services, Inc.	CA	10/10/1996	CORP	CSC	ACTIVE	Active	10/10/1996	Yes	No	
DVA Healthcare Renal Care, Inc.	NV	11/19/1975	CORP	CSC	ACTIVE	Active	11/19/1975	Yes	No	621492
DVA Holdings Pte. Ltd.	Singapore	06/02/2016	PCLS	NonCSC	N/A	Active	06/02/2016	Yes	No	
DVA Laboratory Services, Inc.	FL	06/27/1989	CORP	CSC	ACTIVE	Active	06/27/1989	Yes	No	
DVA of New York, Inc.	NY	08/15/1996	CORP	CSC	ACTIVE	Active	08/15/1996	Yes	No	
DVA Renal Healthcare, Inc.	TN	07/20/1987	CORP	CSC	ACTIVE	Active	07/20/1987	Yes	No	621492
DVA Seri Setia Sdn. Bhd.	Malaysia	04/14/2011	PCLS	NonCSC	N/A	Active	09/01/2011	No	Yes	
DVA Washington University Healthcare of Greater St. Louis, LLC	DE	11/22/1999	LLC	CSC	ACTIVE	Active	11/22/1999	No	No	621492
Dworsher Dialysis, LLC	DE	03/14/2014	LLC	CSC	ACTIVE	Active	03/14/2014	No	No	6621493
Eagles Dialysis, LLC	DE	03/02/2010	LLC	CSC	ACTIVE	Active	03/02/2010	Yes	No	621492
East Bay - DaVita Dialysis, LLC	DE	10/13/2005	LLC	CSC	ACTIVE	Active	10/13/2005	Yes	No	621492
East Dearborn Dialysis, LLC	DE	11/12/2004	LLC	CSC	ACTIVE	Active	11/12/2004	Yes	No	62492
East End Dialysis Center, Inc.	VA	01/30/1985	CORP	CSC	ACTIVE	Active	01/30/1985	Yes	No	621492
East Ft. Lauderdale, LLC	DE	06/11/2003	LLC	CSC	ACTIVE	Active	06/11/2003	No	No	621492
East Houston Kidney Center, L.P.	DE	01/23/2004	LP	CSC	ACTIVE	Active	01/23/2004	No	No	621492
East Oaks Dialysis, LLC	DE	10/09/2017	LLC	CSC	ACTIVE	Active	10/09/2017	Yes	No	6214925
Eastmont Dialysis Partnership	CA	03/01/1997	GP	NonCSC	N/A	Active	12/07/2005	Yes	No	621492
Eastover Dialysis, LLC	DE	10/04/2007	LLC	CSC	ACTIVE	Active	10/04/2007	No	No	621492
Eavers Dialysis, LLC	DE	03/01/2016	LLC	CSC	ACTIVE	Active	03/01/2016	Yes	No	621492
Ebrea Dialysis, LLC	DE	10/30/2012	LLC	CSC	ACTIVE	Active	10/30/2012	No	No	621492
Echos Dialysis, LLC	DE	03/11/2010	LLC	CSC	ACTIVE	Active	03/11/2010	Yes	No	621492
Edisto Dialysis, LLC	DE	10/07/2013	LLC	CSC	ACTIVE	Active	10/07/2013	Yes	No	621492
Edna Dialysis, L.P.	DE	02/01/2006	LP	CSC	ACTIVE	Active	02/01/2006	Yes	No	621492
Egonsa Dialysis, LLC	DE	12/19/2017	LLC	CSC	ACTIVE	Active	12/19/2017	No	No	621492
Elberton Dialysis Facility, Inc.	GA	07/29/1986	CORP	CSC	ACTIVE	Active	07/29/1986	Yes	No	621492
Eldrist Dialysis, LLC	DE	11/01/2013	LLC	CSC	ACTIVE	Active	11/01/2013	Yes	No	621492
Elgin Dialysis, LLC	DE	01/03/2012	LLC	CSC	ACTIVE	Active	01/03/2012	No	No	621492
Elk Grove Dialysis Center, LLC	DE	01/06/2004	LLC	CSC	ACTIVE	Active	01/06/2004	No	No	621492
Elkhorn Dialysis, LLC	DE	11/10/2015	LLC	CSC	ACTIVE	Active	11/10/2015	No	No	621492
Ellacoya Dialysis, LLC	DE	07/21/2015	LLC	CSC	ACTIVE	Active	07/21/2015	Yes	No	621492
Ellmac Dialysis, LLC	DE	10/31/2018	LLC	CSC	ACTIVE	Active	10/31/2018	Yes	No	
Ellsworth Dialysis, LLC	DE	11/28/2016	LLC	CSC	ACTIVE	Active	11/28/2016	No	No	621492
Elmore Dialysis, LLC	DE	09/14/2018	LLC	CSC	ACTIVE	Active	09/14/2018	Yes	No	621492
Empire State DC, Inc.	NY	08/19/1996	CORP	CSC	ACTIVE	Active	08/19/1996	Yes	No	621492
Enchanted Dialysis, LLC	NY	12/06/2011	LLC	CSC	ACTIVE	Active	12/06/2011	No	No	621492
Endicott Dialysis, LLC	DE	04/11/2018	LLC	CSC	ACTIVE	Active	04/11/2018	Yes	No	621492
Esterio Dialysis, LLC	DE	04/21/2009	LLC	CSC	ACTIVE	Active	04/21/2000	Yes	No	
Etowah Dialysis, LLC	DE	05/03/2013	LLC	CSC	ACTIVE	Active	11/15/2007	Yes	No	621492
Ettleton Dialysis, LLC	DE	12/12/2017	LLC	CSC	ACTIVE	Active	12/12/2017	Yes	No	621492
Eufaula Dialysis, LLC	DE	08/14/2012	LLC	CSC	ACTIVE	Active	08/14/2012	No	No	621492
EURODIAL - Centro de Nefrologia e Dialise de Leiria S.A.	Portugal	02/12/2001	PLC	NonCSC	N/A	Active	02/12/2001	Yes	No	CAE: 86210-R3
Everett MSO, Inc.	WA	11/20/2015	CORP	NonCSC	N/A	Active	11/20/2015	Yes	No	621111
Everett Physicians, Inc. P.S.	WA	02/26/2016	CORP	NonCSC	N/A	Active	02/26/2016	No	Yes	need to get from Tax
Everglades Dialysis, LLC	DE	09/12/2012	LLC	CSC	ACTIVE	Active	09/12/2012	No	No	621492
Fairfield Dialysis, LLC	DE	12/07/2011	LLC	CSC	ACTIVE	Active	12/07/2011	No	No	621492
Falcon, LLC	DE	09/14/2009	LLC	CSC	ACTIVE	Active	09/14/2009	Yes	No	518210

Entity Name	Domestic Jurisdiction	Formation Date	Entity Type	CSC Indicator	CSC Service Status	Entity Status	Entity Status Date	Wholly Owned (Yes/No)	DVA Ownership 50% or Less (Yes/No)	SIC/NAICS
Falls Dialysis, LLC	DE	11/20/2009	LLC	CSC	ACTIVE	Active	11/20/2009	Yes	No	621492
Falmont Dialysis, LLC	DE	05/16/2018	LLC	CSC	ACTIVE	Active	05/16/2018	No	No	621492
Fannin Dialysis, LLC	DE	02/16/2012	LLC	CSC	ACTIVE	Active	02/16/2012	Yes	No	621492
Fanthorp Dialysis, LLC	DE	01/26/2012	LLC	CSC	ACTIVE	Active	01/26/2012	No	No	621492
Farragut Dialysis, LLC	DE	02/07/2013	LLC	CSC	ACTIVE	Active	02/07/2013	Yes	No	621492
Federal Way Assurance, Inc.	CO	09/18/2017	CORP	CSC	ACTIVE	Active	09/18/2017	Yes	No	
Felixon Dialysis, LLC	DE	10/26/2017	LLC	CSC	ACTIVE	Active	10/26/2017	Yes	No	621492
Fenton Dialysis, LLC	DE	03/07/2011	LLC	CSC	ACTIVE	Active	03/07/2011	No	No	621492
Ferne Dialysis, LLC	DE	11/19/2014	LLC	CSC	ACTIVE	Active	11/19/2014	No	No	621492
Ferron Dialysis, LLC	DE	06/23/2016	LLC	CSC	ACTIVE	Active	06/23/2016	No	No	621492
Fields Dialysis, LLC	DE	12/12/2008	LLC	CSC	ACTIVE	Active	12/12/2008	No	No	621492
Fillmore Dialysis, LLC	DE	02/18/2019	LLC	CSC	ACTIVE	Active	02/18/2019	Yes	No	621492
Five Star Dialysis, LLC	DE	08/30/2007	LLC	CSC	ACTIVE	Active	08/30/2007	No	No	621492
Fjords Dialysis, LLC	DE	06/15/2012	LLC	CSC	ACTIVE	Active	06/15/2012	No	No	621492
Flagler Dialysis, LLC	DE	04/13/2012	LLC	CSC	ACTIVE	Active	04/13/2012	Yes	No	621492
Flamingo Park Kidney Center, Inc.	FL	05/28/1993	CORP	CSC	ACTIVE	Active	05/28/1993	Yes	No	621492
Flandrau Dialysis, LLC	DE	10/14/2014	LLC	CSC	ACTIVE	Active	10/14/2014	No	No	621492
Flor Dialysis, LLC	DE	02/01/2011	LLC	CSC	ACTIVE	Active	02/01/2011	Yes	No	
Folger Dialysis, LLC	DE	09/11/2018	LLC	CSC	ACTIVE	Active	09/11/2018	Yes	No	621492
Forester Dialysis, LLC	DE	10/01/2008	LLC	CSC	ACTIVE	Active	10/01/2008	No	No	621492
Fort Dialysis, LLC	DE	06/18/2010	LLC	CSC	ACTIVE	Active	06/18/2010	Yes	No	621492
Foss Dialysis, LLC	DE	01/11/2013	LLC	CSC	ACTIVE	Active	01/11/2013	Yes	No	621492
Freehold Artificial Kidney Center, L.L.C.	NJ	07/13/1994	LLC	CSC	ACTIVE	Active	07/13/1994	Yes	No	621492
Freeman Dialysis, LLC	DE	03/21/2016	LLC	CSC	ACTIVE	Active	03/21/2016	Yes	No	621492
Freeportbay Dialysis, LLC	DE	07/11/2011	LLC	CSC	ACTIVE	Active	07/11/2011	No	No	621492
Fremont Dialysis, LLC	DE	03/07/2013	LLC	CSC	ACTIVE	Active	03/07/2013	No	No	621492
Frierton Dialysis, LLC	DE	06/23/2017	LLC	CSC	ACTIVE	Active	06/23/2017	No	No	621492
Frontenac Dialysis, LLC	DE	05/13/2015	LLC	CSC	ACTIVE	Active	05/13/2015	No	No	621492
Frontier Dialysis, LLC	DE	09/24/2014	LLC	CSC	ACTIVE	Active	09/24/2014	No	No	621492
Fullerton Dialysis Center, LLC	DE	12/28/2004	LLC	CSC	ACTIVE	Active	12/28/2004	No	No	621492
Gallatin Dialysis, LLC	DE	03/17/2016	LLC	CSC	ACTIVE	Active	03/17/2016	Yes	No	621492
Ganchis Dialysis, LLC	DE	05/11/2016	LLC	CSC	ACTIVE	Active	05/11/2016	Yes	No	621492
Ganois Dialysis, LLC	DE	01/03/2014	LLC	CSC	ACTIVE	Active	01/03/2013	Yes	No	621492
Gansett Dialysis, LLC	DE	08/31/2018	LLC	CSC	ACTIVE	Active	08/31/2018	Yes	No	621492
Gardenside Dialysis, LLC	DE	07/26/2010	LLC	CSC	ACTIVE	Active	07/26/2010	No	No	621492
Garner Dialysis, LLC	DE	02/04/2011	LLC	CSC	ACTIVE	Active	02/04/2011	No	No	621492
Garnet Dialysis, LLC	DE	09/13/2011	LLC	CSC	ACTIVE	Active	09/13/2011	No	No	621492
Garrett Dialysis, LLC	DE	01/22/2013	LLC	CSC	ACTIVE	Active	01/22/2013	No	No	621492
Garson Dialysis, LLC	DE	07/11/2016	LLC	CSC	ACTIVE	Active	07/11/2016	Yes	No	621492
Garth Dialysis, LLC	DE	01/21/2014	LLC	CSC	ACTIVE	Active	01/21/2014	Yes	No	621492
Gate Dialysis, LLC	DE	04/05/2013	LLC	CSC	ACTIVE	Active	04/05/2013	Yes	No	621492
Gaviota Dialysis, LLC	DE	02/22/2011	LLC	CSC	ACTIVE	Active	02/22/2011	No	No	621492
GDC International, LLC	DE	11/06/2009	LLC	CSC	ACTIVE	Active	11/06/2009	Yes	No	
GDC Resources, LLC	DE	11/06/2009	LLC	CSC	ACTIVE	Active	11/06/2009	Yes	No	
Gebhard Dialysis, LLC	DE	12/18/2014	LLC	CSC	ACTIVE	Active	12/18/2014	No	No	621492
Gemini Dialysis, LLC	DE	04/17/2008	LLC	CSC	ACTIVE	Active	04/17/2008	Yes	No	621492
Genesis KC Development, LLC	DE	03/26/2014	LLC	CSC	ACTIVE	Active	03/26/2014	Yes	No	531190
Genessee Dialysis, LLC	DE	02/21/2019	LLC	CSC	ACTIVE	Active	02/21/2019	Yes	No	621492
Gertrude Dialysis, LLC	DE	02/12/2014	LLC	CSC	ACTIVE	Active	02/12/2014	No	No	621492
Geyser Dialysis, LLC	DE	10/30/2012	LLC	CSC	ACTIVE	Active	10/30/2012	No	No	621492
Gilwards Dialysis, LLC	DE	06/09/2016	LLC	CSC	ACTIVE	Active	06/09/2016	No	No	621492
Gioconda Dialysis, LLC	DE	06/19/2014	LLC	CSC	ACTIVE	Active	06/19/2014	Yes	No	621492
GiveLife Dialysis, LLC	DE	07/10/2009	LLC	CSC	ACTIVE	Active	07/10/2009	No	No	621492
Givhan Dialysis, LLC	DE	07/26/2013	LLC	CSC	ACTIVE	Active	07/26/2013	Yes	No	621492
Glacier Dialysis, LLC	DE	06/05/2012	LLC	CSC	ACTIVE	Active	06/05/2012	No	No	621492
Glarus Dialysis, LLC	DE	12/19/2017	LLC	CSC	ACTIVE	Active	12/19/2017	No	No	621492
Glassland Dialysis, LLC	DE	07/16/2012	LLC	CSC	ACTIVE	Active	07/16/2012	No	No	621492
Glosser Dialysis, LLC	DE	01/07/2015	LLC	CSC	ACTIVE	Active	01/07/2015	No	No	621492
Golden ASC, LLC	DE	06/03/2010	LLC	CSC	ACTIVE	Active	06/03/2010	No	No	621492
Golden Dialysis, LLC	DE	11/15/2012	LLC	CSC	ACTIVE	Active	11/15/2012	No	No	621492
Golden Sun Bear, LLC	DE	07/16/2010	LLC	CSC	ACTIVE	Active	07/16/2010	Yes	No	621492
Goldendale Dialysis, LLC	DE	11/08/2012	LLC	CSC	ACTIVE	Active	11/08/2012	No	No	621492
Goliad Dialysis, LLC	DE	02/24/2012	LLC	CSC	ACTIVE	Active	02/24/2012	No	No	621492
Golver Dialysis, LLC	DE	11/28/2016	LLC	CSC	ACTIVE	Active	11/28/2016	Yes	No	621492
Goodale Dialysis, LLC	DE	06/03/2013	LLC	CSC	ACTIVE	Active	06/03/2013	No	No	621492
Gordina Dialysis, LLC	DE	04/07/2014	LLC	CSC	ACTIVE	Active	04/07/2014	No	No	621492
Gouache Dialysis, LLC	DE	05/31/2016	LLC	CSC	ACTIVE	Active	05/31/2016	No	No	621492
Goza Dialysis, LLC	DE	12/18/2012	LLC	CSC	ACTIVE	Active	12/18/2012	No	No	621492



Entity Name	Domestic Jurisdiction	Formation Date	Entity Type	CSC Indicator	CSC Service Status	Entity Status	Entity Status Date	Wholly Owned (Yes/No)	DVA Ownership 50% or Less (Yes/No)	SIC/NAICS
Grahams Dialysis, LLC	DE	05/27/2015	LLC	CSC	ACTIVE	Active	05/27/2015	Yes	No	621492
Grambrill Dialysis, LLC	DE	06/29/2017	LLC	CSC	ACTIVE	Active	06/29/2017	Yes	No	621492
Gramleer Dialysis, LLC	DE	09/15/2017	LLC	CSC	ACTIVE	Active	09/15/2017	No	No	621492
Grand Home Dialysis, LLC	DE	06/28/2007	LLC	CSC	ACTIVE	Active	06/28/2007	No	No	621492
Granue Dialysis, LLC	DE	07/20/2016	LLC	CSC	ACTIVE	Active	07/20/2016	No	No	621492
Grayland Dialysis, LLC	DE	01/04/2013	LLC	CSC	ACTIVE	Active	06/28/2007	Yes	No	621492
Great Dialysis, LLC	DE	01/08/2009	LLC	CSC	ACTIVE	Active	01/08/2009	Yes	No	621492
Greater Las Vegas Dialysis, LLC	DE	08/05/2005	LLC	CSC	ACTIVE	Active	08/05/2005	No	No	621492
Greater Los Angeles Dialysis Centers, LLC	DE	04/07/2005	LLC	CSC	ACTIVE	Active	04/07/2005	No	No	621492
Green Country Dialysis, LLC	DE	09/21/2011	LLC	CSC	ACTIVE	Active	09/21/2011	No	No	621492
Green Desert Dialysis, LLC	DE	02/23/2007	LLC	CSC	ACTIVE	Active	02/23/2007	No	No	621492
Greenleaf Dialysis, LLC	DE	07/27/2012	LLC	CSC	ACTIVE	Active	07/27/2012	No	No	621492
Greenspoint Dialysis, LLC	DE	12/18/2007	LLC	CSC	ACTIVE	Active	12/18/2007	Yes	No	621492
Greenwood Dialysis, LLC	DE	06/02/2003	LLC	CSC	ACTIVE	Active	06/02/2003	No	No	621492
Greylock Dialysis, LLC	DE	05/30/2018	LLC	CSC	ACTIVE	Active	05/30/2018	Yes	No	621492
Griffin Dialysis, LLC	DE	03/17/2009	LLC	CSC	ACTIVE	Active	03/17/2009	No	No	621492
Griffs Dialysis, LLC	DE	01/18/2013	LLC	CSC	ACTIVE	Active	01/18/2013	Yes	No	621492
Grosse Pointe Dialysis, LLC	DE	06/25/2007	LLC	CSC	ACTIVE	Active	06/25/2007	Yes	No	621492
Groten Dialysis, LLC	DE	04/24/2018	LLC	CSC	ACTIVE	Active	04/24/2018	Yes	No	621492
Grove Dialysis, LLC	DE	09/23/2008	LLC	CSC	ACTIVE	Active	09/23/2008	Yes	No	621492
Guilder Dialysis, LLC	DE	05/25/2018	LLC	CSC	ACTIVE	Active	05/25/2018	No	No	621492
Gulch Dialysis, LLC	DE	02/18/2014	LLC	CSC	ACTIVE	Active	02/18/2014	Yes	No	621492
Gunnison Dialysis, LLC	DE	08/02/2011	LLC	CSC	ACTIVE	Active	08/02/2011	Yes	No	621492
Guntersville Dialysis, LLC	DE	01/27/2012	LLC	CSC	ACTIVE	Active	01/27/2012	Yes	No	621492
Hagerstown Dialysis, LLC	DE	06/19/2007	LLC	CSC	ACTIVE	Active	06/19/2007	No	No	621492
Hailstone Dialysis, LLC	DE	03/10/2017	LLC	CSC	ACTIVE	Active	03/10/2017	No	No	621492
Hampton Dialysis, LLC	DE	01/29/2016	LLC	CSC	ACTIVE	Active	01/29/2016	No	No	621492
Hanford Dialysis, LLC	DE	10/26/2007	LLC	CSC	ACTIVE	Active	10/26/2007	Yes	No	621492
Hardy Dialysis, LLC	DE	01/06/2014	LLC	CSC	ACTIVE	Active	01/06/2014	Yes	No	621492
Harmony Dialysis, LLC	DE	08/01/2013	LLC	CSC	ACTIVE	Active	08/01/2013	Yes	No	621492
Harpett Dialysis, LLC	DE	01/08/2019	LLC	CSC	ACTIVE	Active	01/08/2019	Yes	No	621492
Harriman Dialysis, LLC	DE	12/09/2013	LLC	CSC	ACTIVE	Active	12/09/2013	Yes	No	621492
Harris Dialysis, LLC	DE	03/21/2012	LLC	CSC	ACTIVE	Active	03/21/2012	Yes	No	621492
Hart Dialysis, LLC	DE	11/20/2009	LLC	CSC	ACTIVE	Active	11/20/2009	No	No	621492
Haskell Dialysis, LLC	DE	11/28/2016	LLC	CSC	ACTIVE	Active	11/28/2016	No	No	621492
Hatchery Dialysis, LLC	DE	04/05/2019	LLC	CSC	ACTIVE	Active	04/05/2019	Yes	No	621492
Havanna Dialysis, LLC	DE	03/31/2017	LLC	CSC	ACTIVE	Active	03/31/2017	No	No	621492
Havenwood Dialysis, LLC	DE	01/10/2018	LLC	CSC	ACTIVE	Active	01/10/2018	No	No	621492
Haverhills Dialysis, LLC	DE	04/11/2018	LLC	CSC	ACTIVE	Active	04/11/2018	Yes	No	641492
Hawaiian Gardens Dialysis Center, LLC	DE	05/22/2007	LLC	CSC	ACTIVE	Active	05/22/2007	Yes	No	621492
Hawn Dialysis, LLC	DE	12/18/2014	LLC	CSC	ACTIVE	Active	12/18/2014	No	No	621492
Hays Dialysis, LLC	DE	03/23/2017	LLC	CSC	ACTIVE	Active	03/23/2017	No	No	621492
Hazelton Dialysis, LLC	DE	03/11/2013	LLC	CSC	ACTIVE	Active	03/11/2013	No	No	621496
HCP ACO California, LLC	CA	08/15/2011	LLC	NonCSC	N/A	Active	08/15/2011	Yes	No	621111
HCP ACO Nevada, LLC	NV	08/15/2011	LLC	NonCSC	N/A	Active	08/15/2011	Yes	No	621111
HCP IPA Nevada, LLC	NV	06/08/2006	LLC	NonCSC	N/A	Active	06/08/2006	Yes	No	621111
HCP Medical LV, LLC	NV	11/14/2016	LLC	NonCSC	N/A	Active	11/14/2016	Yes	No	
HCP/ARTA Medical Group, P.C.	CA	08/27/2012	PC	CSC	ACTIVE	Active	08/27/2012	No	Yes	551112
Headlands Dialysis, LLC	DE	02/18/2014	LLC	CSC	ACTIVE	Active	02/18/2014	No	No	621492
HealthCare Partners Affiliates Medical Group	CA	01/01/1994	GP	NonCSC	N/A	Active	09/01/1996	No		621111
HealthCare Partners ASC-HB, LLC	CA	12/30/2008	LLC	NonCSC	N/A	Active	12/30/2008	No	No	621498
HealthCare Partners ASC-LB, LLC	CA	08/16/1996	LLC	NonCSC	N/A	Active	08/16/1996	Yes	No	621493
HealthCare Partners Associates Medical Group, P.C.	CA	04/25/2012	CORP	NonCSC	N/A	Active	04/25/2012	No	Yes	561110
HealthCare Partners Institute for Applied Research and Education	CA	05/28/1996	NFP	NonCSC	N/A	Active	05/28/1996			541712
HealthCare Partners Management Services California, LLC	DE	10/05/2015	LLC	NonCSC	N/A	Active	10/05/2015	Yes	No	621492
HealthCare Partners Management Services Nevada, LLC	NV	06/18/2009	LLC	NonCSC	N/A	Active	06/18/2006	Yes	No	
Healthcare Partners Medical Group (Coats), Ltd.	NV	07/05/1984	CORP	NonCSC	N/A	Active	07/05/1984		No	621111
HealthCare Partners Medical Group, P.C.	CA	09/19/1991	PC	NonCSC	N/A	Active	09/19/1991	No	Yes	621111
HealthCare Partners of Nevada, LLC	NV	05/11/2006	LLC	NonCSC	N/A	Active	05/11/2006	Yes	No	621111
HealthCare Partners RE, LLC	DE	01/07/2016	LLC	NonCSC	N/A	Active	01/07/2016	Yes	No	need to get from Tax
Heavener Dialysis, LLC	DE	11/20/2012	LLC	CSC	ACTIVE	Active	11/20/2012	Yes	No	621492
Heckscher Dialysis, LLC	DE	01/31/2017	LLC	CSC	ACTIVE	Active	01/31/2017	No	No	621492
Hegan Dialysis, LLC	DE	08/31/2018	LLC	CSC	ACTIVE	Active	08/31/2018	Yes	No	621492
Heideck Dialysis, LLC	DE	11/01/2013	LLC	CSC	ACTIVE	Active	11/01/2013	Yes	No	621492
Helmer Dialysis, LLC	DE	06/10/2015	LLC	CSC	ACTIVE	Active	06/10/2015	No	No	621492
Hendy Dialysis, LLC	DE	06/25/2008	LLC	CSC	ACTIVE	Active	06/25/2008	Yes	No	621492
Hennepin Dialysis, LLC	DE	11/12/2014	LLC	CSC	ACTIVE	Active	11/12/2014	Yes	No	621492
Heron Dialysis, LLC	DE	02/26/2010	LLC	CSC	ACTIVE	Active	02/26/2010	Yes	No	621492

Entity Name	Domestic Jurisdiction	Formation Date	Entity Type	CSC Indicator	CSC Service Status	Entity Status	Entity Status Date	Wholly Owned (Yes/No)	DVA Ownership 50% or Less (Yes/No)	SIC/NAICS
Hewett Dialysis, LLC	DE	04/29/2016	LLC	CSC	ACTIVE	Active	04/29/2016	No	No	621492
Heyburn Dialysis, LLC	DE	02/11/2013	LLC	CSC	ACTIVE	Active	02/11/2013	No	No	621492
Hialeah Kidney Dialysis, LLC	DE	07/30/2007	LLC	CSC	ACTIVE	Active	07/30/2007	Yes	No	621492
Higbee Dialysis, LLC	DE	07/31/2012	LLC	CSC	ACTIVE	Active	07/31/2012	No	No	621492
Higden Dialysis, LLC	DE	09/26/2017	LLC	CSC	ACTIVE	Active	09/26/2017	No	No	621492
Hightower Dialysis, LLC	DE	03/22/2016	LLC	CSC	ACTIVE	Active	03/22/2016	No	No	621492
Hilgards Dialysis, LLC	DE	05/12/2016	LLC	CSC	ACTIVE	Active	05/12/2016	No	No	621492
Hills Dialysis, LLC	DE	02/04/2010	LLC	CSC	ACTIVE	Active	02/04/2010	Yes	No	621492
Historic Dialysis, LLC	DE	12/19/2008	LLC	CSC	ACTIVE	Active	12/19/2008	Yes	No	621492
Hochatown Dialysis, LLC	DE	08/27/2012	LLC	CSC	ACTIVE	Active	08/27/2012	Yes	No	621492
Holiday Dialysis, LLC	DE	01/06/2012	LLC	CSC	ACTIVE	Active	01/06/2012	Yes	No	621492
Holtten Dialysis, LLC	DE	12/17/2014	LLC	CSC	ACTIVE	Active	12/17/2014	No	No	621492
Home Kidney Care, LLC	DE	12/31/2008	LLC	CSC	ACTIVE	Active	12/31/2008	Yes	No	621492
Honey Dialysis, LLC	DE	07/28/2009	LLC	CSC	ACTIVE	Active	07/28/2009	Yes	No	621492
Honeyman Dialysis, LLC	DE	05/04/2011	LLC	CSC	ACTIVE	Active	05/04/2011	No	No	621492
Hooper Dialysis, LLC	DE	03/23/2016	LLC	CSC	ACTIVE	Active	03/23/2016	No	No	621492
Hopkinton Dialysis, LLC	DE	08/03/2018	LLC	CSC	ACTIVE	Active - Current	08/03/2018	Yes	No	621492
Hoslier Dialysis, LLC	DE	05/31/2016	LLC	CSC	ACTIVE	Active	05/31/2016	Yes	No	621492
Houston Acute Dialysis, L.P.	DE	07/14/2004	LP	CSC	ACTIVE	Active	07/14/2004	Yes	No	621492
Houston Kidney Center/Total Renal Care Integrated Service Network Limited Partnership	DE	07/29/1996	LP	CSC	ACTIVE	Active	07/29/1996	Yes	No	621492
Hoven Dialysis, LLC	DE	05/01/2019	LLC	CSC	ACTIVE	Active	05/01/2019	Yes	No	621492
Hugo Dialysis, LLC	DE	02/18/2014	LLC	CSC	ACTIVE	Active	02/18/2014	No	No	621492
Humboldt Dialysis, LLC	DE	09/20/2011	LLC	CSC	ACTIVE	Active	09/20/2011	No	No	621492
Hummer Dialysis, LLC	DE	06/27/2014	LLC	CSC	ACTIVE	Active	06/27/2014	No	No	621492
Hunter Dialysis, LLC	DE	12/17/2012	LLC	CSC	ACTIVE	Active	12/17/2012	No	No	621492
Huntington Artificial Kidney Center, Ltd.	NY	11/09/1978	CORP	CSC	ACTIVE	Active	11/09/1978	Yes	No	621492
Huntington Park Dialysis, LLC	DE	07/16/2007	LLC	CSC	ACTIVE	Active	07/16/2007	Yes	No	621492
Hunts Dialysis, LLC	DE	05/22/2009	LLC	CSC	ACTIVE	Active	05/22/2009	Yes	No	621492
Hutchinson Dialysis, L.L.C.	KS	09/16/1992	LLC	CSC	ACTIVE	Active	09/16/1992	Yes	No	621492
Hyattsville Dialysis, LLC	DE	10/25/2007	LLC	CSC	ACTIVE	Active	10/25/2007	No	No	621492
Hyde Dialysis, LLC	DE	03/06/2013	LLC	CSC	ACTIVE	Active	03/06/2013	No	No	621492
Icelandic Dialysis, LLC	DE	08/04/2017	LLC	CSC	ACTIVE	Active	08/04/2017	Yes	No	621492
IDC -International Dialysis Centers, Lda	Portugal	03/29/2009	PVLC	NonCSC	N/A	Active	03/29/2009	Yes	No	CAE: 86906-R3
Indian River Dialysis Center, LLC	DE	10/13/2006	LLC	CSC	ACTIVE	Active	10/13/2006	No	No	621492
Infomasi Ekuiti Sdn. Bhd.	Malaysia	10/01/2015	PCLS	NonCSC	N/A	Active	10/01/2015	No	No	
Ionia Dialysis, LLC	DE	05/05/2006	LLC	CSC	ACTIVE	Active	05/05/2006	No	No	621492
Iowa Health-Des Moines DaVita Dialysis Partnership, LLC	DE	08/17/2004	LLC	CSC	ACTIVE	Active	08/17/2004	Yes	No	621492
Iroquois Dialysis, LLC	DE	08/06/2014	LLC	CSC	ACTIVE	Active	08/06/2014	No	No	621492
ISD Bartlett, LLC	DE	07/08/2010	LLC	CSC	ACTIVE	Active	07/08/2010	No	No	621492
ISD Bends Dialysis, LLC	DE	03/17/2010	LLC	CSC	ACTIVE	Active	03/17/2010	Yes	No	621492
ISD Brandon, LLC	DE	04/10/1996	LLC	CSC	ACTIVE	Active	04/10/1996	No	No	621492
ISD Buffalo Grove, LLC	DE	11/22/2002	LLC	CSC	ACTIVE	Active	11/22/2002	Yes	No	621492
ISD Canton, LLC	DE	10/24/2005	LLC	CSC	ACTIVE	Active	10/24/2005	Yes	No	621492
ISD Corpus Christi, LLC	DE	05/18/2007	LLC	CSC	ACTIVE	Active	05/18/2007	Yes	No	621492
ISD I Holding Company, Inc.	DE	12/29/2009	CORP	CSC	ACTIVE	Active	12/29/2009	Yes	No	
ISD II Holding Company, Inc.	DE	12/29/2009	CORP	CSC	ACTIVE	Active	12/29/2009	Yes	No	
ISD Kansas City, LLC	DE	09/26/2007	LLC	CSC	ACTIVE	Active	09/26/2007	Yes	No	621492
ISD Kendallville, LLC	DE	02/06/2007	LLC	CSC	ACTIVE	Active	02/26/2007	Yes	No	621492
ISD Las Vegas, LLC	DE	03/21/2007	LLC	CSC	ACTIVE	Active	03/21/2007	No	No	621492
ISD Lees Summit, LLC	DE	06/04/2007	LLC	CSC	ACTIVE	Active	06/04/2007	No	No	621492
ISD Pharmacy, LLC	DE	01/15/2008	LLC	CSC	ACTIVE	Active	01/15/2008	Yes	No	
ISD Plainfield, LLC	DE	02/06/2007	LLC	CSC	ACTIVE	Active	02/06/2007	No	No	621492
ISD Renal, Inc.	DE	03/03/2005	CORP	CSC	ACTIVE	Active	03/03/2005	Yes	No	621492
ISD Schaumburg, LLC	DE	06/10/2003	LLC	CSC	ACTIVE	Active	06/10/2003	Yes	No	621492
ISD Spring Valley, LLC	DE	11/10/2010	LLC	CSC	ACTIVE	Active	11/10/2010	Yes	No	621492
ISD Summit Renal Care, LLC	OH	07/27/1998	LLC	CSC	ACTIVE	Active	07/27/1998	No	No	621492
Itasca Dialysis, LLC	DE	03/04/2016	LLC	CSC	ACTIVE	Active	03/04/2016	No	No	621492
J.E.T. New Orleans East Dialysis, LLC	DE	06/28/2007	LLC	CSC	ACTIVE	Active	06/28/2007	Yes	No	621492
Jabine Dialysis, LLC	DE	07/11/2017	LLC	CSC	ACTIVE	Active	07/11/2017	No	No	621492
Jacinto Dialysis, LLC	DE	08/02/2012	LLC	CSC	ACTIVE	Active	08/02/2012	No	No	621492
Jedburg Dialysis, LLC	DE	01/18/2008	LLC	CSC	ACTIVE	Active	01/18/2008	Yes	No	621492
Jenness Dialysis, LLC	DE	07/17/2015	LLC	CSC	ACTIVE	Active	07/17/2015	Yes	No	621492
Jericho Dialysis, LLC	DE	07/21/2015	LLC	CSC	ACTIVE	Active	07/21/2015	No	No	621492
Joliet Dialysis, LLC	DE	09/06/2007	LLC	CSC	ACTIVE	Active	09/06/2007	Yes	No	621492
Joshua Dialysis, LLC	DE	06/06/2012	LLC	CSC	ACTIVE	Active	06/06/2012	No	No	621492
Jubilee Dialysis, LLC	DE	06/03/2014	LLC	CSC	ACTIVE	Active	06/03/2014	No	No	621492
Junta Dialysis, LLC	DE	03/10/2017	LLC	CSC	ACTIVE	Active	03/10/2017	Yes	No	621492
Kadden Dialysis, LLC	DE	01/21/2015	LLC	CSC	ACTIVE	Active	01/21/2015	No	No	621492

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Kadron Dialysis, LLC	DE	09/25/2017	LLC	CSC	ACTIVE	Active	09/25/2017	Yes	No	621492
Kalpine Dialysis, LLC	DE	05/29/2015	LLC	CSC	ACTIVE	Active	05/29/2015	Yes	No	621492
Kamaka Dialysis, LLC	DE	03/24/2016	LLC	CSC	ACTIVE	Active	03/24/2016	No	No	621492
Kamakee Dialysis, LLC	DE	01/07/2015	LLC	CSC	ACTIVE	Active	01/07/2015	No	No	621492
Kamahia Dialysis, LLC	DE	10/03/2013	LLC	CSC	ACTIVE	Active	10/03/2013	Yes	No	621492
Kandunce Dialysis, LLC	DE	10/13/2014	LLC	CSC	ACTIVE	Active	10/13/2014	Yes	No	621492
Kanika Dialysis, LLC	DE	03/28/2016	LLC	CSC	ACTIVE	Active	03/28/2016	Yes	No	621492
Kartman Dialysis, LLC	DE	11/27/2017	LLC	CSC	ACTIVE	Active	11/27/2017	Yes	No	621492
Kasaskia Dialysis, LLC	DE	05/24/2016	LLC	CSC	ACTIVE	Active	05/24/2016	No	No	621492
Kavett Dialysis, LLC	DE	10/15/2012	LLC	CSC	ACTIVE	Active	10/15/2012	No	No	621492
Kearn Dialysis, LLC	DE	01/25/2010	LLC	CSC	ACTIVE	Active	01/25/2010	No	No	621492
Keller Dialysis, LLC	DE	01/25/2010	LLC	CSC	ACTIVE	Active	01/25/2010	Yes	No	621492
Kenai Dialysis, LLC	DE	06/12/2012	LLC	CSC	ACTIVE	Active	06/12/2012	No	No	621492
Kerricher Dialysis, LLC	DE	02/18/2014	LLC	CSC	ACTIVE	Active	02/18/2014	No	No	621492
Kershaw Dialysis, LLC	DE	06/28/2017	LLC	CSC	ACTIVE	Active	06/28/2017	Yes	No	621492
Keystone Dialysis, LLC	DE	01/28/2013	LLC	CSC	ACTIVE	Active	01/28/2013	No	No	621492
Kidney Care Services, LLC	DE	03/24/2003	LLC	CSC	ACTIVE	Active	03/24/2003	Yes	No	621492
Kidney Center South LLC	DE	07/08/2014	LLC	CSC	ACTIVE	Active	07/08/2014	No	No	621492
Kidney Centers of Michigan, L.L.C.	DE	07/03/2003	LLC	CSC	ACTIVE	Active	07/03/2003	Yes	No	621492
Kidney Home Center, LLC	DE	06/10/2008	LLC	CSC	ACTIVE	Active	06/10/2008	No	No	62492
Kidney Life, LLC	NJ	10/25/2007	LLC	CSC	ACTIVE	Active	10/25/2007	Yes	No	621492
Kimball Dialysis, LLC	DE	02/01/2011	LLC	CSC	ACTIVE	Active	02/01/2011	No	No	621492
Kings Dialysis, LLC	DE	12/15/2008	LLC	CSC	ACTIVE	Active	12/15/2008	Yes	No	621492
Kingston Dialysis, LLC	DE	07/15/2015	LLC	CSC	ACTIVE	Active	07/15/2015	Yes	No	621492
Kinkaid Dialysis, LLC	DE	07/21/2014	LLC	CSC	ACTIVE	Active	07/21/2014	No	No	621492
Kinnick Dialysis, LLC	DE	01/10/2018	LLC	CSC	ACTIVE	Active	01/10/2018	No	No	621492
Kinswa Dialysis, LLC	DE	05/10/2012	LLC	CSC	ACTIVE	Active	05/10/2012	No	No	621492
Kinter Dialysis, LLC	DE	04/25/2017	LLC	CSC	ACTIVE	Active	04/25/2017	Yes	No	621492
Kiowa Dialysis, LLC	DE	11/09/2016	LLC	CSC	ACTIVE	Active	11/09/2016	No	No	621492
Klinger Dialysis, LLC	DE	07/25/2017	LLC	CSC	ACTIVE	Active	07/25/2017	Yes	No	621492
Knickerbocker Dialysis, Inc.	NY	01/26/2001	CORP	CSC	ACTIVE	Active	01/26/2001	Yes	No	621492
Knobbs Dialysis, LLC	DE	10/20/2014	LLC	CSC	ACTIVE	Active	10/20/2014	No	No	621492
Knotts Dialysis, LLC	DE	05/16/2014	LLC	CSC	ACTIVE	Active	05/16/2014	No	No	621942
Kobuk Dialysis, LLC	DE	06/20/2012	LLC	CSC	ACTIVE	Active	06/20/2012	Yes	No	621492
Kollobe Dialysis, LLC	DE	04/17/2019	LLC	CSC	ACTIVE	Active	04/17/2019	Yes	No	621492
Labette Dialysis, LLC	DE	10/20/2016	LLC	CSC	ACTIVE	Active	10/20/2016	No	No	621492
Lakeshore Dialysis, LLC	DE	02/13/2013	LLC	CSC	ACTIVE	Active	02/13/2013	No	No	621492
Lakeside Dialysis, LLC	DE	03/13/2008	LLC	CSC	ACTIVE	Active	03/13/2008	Yes	No	621492
Landing Dialysis, LLC	DE	02/18/2011	LLC	CSC	ACTIVE	Active	02/18/2011	No	No	621492
Landor Dialysis, LLC	DE	10/05/2016	LLC	CSC	ACTIVE	Active	10/05/2016	No	No	621492
Landsford Dialysis, LLC	DE	08/13/2013	LLC	CSC	ACTIVE	Active	08/13/2013	Yes	No	621492
Lanier Dialysis, LLC	DE	05/29/2013	LLC	CSC	ACTIVE	Active	06/18/2013	Yes	No	621492
Lantell Dialysis, LLC	DE	05/16/2018	LLC	CSC	ACTIVE	Active	05/16/2018	No	No	621492
Lapham Dialysis, LLC	DE	05/13/2013	LLC	CSC	ACTIVE	Active	06/17/2013	No	No	621492
Las Olas De Sequoia, LLC	DE	09/30/2011	LLC	CSC	ACTIVE	Active	09/30/2011	No	No	
Las Vegas Pediatric Dialysis, LLC	DE	10/15/2007	LLC	CSC	ACTIVE	Active	10/15/2007	No	No	621492
Lasalle Dialysis, LLC	DE	09/03/2013	LLC	CSC	ACTIVE	Active	09/03/2013	Yes	No	621492
Lassen Dialysis, LLC	DE	06/27/2012	LLC	CSC	ACTIVE	Active	06/27/2012	Yes	No	621492
Lathrop Dialysis, LLC	DE	09/08/2011	LLC	CSC	ACTIVE	Active	09/08/2011	No	No	621492
Latrobe Dialysis, LLC	DE	11/07/2011	LLC	CSC	ACTIVE	Active	11/07/2011	No	No	621492
Latsch Dialysis, LLC	NY	09/12/2014	LLC	CSC	ACTIVE	Active	09/12/2014	Yes		62149
Lawrenceburg Dialysis, LLC	DE	10/02/2003	LLC	CSC	ACTIVE	Active	10/02/2003	No	No	621492
Leasburg Dialysis, LLC	DE	04/19/2011	LLC	CSC	ACTIVE	Active	04/19/2011	No	No	621492
Leaton Dialysis, LLC	DE	08/10/2011	LLC	CSC	ACTIVE	Active	08/10/2011	Yes	No	621492
Leawood Dialysis, LLC	DE	11/18/2016	LLC	CSC	ACTIVE	Active	11/18/2016	No	No	621492
Lees Dialysis, LLC	DE	08/11/2014	LLC	CSC	ACTIVE	Active	08/11/2014	No	No	621492
Legare Development LLC	DE	02/15/2017	LLC	CSC	ACTIVE	Active	02/15/2017	Yes	No	621492
Leo Dialysis, LLC	DE	04/17/2008	LLC	CSC	ACTIVE	Active	04/17/2008	Yes	No	621492
Leoti Dialysis, LLC	DE	12/01/2016	LLC	CSC	ACTIVE	Active	12/01/2016	Yes	No	621492
Lexington Dialysis, LLC	DE	02/26/2008	LLC	CSC	ACTIVE	Active	02/26/2008	Yes	No	621492
Liberty RC, Inc.	NY	10/20/1997	CORP	CSC	ACTIVE	Active	10/20/1997	Yes	No	621492
Lifeline Pensacola, LLC	DE	11/15/2012	LLC	CSC	ACTIVE	Active	11/15/2012	No	No	
Lifeline Vascular Access Network, LLC	DE	05/16/2007	LLC	CSC	INACTIVE	Active	05/16/2007	Yes	No	
Lifeline Vascular Associates Of Allen Park, LLC	DE	01/18/2013	LLC	CSC	ACTIVE	Active	01/18/2013	No	No	
Lifeline Vascular Center-Albany, LLC	DE	10/01/2012	LLC	CSC	ACTIVE	Active	10/01/2012	No	No	
Lifeline Vascular Center-Niceville, LLC	DE	12/21/2012	LLC	CSC	ACTIVE	Active	12/21/2012	Yes	No	
Lighthouse Dialysis, LLC	DE	04/19/2010	LLC	CSC	ACTIVE	Active	04/19/2010	No	No	621492
Limon Dialysis, LLC	DE	08/27/2008	LLC	CSC	ACTIVE	Active	08/27/2008	No	No	621492

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Lincoln Park Dialysis Services, Inc.	IL	04/26/1982	CORP	CSC	ACTIVE	Active	04/26/1982	Yes	No	621492
Lincolnton Dialysis, LLC	DE	04/08/2013	LLC	CSC	ACTIVE	Active	04/08/2013	No	No	621492
Little Rock Dialysis Centers, LLC	DE	03/12/2007	LLC	CSC	ACTIVE	Active	03/12/2007	Yes	No	621492
Livingston Dialysis, LLC	DE	08/02/2011	LLC	CSC	ACTIVE	Active	08/02/2011	No	No	621492
Llano Dialysis, LLC	DE	03/27/2009	LLC	CSC	ACTIVE	Active	03/27/2009	No	No	621492
Lockhart Dialysis, LLC	DE	08/02/2011	LLC	CSC	ACTIVE	Active	08/02/2011	No	No	621492
Lockport Dialysis, LLC	DE	09/06/2007	LLC	CSC	ACTIVE	Active	09/06/2007	Yes	No	621492
Locuston Dialysis, LLC	DE	10/30/2017	LLC	CSC	ACTIVE	Active	10/30/2017	No	No	621492
Lofield Dialysis, LLC	DE	04/29/2016	LLC	CSC	ACTIVE	Active	04/29/2016	No	No	621492
Logoley Dialysis, LLC	DE	06/26/2017	LLC	CSC	ACTIVE	Active	06/26/2017	No	No	621492
Lone Dialysis, LLC	DE	09/03/2008	LLC	CSC	ACTIVE	Active	09/03/2008	Yes	No	621492
Long Beach Dialysis Center, LLC	DE	10/27/2005	LLC	CSC	ACTIVE	Active	10/27/2005	No	No	621492
Longworth Dialysis, LLC	DE	10/28/2011	LLC	CSC	ACTIVE	Active	10/28/2011	No	No	621492
Lord Baltimore Dialysis, LLC	DE	02/16/2007	LLC	CSC	ACTIVE	Active	02/16/2007	No	No	621492
Lory Dialysis, LLC	DE	04/14/2011	LLC	CSC	ACTIVE	Active	04/14/2011	No	No	621492
Los Angeles Dialysis Center	CA	05/04/1998	GP	NonCSC	N/A	Active	12/09/2005	Yes	No	621492
Los Arcos Dialysis, LLC	DE	05/22/2009	LLC	CSC	ACTIVE	Active	05/22/2009	Yes	No	621492
Loup Dialysis, LLC	DE	08/24/2009	LLC	CSC	ACTIVE	Active	08/24/2009	No	No	621492
Lourdes Dialysis, LLC	DE	03/07/2013	LLC	CSC	ACTIVE	Active	03/07/2013	Yes	No	621492
Lowden Dialysis, LLC	DE	07/08/2013	LLC	CSC	ACTIVE	Active	07/08/2013	Yes	No	621492
Lufield Dialysis, LLC	DE	01/06/2015	LLC	CSC	ACTIVE	Active	01/06/2015	No	No	621492
Lufkin Dialysis, LLC	DE	08/02/2005	LLC	CSC	ACTIVE	Active	08/02/2005	Yes	No	621492
Lurleen Dialysis, LLC	DE	02/01/2011	LLC	CSC	ACTIVE	Active	02/01/2011	No	No	621492
Lyndale Dialysis, LLC	DE	12/18/2014	LLC	CSC	ACTIVE	Active	12/18/2014	No	No	621492
Lyndon Dialysis, LLC	DE	03/17/2009	LLC	CSC	ACTIVE	Active	03/17/2009	Yes	No	62942
Lynwick Dialysis, LLC	DE	03/16/2016	LLC	CSC	ACTIVE	Active	03/16/2016	No	No	621492
Macab Dialysis LLC	DE	07/13/2016	LLC	CSC	ACTIVE	Active	07/13/2016	Yes	No	621492
Machesney Bay Dialysis, LLC	DE	01/27/2016	LLC	CSC	ACTIVE	Active	01/27/2016	No	No	621492
Mackinaw Dialysis, LLC	CA	01/02/2014	LLC	CSC	ACTIVE	Active	01/02/2014	Yes	No	621492
Madigan Dialysis, LLC	DE	07/17/2014	LLC	CSC	ACTIVE	Active	07/17/2014	No	No	621492
Madison Dialysis, LLC	DE	12/04/2013	LLC	CSC	ACTIVE	Active	12/04/2013	No	No	621492
Magney Dialysis, LLC	DE	09/12/2014	LLC	CSC	ACTIVE	Active	09/12/2014	No	No	621492
Magnolia Dialysis, LLC	DE	05/03/2013	LLC	CSC	ACTIVE	Active	05/03/2013	No	No	621492
Magoffin Dialysis, LLC	DE	09/07/2012	LLC	CSC	ACTIVE	Active	09/07/2012	No	No	621492
Mahoney Dialysis, LLC	DE	12/10/2012	LLC	CSC	ACTIVE	Active	12/10/2012	No	No	621492
Makonee Dialysis, LLC	DE	01/11/2016	LLC	CSC	ACTIVE	Active	01/11/2016	No	No	621492
Mammoth Dialysis, LLC	DE	10/13/2011	LLC	CSC	ACTIVE	Active	10/13/2011	No	No	621492
Manchester Dialysis, LLC	DE	09/08/2011	LLC	CSC	ACTIVE	Active	09/08/2011	No	No	621492
Manito Dialysis, LLC	DE	11/12/2013	LLC	CSC	ACTIVE	Active	11/12/2013	Yes	No	621492
Manzano Dialysis, LLC	DE	03/04/2010	LLC	CSC	ACTIVE	Active	03/04/2010	No	No	621492
Maple Grove Dialysis, LLC	DE	01/11/2008	LLC	CSC	ACTIVE	Active	01/11/2008	Yes	No	621492
Maples Dialysis, LLC	DE	06/19/2009	LLC	CSC	ACTIVE	Active	06/19/2009	Yes	No	621492
Margette Dialysis, LLC	DE	06/12/2015	LLC	CSC	ACTIVE	Active	06/12/2015	Yes	No	621492
Marlton Dialysis Center, LLC	DE	10/03/2005	LLC	CSC	ACTIVE	Active	10/03/2005	Yes	No	621492
Marseille Dialysis, LLC	DE	11/25/2013	LLC	CSC	ACTIVE	Active	11/25/2013	Yes	No	621492
Marshler Dialysis, LLC	DE	04/02/2018	LLC	CSC	ACTIVE	Active	04/02/2018	No	No	641492
Martin Dialysis, LLC	DE	01/07/2013	LLC	CSC	ACTIVE	Active	01/07/2013	Yes	No	621492
Marysville Dialysis Center, LLC	DE	08/09/2002	LLC	CSC	ACTIVE	Active	08/09/2002	Yes	No	621492
Mashero Dialysis, LLC	DE	05/19/2015	LLC	CSC	ACTIVE	Active	05/19/2015	No	No	621492
Mason-Dixon Dialysis Facilities, Inc.	MD	05/11/1992	CORP	CSC	ACTIVE	Active	05/11/1992	Yes	No	621492
Mastodon Dialysis, LLC	DE	10/26/2017	LLC	CSC	ACTIVE	Active	10/26/2017	Yes	No	621492
Mather Dialysis, LLC	DE	09/12/2018	LLC	CSC	ACTIVE	Active	09/12/2018	Yes	No	621492
Matheson Dialysis, LLC	DE	07/11/2016	LLC	CSC	ACTIVE	Active	07/11/2016	No	No	621492
Mattapan Dialysis, LLC	DE	07/31/2018	LLC	CSC	ACTIVE	Active	07/31/2018	Yes	No	621492
Mautino Dialysis, LLC	DE	04/23/2014	LLC	CSC	ACTIVE	Active	04/23/2014	No	No	621492
Mayfield Dialysis, LLC	DE	12/26/2007	LLC	CSC	ACTIVE	Active	12/26/2007	Yes	No	621492
Mazonia Dialysis, LLC	DE	11/05/2013	LLC	CSC	ACTIVE	Active	11/05/2013	No	No	621492
Mazsum Dialysis, LLC	DE	07/26/2017	LLC	CSC	ACTIVE	Active	07/26/2017	Yes	No	621492
Meadows Dialysis, LLC	DE	02/20/2014	LLC	CSC	ACTIVE	Active	02/20/2014	No	No	621492
Medlock Bridge Dialysis, LLC	DE	08/22/2007	LLC	CSC	ACTIVE	Active	08/22/2007	Yes	No	621492
Meesa Dialysis, LLC	DE	04/30/2014	LLC	CSC	ACTIVE	Active	04/30/2014	No	No	621492
Mellen Dialysis, LLC	DE	12/06/2017	LLC	CSC	ACTIVE	Active	12/06/2017	Yes	No	621492
Melnea Dialysis, LLC	DE	07/09/2018	LLC	CSC	ACTIVE	Active	07/09/2018	No	No	621492
Melnea Real Estate, LLC	DE	07/27/2018	LLC	CSC	ACTIVE	Active	07/27/2018	Yes	No	621492
Memorial Dialysis Center, L.P.	DE	02/10/2005	LP	CSC	ACTIVE	Active	02/10/2005	No	No	621492
Mena Dialysis Center, LLC	DE	08/29/2006	LLC	CSC	ACTIVE	Active	08/29/2006	Yes	No	621492
Menca Dialysis, LLC	DE	03/04/2019	LLC	CSC	ACTIVE	Active	03/04/2019	Yes	No	621492
Mendocino Dialysis, LLC	DE	05/02/2011	LLC	CSC	ACTIVE	Active	05/02/2011	Yes	No	621492

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Meramec Dialysis, LLC	DE	12/04/2014	LLC	CSC	ACTIVE	Active	12/04/2014	Yes	No	621492
Meridian Dialysis, LLC	DE	02/05/2009	LLC	CSC	ACTIVE	Active	02/05/2009	Yes	No	621492
Mermet Dialysis, LLC	DE	04/11/2014	LLC	CSC	ACTIVE	Active	04/11/2014	No	No	621492
Merrick Dialysis, LLC	DE	01/25/2018	LLC	CSC	ACTIVE	Active	01/25/2018	No	No	621492
Mesilla Dialysis, LLC	DE	03/04/2010	LLC	CSC	ACTIVE	Active	03/04/2010	No	No	621492
Mid-City New Orleans Dialysis Center, LLC	DE	09/01/2004	LLC	CSC	ACTIVE	Active	09/01/2004	Yes	No	621492
Middlesex Dialysis Center, LLC	DE	01/12/1999	LLC	CSC	ACTIVE	Active	01/12/1999	Yes	No	621492
Millonee Dialysis, LLC	DE	07/30/2015	LLC	CSC	ACTIVE	Active	07/30/2015	No	No	621492
Millsite Dialysis, LLC	DE	06/15/2016	LLC	CSC	ACTIVE	Active	06/15/2016	Yes	No	621492
Milltown Dialysis, LLC	DE	10/28/2015	LLC	CSC	ACTIVE	Active	10/28/2015	No	No	621492
Milo Dialysis, LLC	DE	05/03/2011	LLC	CSC	ACTIVE	Active	05/03/2011	No	No	621492
Minam Dialysis, LLC	DE	04/14/2011	LLC	CSC	ACTIVE	Active	04/14/2011	No	No	621492
Minneopa Dialysis, LLC	DE	04/29/2016	LLC	CSC	ACTIVE	Active	04/29/2016	Yes	No	621492
Miramar Dialysis Center, LLC	DE	05/16/2007	LLC	CSC	ACTIVE	Active	05/16/2007	Yes	No	621492
Mocca Dialysis, LLC	DE	02/06/2014	LLC	CSC	ACTIVE	Active	02/06/2014	No	No	621492
Modesto Dialysis, LLC	DE	06/28/2007	LLC	CSC	ACTIVE	Active	06/28/2007	Yes	No	621492
Mohansic Dialysis, LLC	DE	02/21/2017	LLC	CSC	ACTIVE	Active	02/21/2017	Yes	No	621492
Molera Dialysis, LLC	DE	07/16/2012	LLC	CSC	ACTIVE	Active	07/16/2012	Yes	No	621492
Monad Dialysis, LLC	DE	04/24/2018	LLC	CSC	ACTIVE	Active	04/24/2018	Yes	No	621492
Monahans Dialysis, LLC	DE	01/03/2012	LLC	CSC	ACTIVE	Active	01/03/2012	Yes	No	621492
Moncrief Dialysis Center/Total Renal Care Limited Partnership	DE	08/20/1997	LP	CSC	ACTIVE	Active	08/20/1997	Yes	No	621492
Monett Dialysis, LLC	DE	11/06/2014	LLC	CSC	ACTIVE	Active	11/06/2014	No	No	621492
Montauk Dialysis, LLC	DE	11/25/2014	LLC	CSC	ACTIVE	Active	11/25/2014	No	No	621492
Monte Perla Dialysis, LLC	DE	01/23/2009	LLC	CSC	ACTIVE	Active	01/23/2009	Yes	No	621492
Montville Dialysis, LLC	DE	10/16/2014	LLC	CSC	ACTIVE	Active	10/16/2014	Yes	No	621492
Moraine Dialysis, LLC	DE	12/17/2014	LLC	CSC	ACTIVE	Active	12/17/2014	No	No	621492
Moravia Dialysis, LLC	DE	02/18/2019	LLC	CSC	ACTIVE	Active	02/18/2019	Yes	No	621492
Morrison Dialysis, LLC	DE	10/05/2016	LLC	CSC	ACTIVE	Active	10/05/2016	No	No	621492
Morro Dialysis, LLC	DE	09/23/2008	LLC	CSC	ACTIVE	Active	09/23/2008	No	No	621492
Mosaic Management Services, Inc.	CA	02/14/2006	CORP	NonCSC	N/A	Active	02/14/2006	No	Yes	541690
Motte Dialysis, LLC	DE	11/06/2017	LLC	CSC	ACTIVE	Active	11/06/2017	Yes	No	621492
Mounds Dialysis, LLC	DE	06/02/2014	LLC	CSC	ACTIVE	Active	06/02/2014	No	No	621492
Mountain Park Dialysis Center, LLC	DE	03/12/2007	LLC	CSC	ACTIVE	Active	03/12/2007	Yes	No	621492
Mountain View Medical Group, LLC	CO	07/07/2016	LLC	NonCSC	N/A	Active	07/13/2016	Yes	No	
Mountain West Dialysis Services, LLC	DE	05/22/2008	LLC	CSC	ACTIVE	Active	05/22/2008	No	No	621492
Mulgee Dialysis, LLC	DE	01/11/2013	LLC	CSC	ACTIVE	Active	01/11/2013	No	No	621492
Musgrove Dialysis, LLC	DE	06/13/2013	LLC	CSC	ACTIVE	Active	06/20/2013	Yes	No	621492
Muskogee Dialysis, LLC	DE	06/14/2004	LLC	CSC	ACTIVE	Active	06/14/2004	Yes	No	621492
MVZ DaVita 15 GmbH	Germany	06/28/2018	GMBH	NonCSC	N/A	Active	06/28/2018	Yes	No	N/A
MVZ DaVita 16 GmbH	Germany	06/28/2018	GMBH	NonCSC	N/A	Active	06/28/2018	Yes	No	N/A
MVZ DaVita 17 GmbH	Germany	06/28/2018	GMBH	NonCSC	N/A	Active	06/28/2018	Yes	No	N/A
MVZ DaVita 18 GmbH	Germany	06/28/2018	GMBH	NonCSC	N/A	Active	06/28/2018	Yes	No	N/A
MVZ DaVita 23 GmbH	Germany	04/25/2018	GMBH	NonCSC	N/A	Active	04/25/2018	Yes	No	N/A
MVZ DaVita Alzey GmbH	Germany	12/20/2013	GMBH	NonCSC	N/A	Active	01/30/2014	Yes	No	N/A
MVZ DaVita Ambulantes Kardiologisches Zentrum Peine GmbH	Germany	01/05/2017	GMBH	NonCSC	N/A	Active	01/05/2017	Yes	No	N/A
MVZ DaVita Aurich GmbH	Germany	09/01/2016	GMBH	NonCSC	N/A	Active	09/01/2016	Yes	No	N/A
MVZ DaVita Bad Aibling GmbH	Germany	04/23/2018	GMBH	NonCSC	N/A	Active	04/23/2018	Yes	No	N/A
MVZ DaVita Bad Duben GmbH	Germany	07/19/2016	GMBH	NonCSC	N/A	Active	12/31/2016	Yes	No	N/A
MVZ DaVita Cardio Centrum Dusseldorf GmbH	Germany	02/28/2017	GMBH	NonCSC	N/A	Active	02/28/2017	Yes	No	N/A
MVZ DaVita Dillenburg GmbH	Germany	12/18/2016	GMBH	NonCSC	N/A	Active	12/18/2016	Yes	No	N/A
MVZ DaVita Dinkelsbuhl GmbH	Germany	05/01/2018	GMBH	NonCSC	N/A	Active	05/02/2018	Yes	No	N/A
MVZ DaVita Dormagen GmbH	Germany	07/01/2016	GMBH	NonCSC	N/A	Active	07/01/2016	Yes	No	N/A
MVZ DaVita Dresden GmbH	Germany	03/16/2006	GMBH	NonCSC	N/A	Active	04/01/2012	Yes	No	N/A
MVZ DaVita Duisburg GmbH	Germany	08/01/2016	GMBH	NonCSC	N/A	Active	08/01/2016	Yes	No	N/A
MVZ DaVita Elsterland GmbH	Germany	07/01/2016	GMBH	NonCSC	N/A	Active	07/01/2016	Yes	No	N/A
MVZ DaVita Emden GmbH	Germany	12/20/2013	GMBH	NonCSC	N/A	Active	12/20/2013	Yes	No	N/A
MVZ DaVita Falkensee GmbH	Germany	04/23/2018	GMBH	NonCSC	N/A	Active	04/23/2018	Yes	No	N/A
MVZ DaVita Geilenkirchen GmbH	Germany	11/18/2015	GMBH	NonCSC	N/A	Active	11/18/2015	Yes	No	N/A
MVZ DaVita Gera GmbH	Germany	01/22/2014	GMBH	NonCSC	N/A	Active	01/22/2014	Yes	No	N/A
MVZ DaVita Hannover Linden GmbH	Germany	05/09/2018	GMBH	NonCSC	N/A	Active	05/09/2018	Yes	No	N/A
MVZ DaVita Iserlohn GmbH	Germany	06/20/2016	GMBH	NonCSC	N/A	Active	12/31/2016	Yes	No	N/A
MVZ DaVita Monchengladbach GmbH	Germany	10/01/2016	GMBH	NonCSC	N/A	Active	10/01/2016	Yes	No	N/A
MVZ DaVita Neuss GmbH	Germany	12/01/2015	GMBH	NonCSC	N/A	Active	12/01/2015	Yes	No	N/A
MVZ DaVita Niederrhein GmbH	Germany	10/01/2016	GMBH	NonCSC	N/A	Active	10/01/2016	Yes	No	N/A
MVZ DaVita Nierenzentrum Aachen Alsdorf GmbH	Germany	06/28/2018	GMBH	NonCSC	N/A	Active	06/28/2018	Yes	No	N/A
MVZ DaVita Nierenzentrum Berlin-Britz GmbH	Germany	10/01/2016	GMBH	NonCSC	N/A	Active	10/01/2016	Yes	No	N/A
MVZ DaVita Nierenzentrum Hamm-Ahlen GmbH	Germany	04/23/2018	GMBH	NonCSC	N/A	Active	04/23/2018	Yes	No	N/A
MVZ DaVita Prenzlau-Pasewalk GmbH	Germany	01/01/2017	GMBH	NonCSC	N/A	Active	01/04/2017	Yes	No	N/A

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MVZ DaVita Rhein-Ahr GmbH	Germany	01/05/2017	GMBH	NonCSC	N/A	Active	01/05/2017	Yes	No	N/A
MVZ DaVita Rhein-Ruhr GmbH	Germany	07/16/2013	GMBH	NonCSC	N/A	Active	07/16/2013	Yes	No	N/A
MVZ DaVita Salzgitter-Seesen GmbH	Germany	01/26/2005	GMBH	NonCSC	N/A	Active	03/31/2012	Yes	No	N/A
MVZ DaVita Schwalm-Eder GmbH	Germany	01/09/2017	GMBH	NonCSC	N/A	Active	01/09/2017	Yes	No	N/A
MVZ DaVita Viersen GmbH	Germany	07/13/2016	GMBH	NonCSC	N/A	Active	07/21/2016	Yes	No	N/A
Myrtle Dialysis, LLC	DE	02/05/2015	LLC	CSC	ACTIVE	Active	02/05/2015	No	No	621492
Nadell Dialysis, LLC	DE	09/28/2012	LLC	CSC	ACTIVE	Active	06/24/2013	No	No	621492
Nahant Dialysis, LLC	DE	06/04/2018	LLC	CSC	ACTIVE	Active	06/04/2018	Yes	No	621492
Nansen Dialysis, LLC	DE	08/26/2015	LLC	CSC	ACTIVE	Active	08/26/2015	No	No	621492
Narrah Dialysis, LLC	DE	08/24/2018	LLC	CSC	ACTIVE	Active	08/24/2018	Yes	No	621492
Naskett Dialysis, LLC	DE	06/05/2018	LLC	CSC	ACTIVE	Active	06/05/2018	Yes	No	621492
National Trail Dialysis, LLC	DE	05/04/2011	LLC	CSC	ACTIVE	Active	05/04/2011	No	No	621492
Natomas Dialysis, LLC	DE	06/12/2006	LLC	CSC	ACTIVE	Active	06/12/2006	No	No	621492
Nauvau Dialysis, LLC	DE	05/11/2016	LLC	CSC	ACTIVE	Active	05/11/2016	Yes	No	621492
Navarro Dialysis, LLC	DE	02/17/2014	LLC	CSC	ACTIVE	Active	02/17/2014	No	No	621492
Naville Dialysis, LLC	DE	11/26/2013	LLC	CSC	ACTIVE	Active	11/26/2013	Yes	No	621492
Navin Dialysis, LLC	DE	07/24/2018	LLC	CSC	ACTIVE	Active - Current	07/24/2018	Yes	No	621492
Neff Dialysis, LLC	DE	02/01/2012	LLC	CSC	ACTIVE	Active	02/01/2012	No	No	621492
Nefros Unidade de Nefrologia e Hipertensao Sociedade Simples Ltda.	Brazil	03/01/2018	LLCL	NonCSC	N/A	Active	03/01/2018	Yes	No	
Nehalem Dialysis, LLC	DE	05/11/2016	LLC	CSC	ACTIVE	Active	05/11/2016	Yes	No	621492
Nehall Dialysis, LLC	DE	05/24/2016	LLC	CSC	ACTIVE	Active	05/24/2016	No	No	621492
Nelworth Dialysis, LLC	DE	06/09/2016	LLC	CSC	ACTIVE	Active	06/09/2016	Yes	No	621492
Neoporte Dialysis, LLC	DE	03/04/2016	LLC	CSC	ACTIVE	Active	03/04/2016	No	No	621492
Nephrology Medical Associates of Georgia, LLC	GA	09/28/2001	LLC	CSC	ACTIVE	Active	09/28/2001	Yes	No	621399
Nephrology Practice Solutions, LLC	DE	06/24/2014	LLC	CSC	ACTIVE	Active	06/24/2014	Yes	No	
Neptune Artificial Kidney Center, L.L.C.	NJ	07/13/1994	LLC	CSC	ACTIVE	Active	07/13/1994	Yes	No	621492
New Bay Dialysis, LLC	DE	12/12/2008	LLC	CSC	ACTIVE	Active	12/12/2008	No	No	621492
New Castle Dialysis, LLC	DE	12/09/2008	LLC	CSC	ACTIVE	Active	12/09/2008	Yes	No	621492
New Hope Dialysis, LLC	DE	08/15/2005	LLC	CSC	ACTIVE	Active	08/15/2005	Yes	No	621492
New Springs Dialysis, LLC	DE	12/12/2008	LLC	CSC	ACTIVE	Active	12/12/2008	No	No	621492
Newhall Dialysis, LLC	DE	09/09/2016	LLC	CSC	ACTIVE	Active	09/09/2016	No	No	621492
Nicona Dialysis, LLC	DE	01/18/2018	LLC	CSC	ACTIVE	Active	01/18/2018	Yes	No	621492
Nisene Dialysis, LLC	DE	09/22/2011	LLC	CSC	ACTIVE	Active	09/22/2011	Yes	No	621492
Nizina Dialysis, LLC	DE	03/19/2019	LLC	CSC	ACTIVE	Active	03/19/2019	Yes	No	621492
Nolia Dialysis, LLC	DE	02/12/2014	LLC	CSC	ACTIVE	Active	02/12/2014	No	No	621492
Norbert Dialysis, LLC	DE	04/11/2014	LLC	CSC	ACTIVE	Active	04/11/2014	No	No	621492
Norte Dialysis, LLC	DE	12/21/2012	LLC	CSC	ACTIVE	Active	12/21/2012	No	No	621492
North Atlanta Dialysis Center, LLC	DE	10/09/2003	LLC	CSC	ACTIVE	Active	10/09/2003	Yes	No	621492
North Austin Dialysis, LLC	DE	10/03/2006	LLC	CSC	ACTIVE	Active	10/03/2006	No	No	621492
North Colorado Springs Dialysis, LLC	DE	02/26/2008	LLC	CSC	ACTIVE	Active	02/26/2008	Yes	No	621492
North Ogden Dialysis, LLC	DE	11/07/2007	LLC	CSC	ACTIVE	Active	11/07/2007	Yes	No	621492
North Puget Sound Center For Sleep Disorders, LLC	WA	04/09/2004	LLC	NonCSC	N/A	Active	04/09/2004	No	Yes	
North Puget Sound Oncology Equipment Leasing Company, LLC	WA	03/24/2005	LLC	NonCSC	N/A	Active	03/24/2005	No	No	
Northeast Ohio Home Dialysis, LLC	DE	03/07/2008	LLC	CSC	ACTIVE	Active	03/07/2008	Yes	No	621492
Northridge Medical Group, Inc.	CA	05/18/1999	PC	NonCSC	N/A	Active	05/18/1999	No	Yes	621111
Northshore Dialysis, LLC	DE	10/30/2012	LLC	CSC	ACTIVE	Active	10/30/2012	Yes	No	621492
Northwest Arkansas Kidney Centers, LLC	DE	10/29/2007	LLC	CSC	ACTIVE	Active	10/29/2007	Yes	No	621492
Northwest Tucson Dialysis, LLC	DE	08/15/2007	LLC	CSC	ACTIVE	Active	08/15/2007	No	No	621492
Noster Dialysis, LLC	DE	10/28/2014	LLC	CSC	ACTIVE	Active	10/28/2014	No	No	621492
NPN IPA Washington, PLLC	WA	08/16/2017	LLC	NonCSC	N/A	Active	08/16/2017	Yes	No	921492
NPS Physicians (TN), PLLC	TN	11/16/2015	PLLC	CSC	ACTIVE	Active	11/16/2015	Yes	No	
NPS Physicians Pittsburgh, LLC	PA	10/19/2018	LLC	CSC	ACTIVE	Active	10/19/2018	No	Yes	622110
Nuevo Dialysis, LLC	DE	07/22/2008	LLC	CSC	ACTIVE	Active	07/22/2008	Yes	No	621492
NUSB Global (M) Sdn. Bhd.	Malaysia	09/03/2015	PCLS	NonCSC	N/A	Active	09/03/2015	Yes	No	
Oakdale Dialysis, LLC	DE	10/30/2012	LLC	CSC	ACTIVE	Active	10/30/2012	Yes	No	621492
Oakes Dialysis, LLC	DE	11/14/2007	LLC	CSC	ACTIVE	Active	11/14/2007	Yes	No	621492
Oasis Dialysis, LLC	DE	03/10/2010	LLC	CSC	ACTIVE	Active	03/10/2010	No	No	621492
Odiome Dialysis, LLC	DE	09/10/2015	LLC	CSC	ACTIVE	Active	09/10/2015	No	No	621492
Ogano Dialysis, LLC	DE	08/14/2017	LLC	CSC	ACTIVE	Active	08/14/2017	No	No	621492
Ohio River Dialysis, LLC	DE	08/01/2006	LLC	CSC	ACTIVE	Active	08/01/2006	No	No	621492
Okanogan Dialysis, LLC	DE	04/09/2012	LLC	CSC	ACTIVE	Active	04/09/2012	No	No	621492
Olive Dialysis, LLC	DE	10/17/2011	LLC	CSC	ACTIVE	Active	10/17/2011	No	No	621492
Olympic Dialysis, LLC	DE	07/22/2008	LLC	CSC	ACTIVE	Active	07/22/2008	Yes	No	621492
Onota Dialysis, LLC	DE	04/25/2018	LLC	CSC	ACTIVE	Active	04/25/2018	No	No	621492
Ontario Dialysis Center, LLC	DE	09/13/2004	LLC	CSC	ACTIVE	Active	09/13/2004	Yes	No	621492
Open Access Sonography, Inc.	FL	05/10/1994	CORP	CSC	ACTIVE	Active	05/10/1994	Yes	No	
Orange Dialysis, LLC	CA	09/05/2001	LLC	CSC	ACTIVE	Active	09/05/2001	Yes	No	621492
Ordust Dialysis, LLC	DE	11/25/2013	LLC	CSC	ACTIVE	Active	11/25/2013	Yes	No	621492

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Orford Dialysis, LLC	DE	12/03/2018	LLC	CSC	ACTIVE	Active	12/03/2018	Yes	No	621492
Oriello Dialysis, LLC	NY	02/08/2013	LLC	CSC	ACTIVE	Active	02/28/2013	Yes	No	621492
Orion Dialysis, LLC	DE	10/20/2016	LLC	CSC	ACTIVE	Active	10/20/2016	No	No	621492
Osage Dialysis, LLC	DE	08/13/2013	LLC	CSC	ACTIVE	Active	08/13/2013	No	No	621492
Ossipee Dialysis, LLC	DE	04/24/2018	LLC	CSC	ACTIVE	Active	04/24/2018	No	No	621492
Ouabache Dialysis, LLC	DE	10/29/2013	LLC	CSC	ACTIVE	Active	10/29/2013	Yes	No	621492
Owasso Dialysis, LLC	DE	07/06/2007	LLC	CSC	ACTIVE	Active	07/06/2007	No	No	621492
Owens Dialysis, LLC	DE	03/30/2016	LLC	CSC	ACTIVE	Active	03/30/2016	Yes	No	621492
Owyhee Dialysis, LLC	DE	04/28/2016	LLC	CSC	ACTIVE	Active	04/28/2016	No	No	621492
Ozark Dialysis, LLC	DE	10/23/2014	LLC	CSC	ACTIVE	Active	10/23/2014	No	No	621492
Pablo Dialysis, LLC	DE	04/05/2016	LLC	CSC	ACTIVE	Active	04/05/2016	No	No	621492
Pacheco Dialysis, LLC	DE	07/30/2012	LLC	CSC	ACTIVE	Active	07/13/2012	Yes	No	621492
Pacific Coast Dialysis Center	CA	03/31/1985	GP	NonCSC	N/A	Active	12/13/2005	Yes	No	621492
Pacific Dialysis, LLC	DE	10/29/2007	LLC	CSC	ACTIVE	Active	10/29/2007	Yes	No	621492
Pacific Kidney & Hypertension, LLC	OR	11/12/2013	LLC	CSC	ACTIVE	Active	11/12/2013			
Palisades Dialysis, LLC	DE	01/06/2012	LLC	CSC	ACTIVE	Active	01/06/2012	No	No	621492
Palmas Dialysis, LLC	DE	07/26/2010	LLC	CSC	ACTIVE	Active	07/26/2010	Yes	No	621492
Palmetto Dialysis, LLC	DE	02/09/2012	LLC	CSC	ACTIVE	Active	02/09/2012	No	No	621492
Palo Dialysis, LLC	DE	03/10/2009	LLC	CSC	ACTIVE	Active	03/10/2009	Yes	No	621492
Palomar Dialysis, LLC	DE	08/27/2008	LLC	CSC	ACTIVE	Active	08/27/2008	No	No	621492
Panola Dialysis, LLC	DE	05/21/2013	LLC	CSC	ACTIVE	Active	05/21/2013	Yes	No	621492
Panther Dialysis, LLC	DE	08/07/2014	LLC	CSC	ACTIVE	Active	08/07/2014	No	No	621492
Papello Dialysis, LLC	DE	06/11/2015	LLC	CSC	ACTIVE	Active	06/11/2015	Yes	No	621492
Parker Dialysis, LLC	DE	02/09/2009	LLC	CSC	ACTIVE	Active	02/09/2009	No	No	621492
Parkside Dialysis, LLC	DE	12/06/2012	LLC	CSC	ACTIVE	Active	12/06/2012	No	No	621492
Patch Dialysis, LLC	DE	08/08/2011	LLC	CSC	ACTIVE	Active	08/08/2011	Yes	No	621492
Patient Pathways, LLC	DE	07/24/2009	LLC	CSC	ACTIVE	Active	07/24/2009	Yes	No	621490
Patoka Dialysis, LLC	DE	08/05/2013	LLC	CSC	ACTIVE	Active	08/05/2013	No	No	621492
Pattison Dialysis, LLC	DE	01/05/2018	LLC	CSC	ACTIVE	Active	01/05/2018	Yes	No	621492
Patuk Dialysis, LLC	DE	05/25/2018	LLC	CSC	ACTIVE	Active	05/25/2018	Yes	No	621492
Pavalak Dialysis, LLC	DE	06/29/2017	LLC	CSC	ACTIVE	Active	06/29/2017	Yes	No	621492
Pawlier Dialysis, LLC	DE	09/29/2015	LLC	CSC	ACTIVE	Active	09/29/2015	No	No	621492
PD La Dialysis, LLC	DE	06/08/2011	LLC	CSC	ACTIVE	Active	06/08/2011	Yes		621492
Peaks Dialysis, LLC	DE	06/25/2008	LLC	CSC	ACTIVE	Active	06/25/2008	No	No	621492
Pearl Dialysis, LLC	DE	11/12/2008	LLC	CSC	ACTIVE	Active	11/12/2008	No	No	621492
Pedernates Dialysis, LLC	DE	11/01/2013	LLC	CSC	ACTIVE	Active	11/01/2013	No	No	621492
Pekin Dialysis, LLC	DE	05/30/2012	LLC	CSC	ACTIVE	Active	05/30/2012	No	No	621492
Pembina Dialysis, LLC	DE	08/09/2017	LLC	CSC	ACTIVE	Active	08/28/2017	Yes	No	621492
Pendster Dialysis, LLC	DE	03/20/2014	LLC	CSC	ACTIVE	Active	03/20/2014	No	No	621492
Peninsula Dialysis Center, Inc.	VA	07/18/1994	CORP	CSC	ACTIVE	Active	07/18/1994	Yes	No	621492
Percha Dialysis, LLC	DE	03/02/2012	LLC	CSC	ACTIVE	Active	03/02/2012	Yes	No	621492
Pering Dialysis, LLC	DE	07/23/2012	LLC	CSC	ACTIVE	Active	07/23/2012	Yes	No	621492
Perry County Dialysis, LLC	DE	01/07/2008	LLC	CSC	ACTIVE	Active	01/07/2008	Yes	No	621492
Perryton Dialysis, LLC	DE	03/10/2017	LLC	CSC	ACTIVE	Active	03/10/2017	No	Yes	621492
Pershing Dialysis, LLC	DE	12/18/2014	LLC	CSC	ACTIVE	Active	12/18/2014	Yes	No	621492
Petra Dialysis, LLC	DE	04/28/2016	LLC	CSC	ACTIVE	Active	04/28/2016	No	No	621492
Pfeiffer Dialysis, LLC	DE	05/02/2011	LLC	CSC	ACTIVE	Active	05/02/2011	No	No	621492
Pharis Dialysis, LLC	DE	01/27/2016	LLC	CSC	ACTIVE	Active	01/27/2016	No	No	621492
Philadelphia Comprehensive Care Program, LLC	DE	01/17/2018	LLC	CSC	ACTIVE	Active	01/17/2018	Yes	No	621492
Philadelphia-Camden Integrated Kidney Care, LLC	DE	07/15/2015	LLC	CSC	ACTIVE	Active	07/15/2015	Yes	No	621492
Phoenix-Tucson Integrated Kidney Care, LLC	DE	07/15/2015	LLC	CSC	ACTIVE	Active	07/15/2015	Yes	No	621492
Physician Associates of the Greater San Gabriel Valley, a Medical Group, Inc.	CA	05/17/1999	PC	NonCSC	N/A	Active	05/17/1999	Yes	No	621111
Physicians Choice Dialysis Of Alabama, LLC	DE	04/25/2003	LLC	CSC	ACTIVE	Active	04/25/2003	Yes	No	621492
Physicians Choice Dialysis, LLC	DE	04/25/2003	LLC	CSC	ACTIVE	Active	04/25/2003	Yes	No	621492
Physicians Dialysis Acquisitions, Inc.	DE	01/25/2001	CORP	CSC	ACTIVE	Active	01/25/2001	Yes	No	621492
Physicians Dialysis of Houston, LLP	TX	03/15/2019	LLP	CSC	ACTIVE	Active	03/15/2019	No	No	621492
Physicians Dialysis of Houston, LP	TX	03/15/2019	LLP	CSC	ACTIVE	Active	03/15/2019	No	No	621492
Physicians Dialysis of Lancaster, LLC	PA	08/26/2002	LLC	CSC	ACTIVE	Active	08/26/2002	No	No	621492
Physicians Dialysis of Newark, LLC	NJ	11/28/2001	LLC	CSC	ACTIVE	Active	11/28/2001	Yes	No	621492
Physicians Dialysis Ventures, LLC	DE	01/25/2001	LLC	CSC	ACTIVE	Active	01/25/2001	Yes	No	621492
Physicians Management, LLC	DE	04/25/2003	LLC	CSC	ACTIVE	Active	04/25/2003	Yes	No	621492
Pible Dialysis, LLC	DE	03/14/2012	LLC	CSC	ACTIVE	Active	03/14/2012	No	No	621492
Pike Dialysis, LLC	DE	11/12/2008	LLC	CSC	ACTIVE	Active	11/12/2008	Yes	No	621492
Pine Dialysis, LLC	DE	07/30/2012	LLC	CSC	ACTIVE	Active	07/30/2012	No	No	621492
Pinewoods Dialysis, LLC	DE	07/22/2014	LLC	CSC	ACTIVE	Active	07/22/2014	No	No	621492
Pinson Dialysis, LLC	DE	01/30/2019	LLC	CSC	ACTIVE	Active	01/30/2019	Yes	No	621492
Pirogue Dialysis, LLC	DE	03/01/2016	LLC	CSC	ACTIVE	Active	03/01/2016	Yes	No	621492
Piscata Dialysis, LLC	DE	04/08/2019	LLC	CSC	ACTIVE	Active	04/08/2019	Yes	No	621492

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Pittsburgh Dialysis Partners, LLC	DE	04/30/2007	LLC	CSC	ACTIVE	Active	04/30/2007	No	Yes	621492
Plute Dialysis, LLC	DE	08/18/2016	LLC	CSC	ACTIVE	Active	08/18/2016	No	No	621492
Placid Dialysis, LLC	DE	11/10/2015	LLC	CSC	ACTIVE	Active	11/10/2015	No	No	621492
Plaine Dialysis, LLC	DE	08/31/2010	LLC	CSC	ACTIVE	Active	08/31/2010	No	No	621492
Plateau Dialysis, LLC	DE	04/17/2012	LLC	CSC	ACTIVE	Active	04/17/2012	Yes	No	621492
Platte Dialysis, LLC	DE	07/28/2009	LLC	CSC	ACTIVE	Active	07/28/2009	No	No	621492
Plover Dialysis, LLC	DE	03/16/2018	LLC	CSC	ACTIVE	Active	03/16/2018	No	No	621492
Plumas Dialysis, LLC	DE	09/17/2008	LLC	CSC	ACTIVE	Active	09/17/2008	Yes	No	621492
Pluribus Dialise - Benfica, S.A.	Portugal	08/01/2017	S.A.	NonCSC	N/A	Active	08/01/2017	Yes	No	
Pluribus Dialise - Cascais, S.A.	Portugal	08/01/2017	S.A.	NonCSC	N/A	Active	08/01/2017	Yes	No	
Pluribus Dialise - Sacavem, S.A.	Portugal	08/01/2017	S.A.	NonCSC	N/A	Active	08/01/2017	Yes	No	
Pluribus Dialise, S.A.	Portugal	08/01/2017	S.A.	NonCSC	N/A	Active	08/01/2017	Yes	No	
Pobello Dialysis, LLC	DE	11/08/2012	LLC	CSC	ACTIVE	Active	11/08/2012	No	No	621492
Poinsett Dialysis, LLC	DE	01/28/2014	LLC	CSC	ACTIVE	Active	01/28/2014	No	No	621492
Pointe Dialysis, LLC	DE	08/19/2010	LLC	CSC	ACTIVE	Active	08/19/2010	Yes	No	621492
Pokagon Dialysis, LLC	DE	06/25/2013	LLC	CSC	ACTIVE	Active	06/25/2013	No	No	621492
Pomme Dialysis, LLC	DE	05/31/2017	LLC	CSC	ACTIVE	Active	05/31/2017	No	No	621492
Pommer Dialysis, LLC	DE	04/10/2015	LLC	CSC	ACTIVE	Active	04/10/2015	No	No	621492
Ponca Dialysis, LLC	DE	09/28/2012	LLC	CSC	ACTIVE	Active	09/28/2012	No	No	621492
Ponderosa Dialysis, LLC	DE	02/12/2013	LLC	CSC	ACTIVE	Active	02/12/2013	Yes	No	621492
Pooler Dialysis, LLC	DE	05/16/2007	LLC	CSC	ACTIVE	Active	05/16/2007	Yes	No	621492
Portola Dialysis, LLC	DE	02/14/2011	LLC	CSC	ACTIVE	Active	08/14/2011	No	No	621492
Powerton Dialysis, LLC	DE	11/04/2013	LLC	CSC	ACTIVE	Active	11/04/2013	Yes	No	621492
Prairie Dialysis, LLC	DE	08/06/2014	LLC	CSC	ACTIVE	Active	08/06/2014	Yes	No	621492
Priday Dialysis, LLC	DE	05/22/2012	LLC	CSC	ACTIVE	Active	05/22/2012	No	No	621492
Primrose Dialysis, LLC	DE	10/28/2014	LLC	CSC	ACTIVE	Active	10/28/2014	No	No	621492
Princeton Dialysis, LLC	DE	01/24/2008	LLC	CSC	ACTIVE	Active	01/24/2008	Yes	No	621492
Prineville Dialysis, LLC	DE	04/03/2012	LLC	CSC	ACTIVE	Active	04/03/2012	No	No	621492
Prings Dialysis, LLC	DE	01/25/2013	LLC	CSC	ACTIVE	Active	01/25/2013	Yes	No	621492
Pruneau Dialysis, LLC	DE	02/26/2014	LLC	CSC	ACTIVE	Active	02/26/2014	No	No	621492
Purtis Dialysis, LLC	DE	02/16/2012	LLC	CSC	ACTIVE	Active	02/16/2012	Yes	No	621492
Pyramid Dialysis, LLC	DE	01/14/2015	LLC	CSC	ACTIVE	Active	01/14/2015	No	No	621492
Quality Dialysis Care Sdn. Bhd.	Malaysia	03/19/2013	PCLS	NonCSC	N/A	Active	03/19/2013	Yes	No	
Quincy Dialysis, LLC	DE	11/15/2007	LLC	CSC	ACTIVE	Active	11/15/2007	Yes	No	621492
Quinn Dialysis, LLC	DE	09/12/2011	LLC	CSC	ACTIVE	Active	09/12/2011	Yes	No	621492
Rainer Dialysis, LLC	DE	07/02/2012	LLC	CSC	ACTIVE	Active	07/02/2012	Yes	No	621492
Ralfton Dialysis, LLC	DE	06/04/2014	LLC	CSC	ACTIVE	Active	06/04/2014	Yes	No	621492
Ramsey Dialysis, LLC	DE	10/14/2014	LLC	CSC	ACTIVE	Active	10/14/2014	Yes	No	621492
Rancho Dialysis, LLC	DE	12/18/2008	LLC	CSC	ACTIVE	Active	12/18/2008	No	No	621492
Randolph Dialysis, LLC	DE	02/19/2015	LLC	CSC	ACTIVE	Active	02/19/2015	No	No	621492
Ravalli Dialysis, LLC	DE	06/15/2016	LLC	CSC	ACTIVE	Active	06/15/2016	No	No	621492
Ravine Dialysis, LLC	DE	08/08/2014	LLC	CSC	ACTIVE	Active	08/08/2014	No	No	621492
Rayburn Dialysis, LLC	DE	10/27/2011	LLC	CSC	ACTIVE	Active	10/27/2011	No	No	621492
Red Willow Dialysis, LLC	DE	08/26/2009	LLC	CSC	ACTIVE	Active	08/26/2009	Yes	No	621492
Redcliff Dialysis, LLC	DE	06/13/2013	LLC	CSC	ACTIVE	Active	06/13/2013	No	No	621492
Redwood Dialysis, LLC	DE	05/16/2008	LLC	CSC	ACTIVE	Active	05/16/2008	Yes	No	621492
Reef Dialysis, LLC	DE	07/06/2012	LLC	CSC	ACTIVE	Active	07/06/2012	Yes	No	621492
Refuge Dialysis, LLC	DE	01/26/2009	LLC	CSC	ACTIVE	Active	01/26/2009	Yes	No	621492
Renaissance Dialysis, LLC	DE	02/26/2008	LLC	CSC	ACTIVE	Active	02/26/2008	Yes	No	621492
Renal Center of Beaumont, LLC	DE	11/18/2011	LLC	CSC	ACTIVE	Active	11/18/2011	Yes	No	621492
Renal Center of Brick, LLC	DE	12/19/2000	LLC	CSC	ACTIVE	Active	12/19/2000	Yes	No	621492
Renal Center of Carrollton, L.P.L.L.L.P.	DE	08/12/2003	LP	CSC	ACTIVE	Active	08/12/2003	Yes	No	621492
Renal Center of Englewood, LLC	DE	04/05/2010	LLC	CSC	ACTIVE	Active	04/05/2010	Yes	No	621492
Renal Center of Flower Mound, LLC	DE	05/06/2014	LLC	CSC	ACTIVE	Active	05/06/2014	Yes	No	621492
Renal Center of Fort Dodge, LLC	DE	07/21/2011	LLC	CSC	ACTIVE	Active	07/21/2011	Yes	No	621492
Renal Center of Frisco, LLC	DE	03/17/2008	LLC	CSC	ACTIVE	Active	03/17/2008	Yes	No	621492
Renal Center of Hamilton, LLC	DE	10/27/2010	LLC	CSC	ACTIVE	Active	10/27/2010	Yes	No	621492
Renal Center of Keller, LLC	DE	06/07/2013	LLC	CSC	ACTIVE	Active	06/07/2013	Yes	No	621492
Renal Center of Keyser, LLC	DE	03/03/2009	LLC	CSC	ACTIVE	Active	03/03/2009	Yes	No	621492
Renal Center of Lewisville, LLC	DE	01/23/2007	LLC	CSC	ACTIVE	Active	01/23/2007	Yes	No	621492
Renal Center of Monroe, LLC	DE	12/09/2014	LLC	CSC	ACTIVE	Active	12/09/2014	Yes	No	621492
Renal Center of Moorefield, LLC	DE	03/12/2003	LLC	CSC	ACTIVE	Active	03/12/2003	Yes	No	621492
Renal Center of Morristown, LLC	DE	10/18/2012	LLC	CSC	ACTIVE	Active	10/18/2012	Yes	No	621492
Renal Center of Mountain Home, LLC	DE	11/27/2001	LLC	CSC	ACTIVE	Active	11/27/2001	Yes	No	621492
Renal Center of Nederland, LLC	DE	11/18/2011	LLC	CSC	ACTIVE	Active	11/18/2011	Yes	No	621492
Renal Center of Newton, LLC	DE	03/12/2002	LLC	CSC	ACTIVE	Active	03/12/2002	Yes	No	621492
Renal Center of North Dallas, LLC	DE	08/04/2010	LLC	CSC	ACTIVE	Active	08/04/2010	Yes	No	621492
Renal Center of North Denton, L.L.L.P.	DE	06/22/2006	LLLP	CSC	ACTIVE	Active	06/22/2006	Yes	No	621492



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Renal Center of Orange, LLC	DE	11/18/2011	LLC	CSC	ACTIVE	Active	11/18/2011	Yes	No	621492
Renal Center of Passaic, LLC	DE	09/29/1998	LLC	CSC	ACTIVE	Active	09/29/1998	Yes	No	621492
Renal Center of Philadelphia, LLC	DE	07/28/1998	LLC	CSC	ACTIVE	Active	07/28/1998	Yes	No	621492
Renal Center of Plano, LLC	DE	09/21/2009	LLC	CSC	ACTIVE	Active	09/21/2009	Yes	No	621492
Renal Center of Port Arthur, LLC	DE	11/18/2011	LLC	CSC	ACTIVE	Active	11/18/2011	Yes	No	621492
Renal Center of Sewell, LLC	DE	12/19/2000	LLC	CSC	ACTIVE	Active	12/19/2000	Yes	No	621492
Renal Center of Somerville, LLC	DE	03/26/2003	LLC	CSC	ACTIVE	Active	03/26/2003	Yes	No	621492
Renal Center of Storm Lake, LLC	DE	05/14/1998	LLC	CSC	ACTIVE	Active	05/14/1998	Yes	No	621492
Renal Center of Succasunna, LLC	DE	10/18/2012	LLC	CSC	ACTIVE	Active	10/18/2012	Yes	No	621492
Renal Center of the Hills, LLC	DE	08/13/2008	LLC	CSC	ACTIVE	Active	05/01/2017	Yes	No	621492
Renal Center of Trenton, LLC	DE	03/12/2002	LLC	CSC	ACTIVE	Active	03/12/2002	Yes	No	621492
Renal Center of Tyler, L.P.L.L.L.P.	DE	03/26/2003	LLLP	CSC	ACTIVE	Active	03/26/2003	Yes	No	621492
Renal Center of Waterton, L.L.L.P.	DE	06/22/2006	LLLP	CSC	ACTIVE	Active	06/22/2006	Yes	No	621492
Renal Center of West Beaumont, LLC	DE	11/18/2011	LLC	CSC	ACTIVE	Active	11/18/2011	Yes	No	621492
Renal Center of Westwood, LLC	DE	01/01/2006	LLC	CSC	ACTIVE	Active	01/01/2006	Yes	No	621492
Renal Clinic Of Houston, LLC	DE	12/04/2007	LLC	CSC	ACTIVE	Active	12/04/2007	No	No	621492
Renal Life Link, Inc.	DE	08/18/2004	CORP	CSC	ACTIVE	Active	08/18/2004	Yes	No	621492
Renal Treatment Centers - California, Inc.	DE	10/06/1993	CORP	CSC	ACTIVE	Active	10/06/1993	Yes	No	621492
Renal Treatment Centers - Hawaii, Inc.	DE	12/15/1995	CORP	CSC	ACTIVE	Active	12/15/1995	Yes	No	621492
Renal Treatment Centers - Illinois, Inc.	DE	02/07/1995	CORP	CSC	ACTIVE	Active	02/07/1995	Yes	No	621492
Renal Treatment Centers - Mid-Atlantic, Inc.	DE	12/12/1988	CORP	CSC	ACTIVE	Active	12/12/1988	Yes	No	621492
Renal Treatment Centers - Northeast, Inc.	DE	01/04/1993	CORP	CSC	ACTIVE	Active	01/04/1993	Yes	No	621492
Renal Treatment Centers - Southeast, LP	DE	12/09/1994	LP	CSC	ACTIVE	Active	12/09/1994	Yes	No	621492
Renal Treatment Centers - West, Inc.	DE	04/27/1994	CORP	CSC	ACTIVE	Active	04/27/1994	Yes	No	621492
Renal Treatment Centers, Inc.	DE	08/11/1988	CORP	CSC	ACTIVE	Active	08/11/1988	Yes	No	621492
Renal Ventures Management, LLC	DE	11/25/1997	LLC	CSC	ACTIVE	Active	11/25/1997	Yes	No	621492
RenalServ LLC	DE	05/06/2005	LLC	CSC	ACTIVE	Active	05/06/2005	Yes	No	621492
Rend Dialysis, LLC	DE	06/10/2014	LLC	CSC	ACTIVE	Active	06/10/2014	No	No	621492
Reno Avenue Dialysis, LLC	DE	01/31/2008	LLC	CSC	ACTIVE	Active	01/31/2008	Yes	No	621492
Renwick Dialysis, LLC	DE	08/09/2017	LLC	CSC	ACTIVE	Active	08/09/2017	Yes	No	621492
Rhodes Dialysis, LLC	DE	09/28/2015	LLC	CSC	ACTIVE	Active	09/28/2015	No	No	621492
Richfield Dialysis, LLC	DE	09/12/2005	LLC	CSC	ACTIVE	Active	09/12/2005	Yes	No	621492
Rickwood Dialysis, LLC	DE	09/28/2010	LLC	CSC	ACTIVE	Active	09/28/2010	Yes	No	621492
Riddle Dialysis, LLC	DE	01/24/2007	LLC	CSC	ACTIVE	Active	01/24/2007	No	No	621492
Ridgeland Dialysis, LLC	DE	01/24/2008	LLC	CSC	ACTIVE	Active	01/24/2008	Yes	No	621492
Ridgely Dialysis, LLC	DE	12/19/2014	LLC	CSC	ACTIVE	Active	12/19/2014	Yes	No	621492
Rio Dialysis, LLC	DE	02/18/2011	LLC	CSC	ACTIVE	Active	12/18/2011	No	No	621492
Ripley Dialysis, LLC	DE	11/27/2007	LLC	CSC	ACTIVE	Active	11/27/2007	Yes	No	621492
Rita Ranch Dialysis, LLC	DE	01/31/2008	LLC	CSC	ACTIVE	Active	01/31/2008	Yes	No	621492
River Valley Dialysis, LLC	DE	08/01/2006	LLC	CSC	ACTIVE	Active	08/01/2006	No	No	621492
Riverside County Home PD Program, LLC	DE	04/29/2003	LLC	CSC	ACTIVE	Active	04/29/2003	Yes	No	621492
RMS Lifeline Inc.	DE	10/22/1998	CORP	CSC	ACTIVE	Active	10/22/1998	Yes	No	
RNA - DaVita Dialysis, LLC	DE	02/09/2007	LLC	CSC	ACTIVE	Active	02/09/2007	No	No	621492
Roaring Dialysis, LLC	DE	09/11/2008	LLC	CSC	ACTIVE	Active	09/11/2008	Yes	No	621492
Robertsville Dialysis, LLC	DE	05/17/2016	LLC	CSC	ACTIVE	Active	05/17/2016	No	No	621492
Robinson Dialysis, LLC	DE	03/04/2008	LLC	CSC	ACTIVE	Active	03/04/2008	Yes	No	621492
Robler Dialysis, LLC	NY	12/17/2015	LLC	CSC	ACTIVE	Active	12/17/2015	Yes	No	621492
Rochester Dialysis Center, LLC	DE	11/17/2004	LLC	CSC	ACTIVE	Active	11/17/2004	No	No	621492
Rockhound Dialysis, LLC	DE	09/06/2011	LLC	CSC	ACTIVE	Active	09/06/2011	Yes	No	621492
Rockwood Dialysis, LLC	DE	03/10/2017	LLC	CSC	ACTIVE	Active	03/10/2017	No	No	621492
Rocky Mountain Dialysis Services, LLC	DE	01/04/2002	LLC	CSC	ACTIVE	Active	01/04/2002	Yes	No	621492
Roland Dialysis, LLC	DE	03/31/2017	LLC	CSC	ACTIVE	Active	03/31/2017	No	No	621492
Rolf Park Dialysis, LLC	DE	11/18/2015	LLC	CSC	ACTIVE	Active	11/18/2015	Yes	No	621492
Rollins Dialysis, LLC	DE	09/11/2015	LLC	CSC	ACTIVE	Active	09/11/2015	No	No	621492
Ronan Dialysis, LLC	DE	10/14/2015	LLC	CSC	ACTIVE	Active	10/14/2015	No	No	
Roose Dialysis, LLC	DE	12/31/2008	LLC	CSC	ACTIVE	Active	12/31/2008	No	No	621492
Rophets Dialysis, LLC	DE	05/11/2016	LLC	CSC	ACTIVE	Active	05/11/2016	Yes	No	621492
Ross Clark Circle Dialysis, LLC	DE	01/04/2008	LLC	CSC	ACTIVE	Active	01/04/2008	Yes	No	621492
Roushe Dialysis, LLC	DE	06/18/2013	LLC	CSC	ACTIVE	Active	07/01/2013	No	No	621492
Routt Dialysis, LLC	DE	10/10/2008	LLC	CSC	ACTIVE	Active	10/10/2010	No	Yes	621492
Royale Dialysis, LLC	DE	05/16/2008	LLC	CSC	ACTIVE	Active	05/16/2008	No	No	621492
RTC - Texas Acquisition, Inc.	TX	01/14/1997	CORP	CSC	ACTIVE	Active	01/14/1997	Yes	No	
Runstone Dialysis, LLC	DE	12/30/2015	LLC	CSC	ACTIVE	Active	12/30/2015	Yes	No	621492
Rusk Dialysis, LLC	DE	10/13/2011	LLC	CSC	ACTIVE	Active	10/13/2010	No	No	621492
Russell Dialysis, LLC	DE	10/28/2011	LLC	CSC	ACTIVE	Active	10/28/2011	No	No	621492
Rutland Dialysis, LLC	DE	07/25/2018	LLC	CSC	ACTIVE	Active	07/25/2018	No	No	621492
RV Academy, LLC	DE	10/04/2010	LLC	CSC	ACTIVE	Active	10/04/2010	Yes	No	621492
RVM Holdings, LLC	DE	10/06/2008	LLC	CSC	ACTIVE	Active	07/27/2016	Yes	No	621492

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RVM Texas Renal Care, LLC	DE	11/18/2011	LLC	CSC	ACTIVE	Active	11/18/2011	Yes	No	621492
Rye Dialysis, LLC	DE	01/03/2012	LLC	CSC	ACTIVE	Active	01/03/2012	Yes	No	621492
Saddleback Dialysis, LLC	DE	08/05/2010	LLC	CSC	ACTIVE	Active	08/05/2010	No	No	621492
SafeHarbor Dialysis, LLC	DE	01/13/2009	LLC	CSC	ACTIVE	Active	01/13/2009	No	No	621492
Saggett Dialysis, LLC	DE	02/01/2016	LLC	CSC	ACTIVE	Active	02/01/2016	Yes	No	621492
Saguaro Dialysis, LLC	DE	12/15/2008	LLC	CSC	ACTIVE	Active	12/15/2008	Yes	No	621492
Sahara Dialysis, LLC	DE	07/30/2012	LLC	CSC	ACTIVE	Active	07/30/2011	No	No	621492
SAKDC-DaVita Dialysis Partners, L.P.	DE	05/16/2005	LP	CSC	ACTIVE	Active	05/16/2005	No	No	621492
Salisbury Dialysis, LLC	DE	10/04/2007	LLC	CSC	ACTIVE	Active	10/04/2007	Yes	No	621492
San Gabriel Valley Partnership	CA	06/01/1996	GP	NonCSC	N/A	Active	12/14/2005	Yes	No	621492
San Marcos Dialysis, LLC	DE	07/05/2007	LLC	CSC	ACTIVE	Active	07/05/2007	No	No	621492
Sandlin Dialysis, LLC	DE	02/03/2012	LLC	CSC	ACTIVE	Active	02/03/2012	No	No	621492
Sands Dialysis, LLC	DE	12/22/2009	LLC	CSC	ACTIVE	Active	12/22/2009	No	No	621492
Sandusky Dialysis, LLC	DE	02/16/2007	LLC	CSC	ACTIVE	Active	02/16/2007	No	No	621492
Santa Fe Springs Dialysis, LLC	DE	04/16/2007	LLC	CSC	ACTIVE	Active	04/16/2007		No	621492
Santee Dialysis, LLC	DE	12/04/2013	LLC	CSC	ACTIVE	Active	12/04/2013	Yes	No	621492
Santiam Dialysis, LLC	DE	03/15/2012	LLC	CSC	ACTIVE	Active	03/15/2012	No	No	621492
Santo Dialysis, LLC	DE	12/07/2011	LLC	CSC	ACTIVE	Active	12/07/2011	Yes	No	621492
Sapelo Dialysis, LLC	DE	05/17/2013	LLC	CSC	ACTIVE	Active	06/17/2013	No	No	621492
Sapinero Dialysis, LLC	DE	08/05/2011	LLC	CSC	ACTIVE	Active	08/05/2011	Yes	No	621492
Sappington Dialysis, LLC	DE	09/26/2017	LLC	CSC	ACTIVE	Active	09/26/2017	Yes	No	621492
Saugus Dialysis, LLC	DE	06/25/2018	LLC	CSC	ACTIVE	Active	06/25/2018	Yes	No	621492
Saunders Dialysis, LLC	DE	01/05/2018	LLC	CSC	ACTIVE	Active	01/05/2018	Yes	No	621492
Schuler Dialysis, LLC	DE	03/16/2018	LLC	CSC	ACTIVE	Active	03/16/2018	Yes	No	621492
Scoggins Dialysis, LLC	DE	06/30/2015	LLC	CSC	ACTIVE	Active	06/30/2015	Yes	No	621492
Scussett Dialysis, LLC	DE	05/11/2018	LLC	CSC	ACTIVE	Active	05/11/2018	Yes	No	621492
SE Ohio Regional Dialysis, LLC	DE	03/07/2008	LLC	CSC	ACTIVE	Active	03/07/2008	Yes	No	621492
Seabay Dialysis, LLC	DE	07/19/2013	LLC	CSC	ACTIVE	Active	07/19/2013	No	No	621492
Seasons Dialysis, LLC	DE	07/21/2010	LLC	CSC	ACTIVE	Active	07/21/2010	Yes	No	621492
Secour Dialysis, LLC	DE	04/25/2017	LLC	CSC	ACTIVE	Active	04/25/2017	No	No	621492
Seminole Dialysis, LLC	DE	11/16/2012	LLC	CSC	ACTIVE	Active	11/16/2012	Yes	No	621492
Seneca Dialysis, LLC	DE	03/09/2005	LLC	CSC	ACTIVE	Active	03/09/2005	No	No	621492
Sensiba Dialysis, LLC	DE	03/01/2018	LLC	CSC	ACTIVE	Active	03/01/2018	No	No	621492
Seward Dialysis, LLC	DE	12/01/2016	LLC	CSC	ACTIVE	Active	12/01/2016	Yes	No	621492
Shade Dialysis, LLC	DE	08/18/2014	LLC	CSC	ACTIVE	Active	08/18/2014	No	No	621492
Shadow Dialysis, LLC	DE	07/25/2008	LLC	CSC	ACTIVE	Active	07/25/2008	Yes	No	621492
Shawano Dialysis, LLC	DE	02/20/2018	LLC	CSC	ACTIVE	Active	02/20/2018	Yes	No	621492
Shayano Dialysis, LLC	DE	12/03/2008	LLC	CSC	ACTIVE	Active	12/03/2008	No	No	621492
Shelby Dialysis, LLC	DE	12/04/2013	LLC	CSC	ACTIVE	Active	12/04/2013	No	No	621492
Shelling Dialysis, LLC	DE	09/09/2014	LLC	CSC	ACTIVE	Active	09/09/2014	No	No	621492
Sherman Dialysis, LLC	DE	08/25/2009	LLC	CSC	ACTIVE	Active	07/25/2009	No	No	621492
Shetek Dialysis, LLC	DE	11/12/2014	LLC	CSC	ACTIVE	Active	11/12/2014	No	No	621492
Shika Dialysis, LLC	DE	06/09/2016	LLC	CSC	ACTIVE	Active	06/09/2016	No	No	621492
Shining Star Dialysis, Inc.	NJ	02/22/2001	CORP	CSC	ACTIVE	Active	02/22/2001	Yes	No	621492
Shoals Dialysis, LLC	DE	05/20/2013	LLC	CSC	ACTIVE	Active	05/20/2013	No	No	621492
Shone Dialysis, LLC	DE	03/07/2014	LLC	CSC	ACTIVE	Active	03/07/2014	No	No	621492
Shoshone Dialysis, LLC	DE	01/14/2015	LLC	CSC	ACTIVE	Active	01/14/2015	Yes	No	621492
Siena Dialysis Center, LLC	DE	02/09/2006	LLC	CSC	ACTIVE	Active	02/09/2006	No	No	621492
Sierra Rose Dialysis Center, LLC	DE	05/28/2002	LLC	CSC	ACTIVE	Active	05/28/2002	Yes	No	621492
Silverwood Dialysis, LLC	DE	07/12/2013	LLC	CSC	ACTIVE	Active	07/12/2013	No	No	621492
Simcoe Dialysis, LLC	DE	04/13/2012	LLC	CSC	ACTIVE	Active	04/13/2012	Yes	No	621492
Simeon Dialysis, LLC	DE	05/11/2011	LLC	CSC	ACTIVE	Active	05/11/2011	No	No	621492
Sinewa Dialysis, LLC	DE	09/10/2013	LLC	CSC	ACTIVE	Active	09/10/2013	No	No	621492
Skagit Dialysis, LLC	DE	05/22/2012	LLC	CSC	ACTIVE	Active	05/22/2012	No	No	621492
Sloans Dialysis, LLC	DE	02/19/2016	LLC	CSC	ACTIVE	Active	02/19/2016	Yes	No	621492
Sloats Dialysis, LLC	DE	02/26/2019	LLC	CSC	ACTIVE	Active	02/26/2019	Yes	No	621492
Sloss Dialysis, LLC	DE	03/31/2017	LLC	CSC	ACTIVE	Active	03/31/2017	No	No	621492
Smithgall Dialysis, LLC	DE	08/11/2014	LLC	CSC	ACTIVE	Active	08/11/2014	Yes	No	621492
Snowdale Dialysis, LLC	DE	11/20/2012	LLC	CSC	ACTIVE	Active	11/20/2012	Yes	No	621492
Soledad Dialysis Center, LLC	DE	05/28/2002	LLC	CSC	ACTIVE	Active	05/28/2002	Yes	No	621492
Solidago Dialysis, LLC	DE	08/02/2016	LLC	CSC	ACTIVE	Active	08/02/2016	No	No	621492
Somerville Dialysis Center, LLC	DE	07/16/2007	LLC	CSC	ACTIVE	Active	07/16/2007	No	No	621492
South Central Florida Dialysis Partners, LLC	DE	04/16/2007	LLC	CSC	ACTIVE	Active	04/16/2007	No	No	621492
South Florida Integrated Kidney Care, LLC	DE	07/15/2015	LLC	CSC	ACTIVE	Active	07/15/2015	Yes	Yes	621492
South Fork Dialysis, LLC	DE	03/13/2012	LLC	CSC	ACTIVE	Active	03/13/2012	No	No	621492
South Lincoln Dialysis, LLC	DE	05/12/2006	LLC	CSC	ACTIVE	Active	05/12/2006	Yes	No	621492
South Shore Dialysis Center, L.P.	DE	02/17/2005	LP	CSC	ACTIVE	Active	02/17/2005	No	No	621492
Southcrest Dialysis, LLC	DE	08/21/2002	LLC	CSC	ACTIVE	Active	08/21/2002	No	No	621492

Entity Name	Domestic Jurisdiction	Formation Date	Entity Type	CSC Indicator	CSC Service Status	Entity Status	Entity Status Date	Wholly Owned (Yes/No)	DVA Ownership 50% or Less (Yes/No)	SIC/NAICS
Southeast Florida Dialysis, LLC	DE	07/14/2004	LLC	CSC	ACTIVE	Active	07/14/2004	Yes	No	621492
Southeast Nephrology Center, LLC	DE	05/22/2008	LLC	CSC	ACTIVE	Active	05/22/2008	Yes	No	621492
Southeastern Indiana Dialysis, LLC	DE	01/18/2008	LLC	CSC	ACTIVE	Active	01/18/2008	Yes	No	621492
Southern Colorado Joint Ventures, LLC	DE	11/18/2005	LLC	CSC	ACTIVE	Active	11/18/2005	No	No	621492
Southern Hills Dialysis Center, LLC	DE	10/16/2003	LLC	CSC	ACTIVE	Active	10/16/2003	No	No	621492
Southlake Dialysis, LLC	DE	09/20/2012	LLC	CSC	ACTIVE	Active	09/20/2012	No	No	621492
Southwest Atlanta Dialysis Centers, LLC	DE	10/09/2003	LLC	CSC	ACTIVE	Active	10/09/2003	Yes	No	621492
Southwest Indiana Dialysis, LLC	DE	12/18/2007	LLC	CSC	ACTIVE	Active	12/18/2007	Yes	No	621492
Southwest Kidney-DaVita Dialysis Partners II, LLC	DE	08/10/2011	LLC	CSC	ACTIVE	Active	08/10/2011	No	No	621492
Southwest Kidney-DaVita Dialysis Partners, LLC	DE	11/13/2007	LLC	CSC	ACTIVE	Active	11/13/2007	No	Yes	621492
Southwest Rocky Mountain Dialysis, LLC	DE	08/17/2011	LLC	CSC	ACTIVE	Active	08/17/2011	No	No	621492
Southwestern Tennessee Dialysis, LLC	DE	09/25/2007	LLC	CSC	ACTIVE	Active	09/25/2007	Yes	No	621492
Southwood Park Dialysis, LLC	DE	11/17/2015	LLC	CSC	ACTIVE	Active	11/17/2015	Yes	Yes	621492
Sparda Dialysis, LLC	DE	09/05/2017	LLC	CSC	ACTIVE	Active	09/08/2017	No	No	621492
Sparks Dialysis, LLC	DE	01/07/2010	LLC	CSC	ACTIVE	Active	01/07/2010	Yes	No	621492
Spokane Dialysis, LLC	DE	05/11/1999	LLC	CSC	ACTIVE	Active	05/11/1999	Yes	No	621492
Sprague Dialysis, LLC	DE	12/01/2015	LLC	CSC	ACTIVE	Active	12/01/2015	No	No	621492
Sprewell Dialysis, LLC	DE	05/08/2013	LLC	CSC	ACTIVE	Active	05/08/2013	No	No	621492
Springpond Dialysis, LLC	DE	03/01/2018	LLC	CSC	ACTIVE	Active	03/01/2018	No	No	621492
Springs Dialysis, LLC	DE	07/10/2012	LLC	CSC	ACTIVE	Active	07/10/2012	No	No	621492
St. Clair Dialysis, LLC	DE	11/01/2004	LLC	CSC	ACTIVE	Active	11/01/2004	Yes	No	621492
St. Luke's Dialysis, LLC	DE	12/07/2006	LLC	CSC	ACTIVE	Active	12/07/2006	Yes	No	621492
Stanton Dialysis, LLC	DE	09/05/2018	LLC	CSC	ACTIVE	Active	09/05/2018	Yes	No	621492
Star Dialysis, LLC	DE	05/14/2009	LLC	CSC	ACTIVE	Active	05/14/2009	No	No	621492
Starks Dialysis, LLC	DE	08/17/2015	LLC	CSC	ACTIVE	Active	08/17/2015	Yes	No	621492
Steam Dialysis, LLC	DE	10/07/2008	LLC	CSC	ACTIVE	Active	10/07/2008	Yes	No	621492
Stearns Dialysis, LLC	DE	01/31/2013	LLC	CSC	ACTIVE	Active	01/31/2013	No	No	621492
Steele Dialysis, LLC	DE	04/02/2013	LLC	CSC	ACTIVE	Active	04/02/2013	No	No	621492
Stevenson Dialysis, LLC	DE	11/03/2010	LLC	CSC	ACTIVE	Active	11/03/2010	No	No	621492
Stewart Dialysis, LLC	DE	02/18/2011	LLC	CSC	ACTIVE	Active	02/18/2011	Yes	No	621492
Stiller Dialysis, LLC	DE	05/11/2016	LLC	CSC	ACTIVE	Active	05/11/2016	Yes	No	621492
Stines Dialysis, LLC	DE	11/07/2012	LLC	CSC	ACTIVE	Active	11/07/2012	No	No	621492
Stockton Dialysis, LLC	DE	11/12/2014	LLC	CSC	ACTIVE	Active	11/12/2014	No	No	621492
Storrie Dialysis, LLC	DE	03/04/2010	LLC	CSC	ACTIVE	Active	03/04/2010	No	No	621492
Strongsville Dialysis, LLC	DE	04/07/2005	LLC	CSC	ACTIVE	Active	04/07/2005	No	No	621492
Strower Dialysis, LLC	DE	01/10/2018	LLC	CSC	ACTIVE	Active	01/10/2018	Yes	No	621492
Sugarite Dialysis, LLC	DE	04/19/2011	LLC	CSC	ACTIVE	Active	04/19/2011	No	No	621492
Sugarloaf Dialysis, LLC	DE	03/07/2006	LLC	CSC	ACTIVE	Active	03/07/2006	No	No	621492
Sula Dialysis, LLC	DE	04/28/2016	LLC	CSC	ACTIVE	Active	04/28/2016	No	No	621492
Summer Dialysis, LLC	DE	03/15/2010	LLC	CSC	ACTIVE	Active	03/15/2010	Yes	No	621492
Summit Dialysis Center, L.P.	DE	06/23/2004	LP	CSC	ACTIVE	Active	06/23/2004	No	No	621492
Sun City Dialysis Center, L.L.C.	DE	06/24/2003	LLC	CSC	ACTIVE	Active	06/24/2003	No	No	621492
Sun City West Dialysis Center, LLC	DE	05/25/2007	LLC	CSC	ACTIVE	Active	05/25/2006	No	No	621492
Sun Desert Dialysis, LLC	DE	08/11/2011	LLC	CSC	ACTIVE	Active	08/11/2011	No	Yes	621492
Sunapee Dialysis, LLC	DE	07/24/2015	LLC	CSC	ACTIVE	Active	07/24/2015	Yes	No	621492
Sunrays Dialysis, LLC	DE	07/20/2009	LLC	CSC	ACTIVE	Active	07/20/2009	Yes	No	621492
Sunset Dialysis, LLC	DE	10/26/2007	LLC	CSC	ACTIVE	Active	10/26/2007	No	No	621492
Swanson Dialysis, LLC	DE	01/25/2010	LLC	CSC	ACTIVE	Active	01/25/2010	Yes	No	621492
Sylvania Dialysis Center, LLC	DE	09/05/2007	LLC	CSC	ACTIVE	Active	09/05/2007	Yes	No	621492
Talbert Medical Group, P.C.	CA	11/23/1994	PC	NonCSC	N/A	Active	11/23/1995	No	Yes	621111
Talimena Dialysis, LLC	DE	10/23/2012	LLC	CSC	ACTIVE	Active	10/23/2012	Yes	No	621492
Talladega Dialysis, LLC	DE	02/19/2008	LLC	CSC	ACTIVE	Active	02/19/2008	Yes	No	621492
Tannor Dialysis, LLC	DE	05/29/2013	LLC	CSC	ACTIVE	Active	05/29/2013	Yes	No	621492
Targhee Dialysis, LLC	DE	06/29/2017	LLC	CSC	ACTIVE	Active	06/29/2017	No	No	621492
Tarleton Dialysis, LLC	DE	04/24/2018	LLC	CSC	ACTIVE	Active	04/24/2018	No	No	
Tarley Dialysis, LLC	DE	08/24/2015	LLC	CSC	ACTIVE	Active	08/24/2015	No	No	621492
Taskett Dialysis, LLC	DE	01/07/2019	LLC	CSC	ACTIVE	Active	01/07/2019	No	No	621492
Taum Dialysis, LLC	DE	11/06/2014	LLC	CSC	ACTIVE	Active	11/06/2014	Yes	No	621492
Taylor Dialysis, LLC	DE	11/14/2007	LLC	CSC	ACTIVE	Active	11/14/2007	No	No	621492
Tel-Huron Dialysis, LLC	DE	06/15/2007	LLC	CSC	ACTIVE	Active	06/15/2007	Yes	No	621492
Tenack Dialysis, LLC	DE	12/04/2014	LLC	CSC	ACTIVE	Active	12/04/2014	Yes	No	621492
Tennessee Valley Dialysis Center, LLC	DE	08/29/2006	LLC	CSC	ACTIVE	Active	08/29/2006	No	No	621492
Terre Dialysis, LLC	DE	02/20/2015	LLC	CSC	ACTIVE	Active	02/20/2015	Yes	No	621492
Teton Dialysis, LLC	DE	06/05/2012	LLC	CSC	ACTIVE	Active	06/05/2012	Yes	No	621492
Tetona Dialysis, LLC	DE	11/10/2015	LLC	CSC	ACTIVE	Active	11/10/2015	Yes	No	621492
Texas Renal Ventures, L.P.L.L.P.	DE	01/21/2000	LP	CSC	ACTIVE	Active	01/21/2000	Yes	No	621492
Texoma Dialysis, LLC	DE	12/30/2014	LLC	CSC	ACTIVE	Active	12/30/2014	Yes	No	621492
The DaVita Collection, Inc.	CA	10/18/2006	CORP	CSC	ACTIVE	Active	10/18/2006	Yes	No	

Entity Name	Domestic Jurisdiction	Formation Date	Entity Type	CSC Indicator	CSC Service Status	Entity Status	Entity Status Date	Wholly Owned (Yes/No)	DVA Ownership 50% or Less (Yes/No)	SIC/NAICS
The Everett Clinic, PLLC	WA	02/09/1925	CORP	NonCSC	N/A	Active	02/09/1925	No	No	
The Magan Medical Group	CA	08/06/1975	GP	NonCSC	N/A	Active	08/06/1975	No	Yes	621111
The Woodlands Dialysis Center, LP	DE	07/18/2005	LP	CSC	ACTIVE	Active	07/18/2005	No	No	621492
Tolland Dialysis, LLC	DE	05/16/2018	LLC	CSC	ACTIVE	Active	05/16/2018	No	No	621492
Tolowa Dialysis, LLC	DE	02/05/2009	LLC	CSC	ACTIVE	Active	02/05/2009	No	No	621492
Toltec Dialysis, LLC	DE	06/13/2017	LLC	CSC	ACTIVE	Active	06/13/2017	No	No	621492
Tonka Bay Dialysis, LLC	DE	08/22/2014	LLC	CSC	ACTIVE	Active	08/22/2014	Yes	No	621492
Topanga Dialysis, LLC	DE	07/22/2008	LLC	CSC	ACTIVE	Active	07/22/2008	No	No	621492
Tortugas Dialysis, LLC	DE	05/16/2008	LLC	CSC	ACTIVE	Active	05/16/2008	Yes	No	621492
Total Acute Kidney Care, Inc.	FL	09/27/1988	CORP	CSC	ACTIVE	Active	09/27/1988	Yes	No	621492
Total Renal Care of North Carolina, LLC	DE	09/23/1997	LLC	CSC	ACTIVE	Active	09/23/1997	No	No	621492
Total Renal Care of Utah, L.L.C.	DE	09/04/1997	LLC	CSC	ACTIVE	Active	09/04/1997	Yes	No	621492
Total Renal Care Texas Limited Partnership	DE	06/18/1997	LP	CSC	ACTIVE	Active	06/18/1997	Yes	No	621492
Total Renal Care, Inc.	CA	05/07/1979	CORP	CSC	ACTIVE	Active	05/07/1979	No	No	621492
Total Renal Care/Crystal River Dialysis, L.C.	FL	03/04/1997	LLC	CSC	ACTIVE	Active	03/04/1997	No	Yes	621492
Total Renal Care/Eaton Canyon Dialysis Center Partnership	CA	06/01/1996	GP	NonCSC	N/A	Active	12/15/2005	Yes	No	621492
Total Renal Care/Peralta Renal Center Partnership	CA	07/31/1996	GP	NonCSC	N/A	Active - Dissolution Pending	08/15/2016	Yes	No	621492
Total Renal Care/Piedmont Dialysis Partnership	CA	07/01/1996	GP	NonCSC	N/A	Active - Dissolution Pending	08/15/2016	Yes	No	621492
Total Renal Laboratories, Inc.	FL	10/25/1993	CORP	CSC	ACTIVE	Active	10/25/1993	Yes	No	
Total Renal Research, Inc.	DE	04/29/1997	CORP	CSC	ACTIVE	Active	04/29/1997	Yes	No	
Toulouse Dialysis, LLC	DE	05/08/2017	LLC	CSC	ACTIVE	Active	05/08/2017	No	No	621492
Tovell Dialysis, LLC	DE	07/14/2017	LLC	CSC	ACTIVE	Active	07/14/2017	Yes	No	621492
Townsend Dialysis, LLC	DE	07/12/2012	LLC	CSC	ACTIVE	Active	07/12/2012	No	No	621492
Trailstone Dialysis, LLC	DE	03/11/2015	LLC	CSC	ACTIVE	Active	03/11/2015	Yes	No	621492
Trailway Dialysis, LLC	DE	12/29/2009	LLC	CSC	ACTIVE	Active	12/29/2009	Yes	No	621492
Transmountain Dialysis, L.P.	DE	08/19/2004	LP	CSC	ACTIVE	Active	08/19/2004	No	No	621492
TRC - Four Corners Dialysis Clinics, L.L.C.	NM	08/05/1998	LLC	CSC	ACTIVE	Active	08/05/1998	No	Yes	621492
TRC - Indiana, LLC	IN	05/06/1999	LLC	CSC	ACTIVE	Active	05/06/1999	Yes	No	621492
TRC - Petersburg, LLC	DE	11/26/1997	LLC	CSC	ACTIVE	Active	11/26/1997	Yes	No	621492
TRC El Paso Limited Partnership	DE	01/01/1997	LP	CSC	ACTIVE	Active	01/01/1997	No	No	621492
TRC of New York, Inc.	NY	08/01/1997	CORP	CSC	ACTIVE	Active	08/01/1997	Yes	No	
TRC West, Inc.	DE	07/26/1996	CORP	CSC	ACTIVE	Active	07/26/1996	Yes	No	621492
TRC-Dyker Heights, L.P.	NY	12/28/2005	LP	CSC	ACTIVE	Active	06/10/2013	Yes	No	621492
TRC-Georgetown Regional Dialysis, LLC	DC	06/22/1998	LLC	CSC	ACTIVE	Active	06/22/1998	No	No	621492
Tree City Dialysis, LLC	DE	06/15/2007	LLC	CSC	ACTIVE	Active	06/15/2007	Yes	No	621492
Trego Dialysis, LLC	DE	12/01/2016	LLC	CSC	ACTIVE	Active	12/01/2016	Yes	No	621492
Tri-City Dialysis Center, Inc.	VA	07/20/1992	CORP	CSC	ACTIVE	Active	07/20/1992	Yes	No	621492
Tross Dialysis, LLC	DE	04/03/2013	LLC	CSC	ACTIVE	Active	04/03/2013	No	No	621492
True North DC Holding, LLC	NY	07/22/2016	LLC	CSC	ACTIVE	Active	07/22/2016	Yes	No	621492
True North Dialysis Center, LLC	NY	12/10/2013	LLC	CSC	ACTIVE	Active	12/10/2013	No	No	621492
True North II DC, LLC	NY	07/22/2016	LLC	CSC	ACTIVE	Active	07/22/2016	Yes	No	621492
True North IV DC, LLC	NY	01/30/2017	LLC	CSC	ACTIVE	Active	01/30/2017	Yes	No	621492
True North V DC, LLC	NY	01/30/2017	LLC	CSC	ACTIVE	Active	01/30/2017	No	No	621492
Truman Dialysis, LLC	DE	02/12/2016	LLC	CSC	ACTIVE	Active	02/12/2016	Yes	No	621492
Trusten Dialysis, LLC	DE	06/13/2017	LLC	CSC	ACTIVE	Active	06/13/2017	No	No	621492
Tugaloo Dialysis, LLC	DE	05/15/2013	LLC	CSC	ACTIVE	Active	05/15/2003	Yes	No	621492
Tugman Dialysis, LLC	DE	04/13/2011	LLC	CSC	ACTIVE	Active	04/13/2011	No	No	621492
Tulsa Dialysis, LLC	DE	01/04/2002	LLC	CSC	ACTIVE	Active	01/04/2002	No	No	621492
Tumalo Dialysis, LLC	DE	03/29/2011	LLC	CSC	ACTIVE	Active	03/25/2011	No	No	621492
Tunnel Dialysis, LLC	DE	11/06/2014	LLC	CSC	ACTIVE	Active	11/06/2014	No	No	621492
Turlock Dialysis Center, LLC	DE	06/15/2007	LLC	CSC	ACTIVE	Active	06/15/2007	Yes	No	621492
Tustin Dialysis Center, LLC	DE	05/28/2002	LLC	CSC	ACTIVE	Active	05/28/2002	No	No	621492
Twain Dialysis, LLC	DE	02/05/2016	LLC	CSC	ACTIVE	Active	02/05/2016	No	No	621492
Twinstar Dialysis, LLC	DE	01/21/2015	LLC	CSC	ACTIVE	Active	01/21/2015	Yes	No	621492
Tyler Dialysis, LLC	DE	12/02/2011	LLC	CSC	ACTIVE	Active	12/02/2011	No	No	621492
Ukiah Dialysis, LLC	DE	02/12/2013	LLC	CSC	ACTIVE	Active	11/07/2012	No	No	621492
Unicoi Dialysis, LLC	DE	07/11/2013	LLC	CSC	ACTIVE	Active	07/11/2013	No	No	621492
Union City Dialysis, LLC	DE	12/18/2007	LLC	CSC	ACTIVE	Active	12/18/2007	Yes	No	621492
University Dialysis Center, LLC	DE	04/07/2006	LLC	CSC	ACTIVE	Active	04/07/2005	Yes	No	621492
Upper Valley Dialysis, L.P.	DE	09/15/2005	LP	CSC	ACTIVE	Active	08/15/2005	No	No	621492
Urbana Dialysis, LLC	DE	11/27/2007	LLC	CSC	ACTIVE	Active	11/27/2007	Yes	No	621492
USC-DaVita Dialysis Center, LLC	CA	06/30/2005	LLC	CSC	ACTIVE	Active	06/30/2005	No	No	621492
UT Southwestern DVA Healthcare, L.L.P.	TX	06/14/2000	LLP	NonCSC	N/A	Active	12/02/2005	No	No	621492
Valley Springs Dialysis, LLC	DE	09/20/2007	LLC	CSC	ACTIVE	Active	09/20/2007	No	No	621492
Vancile Dialysis, LLC	DE	11/08/2017	LLC	CSC	ACTIVE	Active	11/08/2017	No	No	621492
Vancleer Dialysis, LLC	DE	11/01/2017	LLC	CSC	ACTIVE	Active	11/01/2017	No	No	621492

Entity Name	Domestic Jurisdiction	Formation Date	Entity Type	CSC Indicator	CSC Service Status	Entity Status	Entity Status Date	Wholly Owned (Yes/No)	DVA Ownership 50% or Less (Yes/No)	SIC/NAICS
Vanell Dialysis, LLC	DE	03/27/2019	LLC	CSC	ACTIVE	Active	03/27/2019	Yes	No	621492
Verde Dialysis, LLC	DE	05/16/2008	LLC	CSC	ACTIVE	Active	05/16/2008	No	No	621492
Versailles Dialysis, LLC	DE	09/10/2013	LLC	CSC	ACTIVE	Active	09/10/2013	Yes	No	62149
Victory Dialysis, LLC	DE	07/26/2010	LLC	CSC	ACTIVE	Active	07/26/2010	No	No	621492
Viento Dialysis, LLC	DE	05/21/2010	LLC	CSC	ACTIVE	Active	05/21/2010	Yes	No	621492
Vilander Dialysis, LLC	DE	11/27/2017	LLC	CSC	ACTIVE	Active	11/27/2017	No	No	621492
VillageHealth DM, LLC	DE	08/05/2003	LLC	CSC	ACTIVE	Active	08/05/2003	Yes	No	621490
Villanueva Dialysis, LLC	DE	02/26/2010	LLC	CSC	ACTIVE	Active	02/26/2010	Yes	No	621492
Vogel Dialysis, LLC	DE	07/12/2013	LLC	CSC	ACTIVE	Active	07/12/2013	No	No	621492
Volo Dialysis, LLC	DE	04/21/2014	LLC	CSC	ACTIVE	Active	04/21/2014	No	No	621492
Vosse Dialysis, LLC	DE	04/02/2018	LLC	CSC	ACTIVE	Active	04/02/2018	Yes	No	621492
Voyage Dialysis, LLC	DE	01/12/2009	LLC	CSC	ACTIVE	Active	01/12/2009	Yes	No	621492
Waddell Dialysis, LLC	DE	09/11/2015	LLC	CSC	ACTIVE	Active	09/11/2015	No	No	621492
Wadeson Dialysis, LLC	DE	02/12/2018	LLC	CSC	ACTIVE	Active	02/12/2018	Yes	No	621492
Wadleigh Dialysis, LLC	DE	04/24/2018	LLC	CSC	ACTIVE	Active	04/24/2018	Yes	No	621492
Wahconah Dialysis, LLC	DE	07/31/2018	LLC	CSC	ACTIVE	Active	07/31/2018	Yes	No	621492
Wakonda Dialysis, LLC	DE	04/29/2016	LLC	CSC	ACTIVE	Active	04/29/2016	No	No	621492
Wakoni Dialysis, LLC	DE	11/01/2012	LLC	CSC	ACTIVE	Active	11/01/2012	Yes	No	621492
Walcott Dialysis, LLC	DE	03/05/2013	LLC	CSC	ACTIVE	Active	03/05/2013	Yes	No	621492
Waldorf Dialysis, LLC	DE	11/14/2007	LLC	CSC	ACTIVE	Active	11/14/2007	Yes	No	621492
Walker Dialysis, LLC	DE	02/05/2010	LLC	CSC	ACTIVE	Active	02/05/2010	No	No	621492
Wallips Dialysis LLC	DE	03/18/2013	LLC	CSC	ACTIVE	Active	03/18/2013	Yes	No	621492
Wallis Dialysis, LLC	DE	09/24/2015	LLC	CSC	ACTIVE	Active	09/24/2015	Yes	No	621492
Wallowa Dialysis, LLC	DE	04/04/2012	LLC	CSC	ACTIVE	Active	04/04/2012	No	No	621492
Walton Dialysis, LLC	DE	02/15/2013	LLC	CSC	ACTIVE	Active	02/15/2013	No	No	621492
Washburne Dialysis, LLC	DE	07/03/2012	LLC	CSC	ACTIVE	Active	07/03/2012	No	No	621492
Washington Plaza Dialysis, LLC	CA	07/05/2013	LLC	CSC	ACTIVE	Active	07/05/2013	Yes	No	621492
Watkins Dialysis, LLC	DE	06/04/2015	LLC	CSC	ACTIVE	Active	06/04/2015	Yes	No	621492
Watson Dialysis, LLC	DE	08/12/2014	LLC	CSC	ACTIVE	Active	08/12/2014	No	No	621492
Wauseon Dialysis, LLC	DE	01/22/2008	LLC	CSC	ACTIVE	Active	01/22/2008	Yes	No	621492
Waycross Dialysis, LLC	DE	10/30/2007	LLC	CSC	ACTIVE	Active	10/30/2007	Yes	No	621492
Wayside Dialysis, LLC	DE	06/25/2015	LLC	CSC	ACTIVE	Active	06/25/2015	No	No	621492
Weldon Dialysis, LLC	CA	12/03/2013	LLC	CSC	ACTIVE	Active	12/03/2013	No	No	621492
Wesley Chapel Dialysis, LLC	DE	01/18/2008	LLC	CSC	ACTIVE	Active	01/18/2008	No	No	621492
West Broomfield Dialysis, LLC	DE	09/05/2007	LLC	CSC	ACTIVE	Active	09/05/2007	Yes	No	621492
West Elk Grove Dialysis, LLC	DE	08/03/2007	LLC	CSC	ACTIVE	Active	08/03/2007	No	No	621492
West Monroe Dialysis, LLC	DE	05/22/2007	LLC	CSC	ACTIVE	Active	05/22/2007	Yes	No	621492
West Pensacola Dialysis, LLC	DE	09/12/2007	LLC	CSC	ACTIVE	Active	09/12/2007	Yes	No	621492
West Sacramento Dialysis, LLC	DE	01/24/2007	LLC	CSC	ACTIVE	Active	01/24/2007	Yes	No	621492
West Texas Dialysis, LLC	DE	12/21/2006	LLC	CSC	ACTIVE	Active	12/21/2006	Yes	No	621492
Western Nevada Dialysis, LLC	DE	10/15/2007	LLC	CSC	ACTIVE	Active	10/15/2007	Yes	No	621492
Weston Dialysis Center, LLC	DE	09/06/2002	LLC	CSC	ACTIVE	Active	09/06/2002	No	No	621492
Westview Dialysis, LLC	DE	08/01/2006	LLC	CSC	ACTIVE	Active	08/01/2006	Yes	No	621492
Wheeler Dialysis, LLC	DE	09/06/2018	LLC	CSC	ACTIVE	Active	09/06/2018	Yes	No	621492
Whitney Dialysis, LLC	DE	09/24/2010	LLC	CSC	ACTIVE	Active	09/24/2010	No	No	621492
Wildier Dialysis, LLC	DE	05/06/2009	LLC	CSC	ACTIVE	Active	05/06/2009	No	No	621492
Wilgus Dialysis, LLC	DE	09/21/2018	LLC	CSC	ACTIVE	Active	09/21/2018	No	No	621492
Williston Dialysis, LLC	DE	12/02/2015	LLC	CSC	ACTIVE	Active	12/02/2015	No	No	621492
Willowbrook Dialysis Center, L.P.	DE	04/07/2005	LP	CSC	ACTIVE	Active	04/07/2009	No	No	621492
Winchester Dialysis, LLC	DE	02/13/2013	LLC	CSC	ACTIVE	Active	02/13/2013	Yes	No	621492
Windcreek Dialysis, LLC	DE	02/02/2012	LLC	CSC	ACTIVE	Active	02/02/2012	No	No	621492
Winds Dialysis, LLC	DE	08/25/2009	LLC	CSC	ACTIVE	Active	08/25/2009	No	No	621492
Winster Dialysis, LLC	DE	08/22/2012	LLC	CSC	ACTIVE	Active	08/22/2012	Yes	No	621492
Wisner Dialysis, LLC	DE	07/03/2017	LLC	CSC	ACTIVE	Active	07/03/2017	Yes	No	621492
Wissota Dialysis, LLC	DE	12/06/2017	LLC	CSC	ACTIVE	Active	12/06/2017	No	No	621492
Wood Dialysis, LLC	DE	12/18/2008	LLC	CSC	ACTIVE	Active	12/18/2008	No	No	621492
Woodford Dialysis, LLC	DE	02/19/2015	LLC	CSC	ACTIVE	Active	02/19/2015	No	No	621492
Wooten Dialysis, LLC	DE	08/15/2011	LLC	CSC	ACTIVE	Active	08/15/2011	No	No	621492
Wyandotte Central Dialysis, LLC	DE	12/13/2006	LLC	CSC	ACTIVE	Active	12/13/2006	No	No	621492
Wyer Dialysis, LLC	DE	02/05/2009	LLC	CSC	ACTIVE	Active	02/05/2009	No	No	621492
Wyota Dialysis, LLC	DE	07/02/2018	LLC	CSC	ACTIVE	Active	07/02/2018	Yes	No	621492
Yards Dialysis, LLC	DE	04/26/2016	LLC	CSC	ACTIVE	Active	04/26/2016	No	No	621492
Yargol Dialysis, LLC	DE	05/29/2013	LLC	CSC	ACTIVE	Active	05/29/2013	Yes	No	621492
Ybor City Dialysis, LLC	DE	06/15/2007	LLC	CSC	ACTIVE	Active	06/15/2007	No	No	621492
Yucaipa Dialysis, LLC	DE	06/15/2007	LLC	CSC	ACTIVE	Active	06/07/2007	No	No	621492
Zara Dialysis, LLC	DE	01/11/2013	LLC	CSC	ACTIVE	Active	01/11/2013	No	No	621492
Zephyrhills Dialysis Center, LLC	DE	05/16/2008	LLC	CSC	ACTIVE	Active	05/06/2008	No	No	621492
Zillmar Dialysis, LLC	DE	12/12/2017	LLC	CSC	ACTIVE	Active	12/12/2017	No	No	621492

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Zomane Dialysis, LLC	DE	04/02/2018	LLC	CSC	ACTIVE	Active	04/02/2018	Yes	No	621492
(Historical Record of) DPC Medical Group, P.C.	WA	09/30/2011	PC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	06/01/2018	No		
(Historical Record of) DPC Vail, LLC	DE	12/02/2011	LLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	06/01/2018	Yes	No	
(Historical Record Of) Irvine Dialysis Center, LLC	DE	05/08/2002	LLC	CSC	INACTIVE	Inactive		No		
(Historical Record of) Open Access Miami, LLC	DE	06/08/2007	LLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	06/01/2018	Yes	No	
(Historical Record of) Paladina DPC Holding Co., LLC	DE	09/22/2011	LLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	06/01/2018	Yes	No	
(Historical Record of) Paladina Health Group of Texas	TX	11/15/2012	NFP	CSC	INACTIVE	Inactive - Terminated	04/06/2018		Yes	
(Historical Record of) Paladina Health Medical Group, PC	CO	05/16/2013	CORP	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	05/16/2013			
(Historical Record of) Paladina Health, LLC	DE	09/23/2011	LLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	06/01/2018	Yes	No	
(Historical Record of) Paladina Medical Group of New Jersey, P.C.	NJ	04/20/2017	CORP	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	06/01/2018	No	No	621492
(Historical Record) Arizona Integrated Physicians, Inc.	DE	11/20/2009	CORP	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	06/01/2016	Yes		621111
(Historical Record) Bends Dialysis, LLC	DE	03/17/2010	LLC	CSC	INACTIVE	Inactive		No		
(Historical Record) DNH Medical Management, Inc.	CA	06/13/1978	CORP	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	11/01/2015	Yes	No	541600
(Historical Record) HCPAZ Preferred Care Network, LLC	AZ	04/18/2014	LLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	06/01/2016	Yes	No	621111
(Historical Record) Healthcare Partners Arizona Medical Group, LLC	AZ	07/29/2014	LLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	06/01/2016	Yes	No	621111
(Historical Record) HealthCare Partners Arizona, LLC	AZ	01/15/2013	LLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	06/01/2016	Yes	No	621111
(Historical Record) HomeChoice Partners, Inc.	DE	10/18/1996	CORP	CSC	INACTIVE	Inactive	10/18/1996	No	No	N/A
(Historical) Clough Dialysis, LLC	DE	06/30/2015	LLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	05/01/2017	Yes	No	621492
(Historical) ISD Trenton, LLC	DE	09/12/2007	LLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	05/01/2017	No	No	621492
(Historical) Mission Dialysis Services, LLC	DE	03/03/2009	LLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	05/01/2017	Yes	No	621492
Airport Artificial Kidney Center, Ltd. L.P.	CA	10/03/1994	LP	CSC	INACTIVE	Inactive - Administratively Dissolved				
American Access Care of New Jersey, L.L.C.	NJ	03/14/2001	LLC	NonCSC	N/A	Inactive	12/02/2005			
American Access Care of Pennsylvania, L.L.C.	NJ	07/30/2002	LLC	NonCSC	N/A	Inactive	12/02/2005			
American Access Care of SP, L.L.C.	NJ	05/14/2003	LLC	NonCSC	N/A	Inactive	12/02/2005			
American Outpatient Services Corporation	DE	12/16/1985	CORP	CSC	INACTIVE	Inactive				
An Ren	Taiwan, Province Of China	04/30/2013	CORP	NonCSC	N/A	Inactive - Void	06/14/2017			
An Shu	Taiwan, Province Of China	04/30/2013	CORP	NonCSC	N/A	Inactive - Void	06/14/2017			
Anadarko Dialysis of Oklahoma, LLC	DE	03/10/2006	LLC	CSC	INACTIVE	Inactive				
Bay Area Dialysis Partnership	FL	01/21/2003	GP	CSC	INACTIVE	Inactive - Dissolved	01/21/2003	Yes	No	621492
BONFIMED - Clinica de Diagnostico do Bonfim, Unipessoal LDA.	Portugal	03/26/2012	PRVTCOMP	NonCSC	N/A	Inactive - Merged/Inactive/Sold	08/14/2013	Yes		
Bridge Of Life DaVita Medical Missions	CA	12/11/2007	CORP	CSC	INACTIVE	Inactive				
Bronx RC Development, LLC	NY	05/03/2006	LLC	CSC	INACTIVE	Inactive		No		
Care NM ACO, LLC	DE	05/11/2016	LLC	CSC	INACTIVE	Inactive - Dissolved	04/03/2018	Yes	No	621111
Centrum Dializa 3 Sp. Z o.o.	Poland	09/29/2017	LLC	NonCSC	N/A	Inactive - Merged	12/29/2018	Yes	No	
Centrum Dializa II Sp. Z o.o.	Poland	12/16/2016	LLC	NonCSC	N/A	Inactive - Merged	12/29/2017	Yes	No	N/A
Dallas Nephrology, L.P.	TX	04/21/2005	LP	NonCSC	N/A	Inactive	06/04/2007			
DaVita 3SBio Healthcare Management (Liaoning) Co., Ltd.	China	06/05/2012	LLC	NonCSC	N/A	Inactive - Dissolved	05/25/2018			
DaVita Care (Dubai), LLC	DE	08/13/2012	LLC	CSC	INACTIVE	Inactive - Dissolved	09/21/2016		No	
DaVita Care (India) Private Limited	India	07/21/2008	PRIVATELIMITED	NonCSC	N/A	Inactive - Merged/Inactive/Sold	11/05/2018	No		
DaVita Care (Korea) Limited	Korea, Republic Of	11/26/2010	LIMITEDCOMPANY	NonCSC	N/A	Inactive - Dissolved	04/06/2012	Yes		
DaVita Care (Philippines), Inc.	Philippines	01/07/2011	STOCKCORP	NonCSC	N/A	Inactive - In Liquidation	02/04/2019	Yes		
DaVita Care (Thailand) Ltd.	Thailand	12/21/2010	LIMITEDCOMPANY	NonCSC	N/A	Inactive - Dissolved	05/25/2011			
DaVita Care (UK) Ltd.	United Kingdom	05/05/2011	PRIVATELIMITED	NonCSC	N/A	Inactive - Dissolved	12/30/2014	Yes		

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DaVita HealthCare Partners Plan, LLC	DE	02/06/2013	LLC	CSC	INACTIVE	Inactive	03/25/2013	Yes	No	
DaVita Hospice Nevada, LLC	DE	08/26/2011	LLC	CSC	INACTIVE	Inactive - Dissolved	10/18/2017	Yes		621111
DaVita International, LLC	DE	05/10/2012	LLC	CSC	INACTIVE	Inactive - Dissolved	06/08/2017		No	
DaVita Kidney Dialysis (Subang) SDN. BHD.	Malaysia	04/14/2011	PRVTCOMP	NonCSC	N/A	Inactive - Dissolved	05/26/2011			
DaVita Kidney Dialysis (TYP) Pte. Ltd.	Singapore	03/16/2011	PCLS	NonCSC	N/A	Inactive - Dissolved	06/07/2013	No	Yes	
DaVita Lehibi Cayman	Cayman Islands	10/31/2011	LIMITEDCOMPANY	NonCSC	N/A	Inactive - Dissolved	10/30/2018	No	No	
DaVita Medical ASC Colorado, LLC	CO	10/27/2014	LLC	NonCSC	N/A	Inactive - Dissolved	06/01/2018	Yes	No	621493
DaVita Medical Group Florida, P.A.	FL	05/26/2006	CORP	NonCSC	N/A	Inactive - Dissolved	07/16/2018	Yes		621111
Davita Name Change, Inc.	DE	10/17/2012	CORP	CSC	INACTIVE	Inactive - Merged	11/01/2012		No	
DaVita Nephrology Medical Associates of California, Inc.	CA	04/23/2002	CORP	CSC	INACTIVE	Inactive - Dissolved	02/21/2012	No	No	
DaVita Nephrology Medical Associates of Illinois, P.C.	IL	10/18/2002	CORP	CSC	INACTIVE	Inactive		No	No	
DaVita Nephrology Medical Associates of Pennsylvania, P.C.	PA	08/31/2006	PC	CSC	INACTIVE	Inactive - Dissolved	02/25/2013	No	No	
DaVita Nephrology Medical Associates of Washington, P.C.	WA	02/23/2004	PC	CSC	INACTIVE	Inactive - Dissolved	12/03/2014	No	No	621492
DaVita Nephrology Partners- Midwest, Co.	OH	08/29/2006	PC	CSC	INACTIVE	Inactive - Dissolved	03/21/2012	No	No	
DaVita Patient Safety Organization, LLC	DE	08/21/2014	LLC	CSC	INACTIVE	Inactive - Dissolved	07/13/2015	Yes	No	
DaVita Pharmacy Colorado, LLC	CO	10/27/2014	LLC	CSC	INACTIVE	Inactive - Dissolved	04/03/2018	Yes	No	621399
DaVita Renal Care India Private Limited	India	11/12/2010	PRIVATELIMITED	NonCSC	N/A	Inactive - Administratively Dissolved	04/20/2017	Yes	No	
DaVita Servicos de Nefrologia Botafogo Ltda.	Brazil	08/01/2017	LLCL	NonCSC	N/A	Inactive - Merged	10/01/2018	Yes	No	
DaVita Servicos de Nefrologia da Penha Ltda.	Brazil	12/31/2016	LLCL	NonCSC	N/A	Inactive - Merged	10/01/2018	No	No	CNAE 86.40-1-03
DaVita Servicos de Nefrologia Joao Dias Ltda.	Brazil	02/04/1982	LLCL	NonCSC	N/A	Inactive - Merged	10/01/2018	Yes	No	
DaVita Servicos de Nefrologia Perdizes Ltda.	Brazil	10/01/2017	LLCL	NonCSC	N/A	Inactive - Merged	10/01/2018	Yes	No	
DaVita Servicos Medicos Ltda.	Brazil	10/18/2013	LLCL	NonCSC	N/A	Inactive - Merged	12/01/2018	Yes	No	
DaVita VillageHealth Insurance Of Alabama, Inc.	AL	02/05/2007	CORP	CSC	INACTIVE	Inactive - Dissolved	03/26/2014	Yes	No	
DaVita VillageHealth of Georgia, Inc.	GA	06/15/2007	CORP	CSC	INACTIVE	Inactive - Dissolved	05/02/2012	Yes	No	
DaVita VillageHealth of Michigan, Inc.	MI	12/18/2006	CORP	CSC	INACTIVE	Inactive - Dissolved	06/04/2009			
DaVita VillageHealth of Ohio, Inc.	OH	05/01/2007	CORP	CSC	INACTIVE	Inactive - Dissolved	03/01/2017	Yes	No	
DaVita VillageHealth of Virginia, Inc.	VA	12/19/2006	CORP	CSC	INACTIVE	Inactive - Dissolved	10/04/2011	Yes	No	
Dializa Grojec Sp. z o.o.	Poland	06/21/2011	LLC	NonCSC	N/A	Inactive - Merged	02/28/2014	Yes		
Dialysis Holdings Laboratory Services, Inc.	NV	02/09/1996	CORP	CSC	INACTIVE	Inactive - Merged	12/05/2002			
Dialysis Treatment Centers of Macon, LLC	GA	08/15/1997	LLC	CSC	INACTIVE				No	
Dr. Ali Al Lehibi Medical Center	Saudi Arabia	07/01/2007	LLC	NonCSC	N/A	Inactive - Merged/Inactive/Sold	05/28/2018			
DVA Acquisition Company	DE	01/27/2011	CORP	CSC	INACTIVE			Yes	No	
DVA Dialysis Services SDN. BHD.	Malaysia	04/14/2011	PRVTCOMP	NonCSC	N/A	Inactive - Dissolved	09/16/2014			
DVA Healthcare Nephrology Partners, Inc.	NV	11/25/1996	CORP	CSC	INACTIVE				No	
DVA Nephrology Partners, Inc.	TN	01/24/1996	CORP	CSC	INACTIVE					
DVA Nephrology Services, Inc.	DE	11/23/1993	CORP	CSC	INACTIVE					
DVA RENAL (MALAYSIA) SDN. BHD.	Malaysia	12/15/2010	PRVTCOMP	NonCSC	N/A	Inactive - Dissolved	05/26/2013			
DVA Renal Care Portugal, Unipessoal LDA	Portugal	03/08/2012	PRLLC	NonCSC	N/A	Inactive - Merged	12/06/2017	Yes	No	86906; 86220;86210;
DVA Supply Corp.	TN	10/07/1986	CORP	CSC	INACTIVE	Inactive		No		
East Orange Artificial Kidney Center, Ltd	NJ	07/13/1994	CORP	CSC	INACTIVE					
Elitemed sp. z o.o.	Poland	03/18/2011	SPZOO	NonCSC	N/A	Inactive - Merged	02/28/2014	Yes		
Everett Clinic Merger Sub, PLLC	WA	02/26/2016	CORP	CSC	INACTIVE					
Everett Management Acquisition, Inc.	WA	11/20/2015	HC	NonCSC	N/A	Inactive - Merged	03/01/2016	Yes	No	621492
Express Clinics Private Limited	India	08/03/2011	LBS	NonCSC	N/A	Inactive - Merged/Inactive/Sold	11/24/2017	No	Yes	
FullWell, LLC	DE	06/19/2015	LLC	NonCSC	N/A	Inactive - Merged/Inactive/Sold	12/31/2016	No	Yes	
Gambro Healthcare - Ohio Valley Holdings, LLC	TN	03/18/1997	LLC	CSC	INACTIVE					
Gambro Healthcare - Stamford, LLC	TN	06/23/1997	LLC	CSC	INACTIVE					
Gambro Healthcare Acute Care Services Of South Florida, Inc	FL	03/10/1994	CORP	CSC	INACTIVE					
Gambro Healthcare Ads Of Santa Monica, Inc.	CA	04/15/1996	CORP	CSC	INACTIVE					
Gambro Healthcare Airport Dialysis Center, Inc	CA	07/08/1992	CORP	CSC	INACTIVE					
Gambro Healthcare Dialysis Clinic Of Fayette County, LLC	TN	03/02/1998	LLC	CSC	INACTIVE					
Gambro Healthcare Dialysis Clinic Of Fayette County, LLC	GA	12/28/1999	CORP	CSC	INACTIVE					
Gambro Healthcare Nephrology Partners, Inc	GA	12/28/1999	CORP	CSC	INACTIVE					
Gambro Healthcare Of Alabama, Inc.	DE	04/03/1992	CORP	CSC	INACTIVE					

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Gambro Healthcare Of Arizona Inc.	DE	04/03/1992	CORP	CSC	INACTIVE					
Gambro Healthcare Of Benicia, LLC	CA	02/27/1998	LLC	CSC	INACTIVE					
Gambro Healthcare Of California, Inc.	CA	04/23/1993	CORP	CSC	INACTIVE					
Gambro Healthcare Of Central Florida, LLP	FL	12/30/1997	LLC	CSC	INACTIVE					
Gambro Healthcare Of Colorado, Inc.	CO	04/25/1995	CORP	CSC	INACTIVE					
Gambro Healthcare Of Connecticut, Inc.	CT	04/26/1993	CORP	CSC	INACTIVE					
Gambro Healthcare Of East Olympic Boulevard, Inc	CA	10/20/1994	CORP	CSC	INACTIVE					
Gambro Healthcare Of East Orange, Inc	NJ	06/07/1993	CORP	CSC	INACTIVE					
Gambro Healthcare Of East Orlando, LLP	FL	07/21/1998	LLC	CSC	INACTIVE					
Gambro Healthcare Of Eastern Ohio, LLC	TN	05/21/1998	LLC	CSC	INACTIVE					
Gambro Healthcare Of Florida, Inc	FL	03/18/1988	CORP	CSC	INACTIVE					
Gambro Healthcare Of Frederick, LLC	TN	06/24/1998	LLC	CSC	INACTIVE					
Gambro Healthcare Of Freehold Inc	NJ	06/07/1993	CORP	CSC	INACTIVE					
Gambro Healthcare Of Garden Grove, Inc	CA	05/10/1982	CORP	CSC	INACTIVE					
Gambro Healthcare Of Garden Grove, Inc	CA	05/10/1982	CORP	CSC	INACTIVE					
Gambro Healthcare Of Illinois Inc	IL	10/31/1997	CORP	CSC	INACTIVE					
Gambro Healthcare Of Kentucky Inc	DE	07/19/1990	CORP	CSC	INACTIVE					
Gambro Healthcare Of Las Vegas, LLC	TN	06/24/1998	LLC	CSC	INACTIVE					
Gambro Healthcare Of Laurens County, Inc.	GA	12/10/1985	CORP	CSC	INACTIVE					
Gambro Healthcare Of Michigan Inc	MI	05/05/1998	CORP	CSC	INACTIVE					
Gambro Healthcare Of Mid-Ohio, LLC	TN	07/22/1998	LLC	CSC	INACTIVE					
Gambro Healthcare Of Missouri Inc	DE	04/11/1990	CORP	CSC	INACTIVE					
Gambro Healthcare Of Neptune Inc	NJ	06/07/1993	CORP	CSC	INACTIVE					
Gambro Healthcare Of Nevada, Inc	NV	05/04/1998	CORP	CSC	INACTIVE					
Gambro Healthcare Of New Jersey, Inc	NJ	04/22/1993	CORP	CSC	INACTIVE					
Gambro Healthcare Of North Carolina, Inc.	NC	07/30/1987	CORP	CSC	INACTIVE					
Gambro Healthcare Of Ohio, Inc	OH	01/28/1998	CORP	CSC	INACTIVE					
Gambro Healthcare Of Oklahoma, Inc	DE	12/14/1989	CORP	CSC	INACTIVE					
Gambro Healthcare Of Peachtree, Inc.	CO		CORP	CSC	INACTIVE					
Gambro Healthcare Of Plantation, Inc	FL	08/26/1976	CORP	CSC	INACTIVE					
Gambro Healthcare Of Rhode Island, Inc	DE	09/22/1992	CORP	CSC	INACTIVE					
Gambro Healthcare Of Santa Monica, LLC	TN	04/11/1996	LLC	CSC	INACTIVE					
Gambro Healthcare Of Southwest Orlando, LLP	FL	11/02/1998	LLC	CSC	INACTIVE					
Gambro Healthcare Of Temple Terrace LLP	FL	11/15/1999	LLC	CSC	INACTIVE					
Gambro Healthcare Of Tennessee Inc	TN	01/07/1986	CORP	CSC	INACTIVE					
Gambro Healthcare Of Texas, Inc	TX	07/11/1989	CORP	CSC	INACTIVE					
Gambro Healthcare Of The District, Inc.	DC	02/10/1995	CORP	CSC	INACTIVE					
Gambro Healthcare Of Union City, Inc.	NJ	06/07/1993	CORP	CSC	INACTIVE					
Gambro Healthcare Of Virginia, Inc.	DE	06/07/1990	CORP	CSC	INACTIVE					
Gambro Healthcare Of Washington Pennsylvania, L.L.C.	TN	02/05/1999	LLC	CSC	INACTIVE					
Gambro Healthcare Of Westminster, Inc.	CA	01/11/1995	CORP	CSC	INACTIVE					
Gambro Healthcare Of Wisconsin, Inc	DE	12/05/1994	CORP	CSC	INACTIVE					
Gambro Healthcare, Inc.	CO	12/14/1995	CORP	CSC	INACTIVE					
Garey Dialysis Center Partnership	CA	05/01/1986	GP	NonCSC	N/A	Inactive	12/07/2005			
Guam Renal Care Partnership	Guam	01/01/1996	GP	NonCSC	N/A	Inactive	12/07/2005	Yes		
HCP Blocker Corporation	DE	02/25/2005	CORP	CSC	INACTIVE	Inactive	10/31/2012			
HCP Florida Holdings LLC	DE	05/07/2007	LLC	CSC	INACTIVE			Yes	No	
HCPAZ Merger Sub, Inc.	DE	06/26/2013	CORP	CSC	INACTIVE					
Healthcare Partners PacifiCA Medical Group, LLC	DE	10/14/2015	LLC	CSC	INACTIVE	Inactive - Dissolved	09/22/2016	Yes	Yes	621111
Hemacare Dialysis Center Limited Partnership No. 1	MI	06/22/1994	LP	CSC	INACTIVE					
Hemacare Dialysis Center Limited Partnership No. 2	MI	06/22/1994	LP	CSC	INACTIVE					
Hong Ren	Taiwan, Province Of China	04/30/2013	CORP	NonCSC	N/A	Inactive - Void	06/14/2017			
HubP-Genesis Joint Venture LLC	DE	11/07/2016	LLC	CSC	INACTIVE	Inactive - Dissolved	12/28/2018	No	Yes	
IDC - International Dialysis Centers SGPS, Unipessoal, Lda.	Portugal	03/31/2009	PRVTCOMP	NonCSC	N/A	Inactive - Dissolved	11/10/2017	Yes	No	CAE: 64202-R3
Junctions ASC, LLC	DE	06/03/2010	LLC	CSC	INACTIVE	Inactive - Dissolved	03/11/2019	Yes	No	
Kidney Care Rx, Inc.	DE	05/28/1992	CORP	CSC	INACTIVE			Yes	No	
La Grange Dialysis, LLC	DE	01/18/2006	LLC	CSC	INACTIVE			No		
LaPine Ventures, LLC	DE	08/27/2010	LLC	CSC	INACTIVE	Inactive - Dissolved	12/18/2018	Yes		62492
Lehbi Investment Limited	United Arab Emirates	10/26/2011	LLC	NonCSC	N/A	Inactive - Merged/Inactive/Sold	05/28/2018	No		
Lietor Sp. Z.o.o.	Poland	10/17/2011	LLC	NonCSC	N/A	Inactive - Merged	02/28/2014			
Lifeline Midwest Associates of Allen Park, LLC	DE	04/08/2015	LLC	CSC	INACTIVE	Inactive - Dissolved	12/18/2018	Yes	No	621492
Lifeline Peripheral Arterial Disease Associates Of Allen Park, LLC	DE	10/02/2014	LLC	CSC	INACTIVE	Inactive - Dissolved	12/18/2018	Yes	No	



Entity Name	Domestic Jurisdiction	Formation Date	Entity Type	CSC Indicator	CSC Service Status	Entity Status	Entity Status Date	Wholly Owned (Yes/No)	DVA Ownership 50% or Less (Yes/No)	SIC/NAICS
Lifeline Sequoia Peach, LLC	DE	09/28/2011	LLC	CSC	INACTIVE	Inactive - Dissolved	12/18/2018	Yes	No	
Lifeline Vascular Birmingham, Inc.	DE	03/15/2011	CORP	CSC	INACTIVE	Inactive - Dissolved	04/12/2013	Yes	No	
Lifeline Vascular Center Of South Orlando, LLC	DE	07/25/2012	LLC	CSC	ACTIVE	Inactive - Merged/Inactive/Sold	04/01/2018	Yes	No	
Lifeline Vascular Center-Orlando, LLC	DE	04/26/2012	LLC	CSC	ACTIVE	Inactive - Merged/Inactive/Sold	04/01/2018	Yes	No	
Lifeline Vascular Management Of Houston, LLC	DE	05/20/2013	LLC	CSC	INACTIVE	Inactive - Dissolved	03/11/2019	Yes	No	
Louisville Dialysis Centers, LLC	DE	11/17/2004	LLC	CSC	INACTIVE			No		
Manzanita At Home, LLC	DE	12/12/2007	LLC	CSC	INACTIVE					
MD Investments, L.L.C.	VA	04/23/1997	LLC	NonCSC	N/A	Inactive - Administratively Dissolved	07/31/2017	No	No	
Mesa Dialysis, LLC	DE	07/22/2008	LLC	CSC	INACTIVE			Yes	No	
MHS-XIV, LLC	DE	06/23/1998	LLC	CSC	ACTIVE	Inactive - Merged/Inactive/Sold	10/09/2015	No	Yes	621492
MHS-XV, LLC	DE	06/23/1998	LLC	CSC	ACTIVE	Inactive - Merged/Inactive/Sold	10/09/2015	No	Yes	621492
Middle Tennessee Dialysis Centers, LLC	TN	09/02/1997	LLC	CSC	INACTIVE					
Munera Sp. Z.o.o.	Poland	10/17/2011	LLC	NonCSC	N/A	Inactive - Merged	02/28/2014	Yes		
Nephrology Medical Associates of California, Inc.	CA	10/28/1998	CORP	CSC	INACTIVE	Inactive - Dissolved	11/14/2011	No	No	
New Orleans East Dialysis Center, LLC	DE	07/07/2005	LLC	CSC	INACTIVE			Yes		
NM Partners ACO, LLC	DE	05/11/2016	LLC	CSC	INACTIVE	Inactive - Dissolved	04/03/2018	Yes	No	
Northridge Medical Services Group, Incorporated	CA	11/13/2006	CORP	CSC	INACTIVE	Inactive - Dissolved	11/09/2006	No	Yes	621111
NTKC Management, L.L.C.	TX	07/18/2007	LLC	NonCSC	N/A	Inactive - Merged/Inactive/Sold	01/14/2010	No	No	
Oklahoma City Dialysis Services, LLC	DE	05/12/2006	LLC	CSC	INACTIVE					
Pacific Dialysis Partnership	Guam	01/31/1996	GP	NonCSC	N/A	Inactive - Withdrawn	02/05/2018	Yes	No	621492
PDI Holdings, Inc.	DE	05/14/2001	CORP	CSC	INACTIVE	Inactive - Dissolved	02/06/2019	Yes	No	621492
PDI Supply, Inc.	DE	07/02/2001	CORP	CSC	INACTIVE	Inactive - Dissolved	09/09/2009			
Physicians Dialysis of Houston, LLP	TX	12/17/2002	LLP	NonCSC	N/A	Inactive - Administratively Dissolved	09/08/2018	No	No	621492
Physicians Dialysis, Inc.	DE	10/27/2000	CORP	CSC	ACTIVE	Inactive - Merged	02/01/2015	Yes	No	621492
Pluribus Dialise - Alcobaca, S.A.	Portugal	08/01/2017	S.A.	NonCSC	N/A	Inactive - Terminated	12/19/2018	Yes	No	
Renal Care of Seat Pleasant, LLC	MD	07/25/2003	LLC	NonCSC	N/A	Inactive - Managed Entity Only - Not Owned	07/25/2003			
Resource Advisors Corporation	NV	11/27/2007	CORP	CSC	INACTIVE	Inactive	01/31/2013	Yes	No	
RTC ACQ Co.	DE	12/30/2014	CORP	CSC	INACTIVE	Inactive - Administratively Dissolved	02/03/2015	Yes	No	
RTC Holdings, Inc.	DE	12/27/1991	CORP	CSC	INACTIVE	Inactive - Dissolved	12/18/2018	Yes	No	
RTC TN, Inc.	DE	10/29/1996	CORP	CSC	INACTIVE	Inactive - Dissolved	12/19/2018	Yes	No	
Seismic Acquisition LLC	CA	05/02/2012	LLC	CSC	INACTIVE					
Sentinel Assurance Risk Retention Group, Inc.	HI	03/10/2004	CORP	NonCSC	N/A	Inactive - Dissolved	03/10/2004			
Sumner Regional Dialysis Center LLC	DE	04/15/1998	LLC	CSC	INACTIVE					
Talbert Health Plan	CA	12/15/2006	CORP	CSC	INACTIVE	Inactive - Dissolved	11/09/2017	No	No	524140
Tandigm Care Solutions, LLC	PA	04/19/2016	PLLC	CSC	INACTIVE	Inactive - Merged/Inactive/Sold	04/19/2016	No	Yes	TBD
Tandigm Health, LLC	DE	04/01/2014	LLC	NonCSC	N/A	Inactive - Merged/Inactive/Sold	04/01/2018	No	Yes	524290
TCMC Dialysis Center, LLC	DE	11/13/1997	LLC	CSC	INACTIVE					
THP Services, Inc.	CA	12/15/2006	CORP	CSC	INACTIVE	Inactive - Dissolved	11/13/2017	No	Yes	561490
Total Nephrology Care Network Medical Associates, a Prof. Corp.	CA	09/18/1995	PC	NonCSC	N/A	Inactive - Dissolved	02/11/2009	No		
Total Nephrology Care Network Medical Associates, P.C.	IL	09/25/1997	PC	CSC	INACTIVE	Inactive - Dissolved	09/15/2009		No	
Total Renal Care of Colorado, Inc.	CO	03/31/1971	CORP	CSC	INACTIVE			No		
Total Renal Support Services of North Carolina, LLC	DE	02/04/1998	LLC	CSC	INACTIVE			No	No	
Total Renal Support Services, Inc.	DE	04/26/2007	CORP	CSC	INACTIVE					
TRC Spin Healthcare, LLC	DE	06/02/2011	LLC	CSC	INACTIVE	Inactive				
VRC Of Merced, LLC	CA	05/01/1996	LLC	CSC	INACTIVE					
Westminster Artificial Kidney Center, A California Limited Partnership	CA	01/18/1995	LP	CSC	INACTIVE					
Westside Dialysis, LLC	CA	02/20/1998	LLC	CSC	INACTIVE					

Entity Name	Domestic Jurisdiction	Formation Date	Entity Type	CSC Indicator	CSC Service Status	Entity Status	Entity Status Date	Wholly Owned (Yes/No)	DVA Ownership 50% or Less (Yes/No)	SIC/NAICS
Xiang You	Taiwan, Province Of China	04/30/2013	CORP	NonCSC	N/A	Inactive - Void	06/14/2017			

Facility Name (Common)	Street1	Street2	City	State	Zip	Phone	Fax	Services Provided	Num of Certified Stations	Medicare Cert Number
PHENIX CITY DIALYSIS CENTER	4391 RIVERCHASE DR		PHENIX CITY	AL	36867-7519	3342980294	3342983538	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	01-2523
PDI-MONTGOMERY	1001 FOREST AVE		MONTGOMERY	AL	36106-1181	3342699416	3342690024	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	01-2505
PDI-EAST MONTGOMERY	6890 WINTON BLOUNT BLVD		MONTGOMERY	AL	36117-3516	3342600671	3342609496	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	13	01-2557
PDI-PRATTVILLE	600 MCQUEEN SMITH RD S		PRATTVILLE	AL	36066-5716	3343581576	3343582139	In-Center Hemo, In-Center Hemo Self Care	16	01-2535
PDI-ELMORE COUNTY	125 HOSPITAL DR		WETUMPKA	AL	36092-1626	3345142037	3345149568	In-Center Hemo, In-Center Hemo Self Care	10	01-2553
ATMORE DIALYSIS CENTER	807 E CRAIG ST		ATMORE	AL	36502-3017	2513685593	2514461950	In-Center Hemo, Disaster Related Expenditures	10	01-2600
SOUTH BALDWIN DIALYSIS CENTER	150 W PEACHTREE AVE		FOLEY	AL	36535-2244	2519434155	2519701005	In-Center Hemo, Disaster Related Expenditures	13	01-2565
TALLADEGA DIALYSIS	726 BATTLE ST E	STE A	TALLADEGA	AL	35160-2583	2563622332	2563622356	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	01-2622
CENTER POINT DIALYSIS	2337 1ST ST NE		CENTER POINT	AL	35215-3619	2055201108	2058530933	In-Center Hemo, In-Center Hemo Self Care	16	01-2623
OPELIKA DIALYSIS CENTER	2340 PEPPERELL PKWY		OPELIKA	AL	36801-6240	3347456883	3347452177	In-Center Hemo, In-Center Hemo Self Care, PD Services	10	01-2628
HOME DIALYSIS OPTIONS OF BALDWIN COUNTY PD	27880 N MAIN ST	STE A	DAPHNE	AL	36526-7080	2516261086	2516264056	PD Services, Disaster Related Expenditures	4	01-2627
RAINBOW CITY DIALYSIS	2800 RAINBOW DR		RAINBOW CITY	AL	35906-5811	2564133245	2564133289	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	01-2542
GADSDEN DIALYSIS	409 S 1ST ST		GADSDEN	AL	35901-5358	2565472511	2565478521	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1	24	01-2501
DOTHAN DIALYSIS	216 GRACELAND DR		DOTHAN	AL	36305-7346	3347934077	3347932404	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	27	01-2506
BIRMINGHAM EAST DIALYSIS	1105 E PARK DR		BIRMINGHAM	AL	35235-2560	2058336003	2058365157	In-Center Hemo, In-Center Hemo Self Care	20	01-2508
TUSCALOOSA DIALYSIS	805 OLD MILL ST		TUSCALOOSA	AL	35401-7132	2057526363	2057526566	In-Center Hemo, In-Center Hemo Self Care	19	01-2545
DEMOPOLIS DIALYSIS	511 S CEDAR AVE		DEMOPOLIS	AL	36732-2235	3342899700	3342897038	In-Center Hemo, In-Center Hemo Self Care, PD Services	15	01-2543
SHEFFIELD DIALYSIS	1120 S JACKSON HWY	ST 107	SHEFFIELD	AL	35660-5770	2563818004	2563818199	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	01-2551
OZARK DIALYSIS	195 BUNTING DR		OZARK	AL	36360-1101	3347741410	3347742690	In-Center Hemo, Disaster Related Expenditures	19	01-2544
FLORENCE DIALYSIS	422 E DR HICKS BLVD	STE B	FLORENCE	AL	35630-5730	2567645050	2567673728	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	01-2529
GREENE COUNTY DIALYSIS	544 US HIGHWAY 43		EUTAW	AL	35462-4017	2053724000	2053724055	In-Center Hemo, In-Center Hemo Self Care	12	01-2550
FAYETTE DIALYSIS	2450 TEMPLE AVE N		FAYETTE	AL	35555-1160	2059328500	2059328332	In-Center Hemo, In-Center Hemo Self Care	10	01-2548
TUSCALOOSA UNIVERSITY DIALYSIS	220 15TH ST		TUSCALOOSA	AL	35401-3523	2053456004	2053455071	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	01-2502
BOAZ DIALYSIS	16 CENTRAL HENDERSON RD		BOAZ	AL	35957-5922	2568405931	2568401951	In-Center Hemo, In-Center Hemo Self Care	12	01-2594
BIRMINGHAM CENTRAL DIALYSIS	728 RICHARD ARRINGTON JR BLVD S		BIRMINGHAM	AL	35233-2106	2052506760	2052979190	In-Center Hemo, In-Center Hemo Self Care, PD Services	32	01-2592
BIRMINGHAM NORTH DIALYSIS	1917 32ND AVE N		BIRMINGHAM	AL	35207-3333	2052979052	2052979058	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	24	01-2589
BESSEMER DIALYSIS	901 W LAKE MALL		BESSEMER	AL	35020-5393	2054241848	2054243408	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	16	01-2583
ENSLEY DIALYSIS	2630 AVENUE E		BIRMINGHAM	AL	35218-2163	2057861371	2057865175	In-Center Hemo, In-Center Hemo Self Care	24	01-2585
SYLACAUGA DIALYSIS	331 JAMES PAYTON BLVD		SYLACAUGA	AL	35150-8064	2562494994	2562492786	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, PD Services	18	01-2588
RUSSELLVILLE DIALYSIS	14897 HIGHWAY 43		RUSSELLVILLE	AL	35653-1954	2563327044	2563328959	In-Center Hemo, In-Center Hemo Self Care	10	01-2602
EUFAULA DIALYSIS	220 S ORANGE AVE		EUFAULA	AL	36027-1612	3346880806	3346889893	In-Center Hemo, Disaster Related Expenditures	12	01-2609
NORTHPORT DIALYSIS	2401 HOSPITAL DR		NORTHPORT	AL	35476-3392	2053398882	2053398807	In-Center Hemo, In-Center Hemo Self Care	14	01-2570
PICKENS COUNTY DIALYSIS	289 WILLIAM E HILL DR	STE A	CARROLLTON	AL	35447-3247	2053671194	2053671248	In-Center Hemo	14	01-2640
ATHENS DIALYSIS	15953 ATHENS LIMESTONE DR		ATHENS	AL	35613-2214	2562334730	2562334755	In-Center Hemo, In-Center Hemo Self Care	20	01-2517
WIREGRASS KIDNEY CENTER	1450 ROSS CLARK CIR	STE 200	DOTHAN	AL	36301-4770	3347928907	3347928912	In-Center Hemo, Disaster Related Expenditures	20	01-2630
RENAISSANCE DIALYSIS	1840 DARBY DR		FLORENCE	AL	35630-2623	2567642313	2567642793	In-Center Hemo, In-Center Hemo Self Care, PD Services	10	01-2629
MUSCLE SHOALS DIALYSIS	712 STATE ST		MUSCLE SHOALS	AL	35661-2940	2563867028	2563867074	In-Center Hemo	10	01-2632
GULF SHORES DIALYSIS CENTER	3947 GULF SHORES PKWY	STE 150	GULF SHORES	AL	36542-2859	2519672205	2519672210	In-Center Hemo, PD Services, Disaster Related Expenditures	9	01-2631
ENTERPRISE DIALYSIS	6002 BOLL WEEVIL CIR		ENTERPRISE	AL	36330-9420	3343080262	3343081373	In-Center Hemo, PD Services, Disaster Related Expenditures	16	01-2642
LIMESTONE COUNTY DIALYSIS	16236 LUCAS FERRY RD		ATHENS	AL	35611-3931	2562333965	2562333184	In-Center Hemo, PD Services	10	01-2650
JEWEL DIALYSIS	514 W TOWN PLZ		BESSEMER	AL	35020-5346	2054814386	2054811612	In-Center Hemo	10	01-2644
CROWN DIALYSIS	3007 27TH ST N		BIRMINGHAM	AL	35207-4549	2052970143	2052442769	In-Center Hemo	14	01-2647
MAGIC CITY DIALYSIS	300 22ND ST SO		BIRMINGHAM	AL	35233-2209	2059860592	2053216682	In-Center Hemo, Nocturnal Hemo	18	01-2645
STEEL CITY DIALYSIS	1809 AVE H		BIRMINGHAM	AL	35218-1542	2057852972	2057863317	In-Center Hemo	10	01-2646
LEEDS DIALYSIS	1650 MAXEY DR		LEEDS	AL	35094-7512	2056995383	2056999676	In-Center Hemo	10	01-2652
ANDALUSIA DIALYSIS	757 S THREE NOTCH ST		ANDALUSIA	AL	36420-4403	3342221628	3342222658	In-Center Hemo, PD Services, Disaster Related Expenditures	10	01-2655

SPRINGVILLE DIALYSIS	40 PURPLE HEART BLVD		SPRINGVILLE	AL	35146-4008	2054676811	2054677018	In-Center Hemo	10	01-2658
ANNISTON DIALYSIS	1612 NOBLE ST		ANNISTON	AL	36201-3839	2562373794	2562386855	In-Center Hemo	10	01-2666
PERRY COUNTY DIALYSIS	611 E LAFAYETTE ST		MARION	AL	36756-2325	3346838519	3346834777	In-Center Hemo	10	01-2663
DAVITA HOKES BLUFF DIALYSIS	300 MEDICAL CENTER DR	STE 100	GADSDEN	AL	35903-1139	2564924970	2564925543	In-Center Hemo	9	01-2661
HENRY COUNTY DIALYSIS	671 OZARK RD		ABBEVILLE	AL	36310-2629	3345850131	3345850843	In-Center Hemo, Disaster Related Expenditures	10	01-2668
MONARCH DIALYSIS	2958 DORCHESTER DR		MONTGOMERY	AL	36116-3193	3342804980	3342801809	In-Center Hemo	22	01-2669
HOME OPTIONS OF DOTHAN (PD)	1763 E MAIN ST		DOTHAN	AL	36301-3045	3346730246	3346730328	PD Services, Disaster Related Expenditures	3	01-2673
BREWTON DIALYSIS	1023 DOUGLAS AVE	STE 300	BREWTON	AL	36426-1568	2518678509	2518677325	In-Center Hemo, PD Services, Disaster Related Expenditures	10	01-2665
WALKER COUNTY DIALYSIS	260 6TH AVE NW		JASPER	AL	35504-7419	2053846919	2052216415	In-Center Hemo, PD Services	13	01-2533
MODEL CITY HT AT HOME	1724 LEIGHTON AVE		ANNISTON	AL	36207-3833	2562365864	2567411782	Home Hemo	1	01-2685
GREYSTONE DIALYSIS	5406 HIGHWAY 280	STE D107	BIRMINGHAM	AL	35242-6592	2059812045	2054085116	In-Center Hemo	10	01-2676
BARBOUR COUNTY DIALYSIS	1218 S EUFAULA AVE		EUFAULA	AL	36027-2713	3346877583	3346875389	In-Center Hemo, PD Services	8	01-2697
RED MOUNTAIN HOME TRAINING (PD-HHD)	300B 22ND STREET S		BIRMINGHAM	AL	35233-2209	2052506757	2054580146	PD Services	10	01-2670
WHITE BLUFF DIALYSIS	505 US HIGHWAY 80 W	STE F	DEMOPOLIS	AL	36732-4148	3342871254	3342871166	In-Center Hemo	10	01-2679
MODEL CITY HOME TRAINING (PD)	1724 LEIGHTON AVE		ANNISTON	AL	36207-3833	2562365864	2567411782	PD Services	3	01-2685
COLONEL DIALYSIS	1830 LEE AVE SW	STE B-D	CULLMAN	AL	35055-5268	2567369276	2567378966	In-Center Hemo	10	01-2694
SPRINGS DIALYSIS	218 MAIN ST	STE 114 & 118	TRUSSVILLE	AL	35173-1470	2056550871	2056551964	In-Center Hemo, PD Services	16	01-2693
CRIMSON DIALYSIS	6521 HIGHWAY 69 S	STE O	TUSCALOOSA	AL	35405-6497	2057523267	2057523590	In-Center Hemo	10	01-2700
MAJESTIC DIALYSIS	1510 EASTERN BLVD		MONTGOMERY	AL	36117-1629	3342608519	3342608371	In-Center Hemo, Nocturnal Hemo	12	01-2701
SOUTHWEST ARKANSAS DIALYSIS	225 N DUDNEY RD		MAGNOLIA	AR	71753-3110	8702341322	8702341366	In-Center Hemo	9	04-2545
HEMPSTEAD COUNTY DIALYSIS	1803 S LAUREL ST		HOPE	AR	71801-8219	8707774040	8707773567	In-Center Hemo	10	04-2563
MILLER COUNTY DIALYSIS	816 EAST ST		TEXARKANA	AR	71854-6808	8707722756	8707722764	In-Center Hemo	20	04-2578
JACKSONVILLE CENTRAL DIALYSIS CENTER	400 T P WHITE DR		JACKSONVILLE	AR	72076-3287	5012411300	5019851344	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	04-2553
NORTH LITTLE ROCK DIALYSIS CENTER	4505 E MCCAIN BLVD		NORTH LITTLE ROCK	AR	72117-2902	5019452323	5019551162	In-Center Hemo, In-Center Hemo Self Care	12	04-2548
FAYETTEVILLE DIALYSIS	509 E MILLSAP RD	STE 111	FAYETTEVILLE	AR	72703-4862	4794436688	4795279917	In-Center Hemo, In-Center Hemo Self Care, PD Services	9	04-2539
BENTONVILLE DIALYSIS	1104 SE 30TH ST		BENTONVILLE	AR	72712-4290	4796576220	4796576229	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	04-2540
SILOAM SPRINGS DIALYSIS	500 S MOUNT OLIVE ST	STE 107	SILOAM SPRINGS	AR	72761-3602	4795240104	4795240769	In-Center Hemo, In-Center Hemo Self Care, PD Services	8	04-2549
SPRINGDALE DIALYSIS	2070 MCKENZIE RD	STE B	SPRINGDALE	AR	72762-0870	4799271957	4797510523	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD	17	04-2568
MENA DIALYSIS CENTER	1200 CRESTWOOD CIR		MENA	AR	71953-5516	4793948085	4793942164	In-Center Hemo	16	04-2582
CENTRAL LITTLE ROCK DIALYSIS	6 FREEWAY DR	STE 100	LITTLE ROCK	AR	72204-2486	5016646754	5012969942	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD, PD Services, Nocturnal Hemo	20	04-2571
OUACHITA DIALYSIS	1900 MALVERN AVE	STE 102	HOT SPRINGS	AR	71901-7776	5016240196	5013212415	In-Center Hemo	25	04-2507
HOT SPRINGS DIALYSIS	115 WRIGHTS ST	STE A	HOT SPRINGS	AR	71913-6240	5016240153	5016240629	In-Center Hemo, PD Services	28	04-2531
SOUTH ARKANSAS DIALYSIS	620 W GROVE ST		EL DORADO	AR	71730-4462	8708628788	8708625756	In-Center Hemo, PD Services	38	04-2536
OUACHITA VALLEY DIALYSIS	1114 WASHINGTON ST NW		CAMDEN	AR	71701-3827	8708371330	8708371423	In-Center Hemo, PD Services	25	04-2525
DEGRAY DIALYSIS	312 PROFESSIONAL PARK DR	STE H	ARKADELPHIA	AR	71923-5355	8702463021	8702453766	In-Center Hemo	17	04-2512
RIVER VALLEY DIALYSIS	3121 W 2ND CT		RUSSELLVILLE	AR	72801-4504	4799684687	4799682260	In-Center Hemo, PD Services	20	04-2508
ASHLEY DIALYSIS	1019 FRED LAGRONE DR		CROSSETT	AR	71635-4546	8703051225	8703051240	In-Center Hemo	25	04-2560
MALVERN DIALYSIS	1590 TANNER ST		ROCKPORT	AR	72104-2023	5013323000	5013325858	In-Center Hemo	26	04-2570
BRADLEY COUNTY DIALYSIS	204 BRAGG ST		WARREN	AR	71671-2500	8702267180	8702262488	In-Center Hemo	16	04-2576
COLLEGE CITY DIALYSIS	2630 DONAGHEY AVE		CONWAY	AR	72032-2317	5015042474	5015042611	In-Center Hemo, Home Hemo, PD Services	20	04-2598
FORREST CITY DIALYSIS	1501 N WASHINGTON ST		FORREST CITY	AR	72335-2152	8704944022	8704944769	In-Center Hemo, PD Services	12	04-2585
ROGERS DIALYSIS	101 N 37TH ST		ROGERS	AR	72756-0301	4798996868	4798996885	In-Center Hemo, PD Services	16	04-2586
POCAHONTAS DIALYSIS	404 CAMP RD		POCAHONTAS	AR	72455-1487	8702480138	8702480623	In-Center Hemo, PD Services	8	04-2595
SOUTH LITTLE ROCK DIALYSIS	6115 BASELINE RD	STE 100	LITTLE ROCK	AR	72209-4725	5015700543	5015700738	In-Center Hemo, PD Services	13	04-2590
INDEPENDENCE COUNTY DIALYSIS	1700 HARRISON ST	STE F	BATESVILLE	AR	72501-7315	8703070828	8707935466	In-Center Hemo	12	04-2557
JACKSON COUNTY DIALYSIS	1912 MCLAIN ST	PRATT SQUARE	NEWPORT	AR	72112-3659	8705232607	8705232824	In-Center Hemo	9	04-2554
SEARCY DIALYSIS	3208 LANGLEY DR		SEARCY	AR	72143-6020	5012684400	5012688279	In-Center Hemo, PD Services	16	04-2514
SPRINGHILL DIALYSIS	3401 SPRINGHILL DR	STE 190	ROCK	AR	72117-2925	5019453669	5019453949	In-Center Hemo	17	04-2513
PULASKI COUNTY DIALYSIS	202 JOHN HARDEN DR		JACKSONVILLE	AR	72076-3775	5019821004	5019821068	In-Center Hemo	9	04-2535
LITTLE ROCK MIDTOWN DIALYSIS	2 LILE CT	STE 102A	LITTLE ROCK	AR	72205-6241	5012213123	5012213167	In-Center Hemo	24	04-2547
SALINE COUNTY DIALYSIS	1200 N MAIN ST	STE 2	BENTON	AR	72015-3341	5017761816	5017761872	In-Center Hemo	12	04-2558
CONWAY DIALYSIS	2445 CHRISTINA LN		CONWAY	AR	72034-6798	5013282186	5013282110	In-Center Hemo, PD Services, Nocturnal Hemo	20	04-2517
RENAL CARE OF MARION	1120 STATE HIGHWAY 77	STE 2	MARION	AR	72364-9046	8707354087	8707354062	In-Center Hemo, PD Services	24	04-2573
OSCEOLA DIALYSIS	1332 W KEISER AVE		OSCEOLA	AR	72370-2919	8705634901	8705634959	In-Center Hemo	12	04-2534
DIAMOND STATE DIALYSIS	9022 LANDERS RD	STE E	NORTH LITTLE ROCK	AR	72117-1599	5018341393	5018341450	In-Center Hemo	12	04-2597
RENAL CENTER OF MOUNTAIN HOME	200 E 8TH ST	STE 101	MOUNTAIN HOME	AR	72653-4402	8705086500	8705086550	In-Center Hemo, PD Services	20	04-2567
HOPI DIALYSIS CENTER	HWY 264 MILE MARKER 388	PO BOX 964	POLACCA	AZ	86042-0964	9287375490	9287375497	In-Center Hemo, PD Services	11	03-2592

TUBA CITY DIALYSIS	500 EDGEWATER DR	PO BOX 2910	TUBA CITY	AZ	86045-2905	9282834525	9282834801	In-Center Hemo, PD Services	26	03-2506
CAMELBACK DIALYSIS CENTER (PD)	7321 E OSBORN DR		SCOTTSDALE	AZ	85251-6418	4809700924	4804219345	PD Services	8	03-2504
DESERT MOUNTAIN DIALYSIS CENTER	9220 E MOUNTAIN VIEW RD	STE 105	SCOTTSDALE	AZ	85258-5134	4803912241	4804518331	In-Center Hemo, In-Center Hemo Self Care	24	03-2525
CHINLE DIALYSIS	US HWY 191	PO BOX 879	CHINLE	AZ	86503-0879	9286745426	9286745461	In-Center Hemo	26	03-2518
KAYENTA DIALYSIS	HIGHWAY 163 BOX 217		KAYENTA	AZ	86033-9997	9286978193	9286978195	In-Center Hemo	18	03-2559
PAPAGO DIALYSIS CENTER	5115 E THOMAS RD	STE 115	PHOENIX	AZ	85018-7914	6029561831	6029560334	In-Center Hemo	13	03-2553
ESTRELLA DIALYSIS CENTER	8410 W THOMAS RD	STE 100 BLDG 1	PHOENIX	AZ	85037-3356	6232470808	6232479757	In-Center Hemo, In-Center Hemo Self Care	24	03-2612
GILBERT DIALYSIS CENTER	5222 E BASELINE RD	STE 104	GILBERT	AZ	85234-2963	4808326996	4808327337	In-Center Hemo, In-Center Hemo Self Care	24	03-2605
TEMPE DIALYSIS CENTER	2149 E WARNER RD	STE 110	TEMPE	AZ	85284-3496	4807303531	4804915964	In-Center Hemo, In-Center Hemo Self Care	24	03-2609
PHOENIX DIALYSIS CENTER	337 E CORONADO RD	STE 101	PHOENIX	AZ	85004-1582	6022539006	6022539465	In-Center Hemo, In-Center Hemo Self Care	24	03-2611
ARROWHEAD LAKES DIALYSIS CENTER	20325 N 51ST AVE	BLDG 11, STE 186	GLENDALE	AZ	85308-4625	6235336521	6235336579	In-Center Hemo, In-Center Hemo Self Care	24	03-2604
MOUNTAIN VISTA DIALYSIS CENTER OF ARIZONA	10238 E HAMPTON AVE	STE 108	MESA	AZ	85209-3317	4803578009	4803570372	In-Center Hemo, In-Center Hemo Self Care	24	03-2619
PALM BROOK DIALYSIS CENTER	14664 N DEL WEBB BLVD		SUN CITY	AZ	85351-2137	6235836550	6239772514	In-Center Hemo, In-Center Hemo Self Care	20	03-2601
WESTBROOK DIALYSIS	13907 W CAMINO DEL SOL	STE 103	SUN CITY WEST	AZ	85375-4405	6232147088	6232140109	In-Center Hemo, In-Center Hemo Self Care	16	03-2621
NORTHWEST TUCSON DIALYSIS	2945 W INA RD	STE 105	TUCSON	AZ	85741-2366	5207970049	5202298957	In-Center Hemo, In-Center Hemo Self Care	20	03-2618
RIM COUNTRY DIALYSIS	809 W LONGHORN RD		PAYSON	AZ	85541-4280	9284747000	9284749983	In-Center Hemo, In-Center Hemo Self Care	6	03-2615
TUCSON CENTRAL DIALYSIS	2901 E GRANT RD		TUCSON	AZ	85716-2717	5203253408	5203253469	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	03-2627
GRAND HOME DIALYSIS	14674 W MOUNTAIN VIEW BLVD	STE 204	SURPRISE	AZ	85374-2708	6235466120	6235462693	PD Services	4	03-2620
YUMA DIALYSIS	2130 W 24TH ST		YUMA	AZ	85364-6122	9287832365	9287836870	In-Center Hemo, In-Center Hemo Self Care, PD Services	32	03-2502
NOGALES DIALYSIS	1605 N INDUSTRIAL PARK DR	STE H	NOGALES	AZ	85621-4577	5202815779	5202815873	In-Center Hemo, In-Center Hemo Self Care	16	03-2543
SELLS DIALYSIS	HWY 86 MILEPOST 113	PO BOX 3030	SELLS	AZ	85634-3030	5203831701	5203833667	In-Center Hemo, In-Center Hemo Self Care	28	03-2513
SIERRA VISTA DIALYSIS	629 N HIGHWAY 90 BYP	STE 6	SIERRA VISTA	AZ	85635-2257	5204597791	5204597129	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, PD Services	20	03-2520
SOUTH YUMA DIALYSIS	7179 E 31ST PLACE		YUMA	AZ	85365-8392	9283170517	9282769155	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD	20	03-2556
TUCSON SOUTH DIALYSIS	3662 S 16TH AVE		TUCSON	AZ	85713-6001	5208829665	5208829206	In-Center Hemo, In-Center Hemo Self Care	30	03-2557
PASCUA YAQUI TRIBE DIALYSIS	7490 S CAMINO DE OESTE		TUCSON	AZ	85746-9308	5208796161	5205783655	In-Center Hemo, In-Center Hemo Self Care	13	03-2573
TUCSON SOUTH CENTRAL DIALYSIS	2024 E IRVINGTON RD	STE 7	TUCSON	AZ	85714-1825	5205730200	5205730210	In-Center Hemo	30	03-2589
TUCSON WEST DIALYSIS	1780 W ANKLAM RD		TUCSON	AZ	85745-2632	5206242220	5206206365	In-Center Hemo, In-Center Hemo Self Care, PD Services	34	03-2500
TUCSON EAST DIALYSIS	6420 E BROADWAY BLVD	STE C300	TUCSON	AZ	85710-3534	5207902775	5207903174	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	03-2501
CENTRAL MESA DIALYSIS CENTER	1134 E UNIVERSITY DR	STE 101	MESA	AZ	85203-8048	4804643851	4806681460	In-Center Hemo, In-Center Hemo Self Care	24	03-2624
MARYVALE DIALYSIS CENTER	4845 W MCDOWELL RD	STE 10A, 20A, 30A	PHOENIX	AZ	85035-4076	6022788349	6022722674	In-Center Hemo	24	03-2634
RITA RANCH DIALYSIS (AKA TUCSON EAST II)	7355 S HOUGHTON RD	STE 101	TUCSON	AZ	85747-9380	5206634035	5206633826	In-Center Hemo	12	03-2632
RAVEN DIALYSIS CENTER	3540 E BASELINE RD	STE 110	PHOENIX	AZ	85042-9628	6024312110	6024312153	In-Center Hemo, In-Center Hemo Self Care	24	03-2625
BROOKWOOD DIALYSIS CENTER	8910 N 43RD AVE	STE 107	GLENDALE	AZ	85302-5340	6239372735	6239372758	In-Center Hemo, In-Center Hemo Self Care	24	03-2630
OCOTILLO DIALYSIS	975 W CHANDLER HEIGHTS RD	UNIT 101	CHANDLER	AZ	85248-5724	4808024405	4808025390	In-Center Hemo	12	03-2631
POWER ROAD DIALYSIS	301 S POWER RD	STE 104	MESA	AZ	85206-5243	4806411193	4808073388	In-Center Hemo	12	03-2638
WICKENBURG DIALYSIS	811 N TEGNER	STE 101, 103, 105, 107	WICKENBURG	AZ	85390-5409	9286846898	9286846107	In-Center Hemo, PD Services	9	03-2637
SWEETWATER RIDGE DIALYSIS	7362 W THUNDERBIRD RD	STE 104	PEORIA	AZ	85381-5028	6234860327	6238785264	In-Center Hemo	20	03-2640
EDGE RIVER DIALYSIS	1197 S REDONDO CENTER DR		YUMA	AZ	85365-2036	9283294340	9287835018	In-Center Hemo, PD Services	13	03-2644
DESERT DIALYSIS	13000 N 103RD AVE	STE 66	SUN CITY	AZ	85351-3060	6235833131	6235835414	In-Center Hemo	20	03-2572

COTTONWOOD DIALYSIS	1699 E COTTONWOOD ST	STE A200	COTTONWOOD	AZ	86326-4604	9286349295	9286349683	In-Center Hemo	13	03-2562
PRESCOTT DIALYSIS	980 WILLOW CREEK RD	STE 101	PRESCOTT	AZ	86301-1619	9287769459	9287768061	In-Center Hemo	12	03-2523
ESTRELLA DIALYSIS CENTER (PD)	8410 W THOMAS RD	BLDG 1, STE 100	PHOENIX	AZ	85037-3356	6232471749	6232471873	PD Services	1	03-2612
SCOTTSDALE DIALYSIS	5705 N SCOTTSDALE RD	STE 120	SCOTTSDALE	AZ	85250-5910	4809413860	4809414191	In-Center Hemo	12	03-2641
FOUNTAIN HILLS DIALYSIS	13430 N SAGUARO BLVD	BLDG 3	FOUNTAIN HILLS	AZ	85268-3728	4808165973	4808165767	In-Center Hemo, PD Services	12	03-2645
EVERGREEN PARK DIALYSIS	926 E MCDOWELL RD	STE 100	PHOENIX	AZ	85006-2503	6022521418	6022521928	In-Center Hemo, PD Services	20	
SWAN DIALYSIS	1635 N SWAN RD		TUCSON	AZ	85712-4046	5203271125	5203272963	In-Center Hemo	12	03-2651
ORO VALLEY DIALYSIS	1521 E TANGERINE RD	STE 101	ORO VALLEY	AZ	85755-6214	5202192879	5202190564	In-Center Hemo, PD Services	12	03-2652
HAYWARD DIALYSIS CENTER	21615 HESPERIAN BLVD	STE F	HAYWARD	CA	94541-7026	5107809094	5107800635	In-Center Hemo, In-Center Hemo Self Care	31	05-2685
PLEASANTON DIALYSIS CENTER	5720 STONERIDGE MALL RD	STE 160	PLEASANTON	CA	94588-2882	9257370120	9257370155	In-Center Hemo, In-Center Hemo Self Care, PD Services	22	05-2568
UNION CITY DIALYSIS CENTER	32930 ALVARADO NILES RD	STE 300	UNION CITY	CA	94587-8101	5104896996	5104893747	In-Center Hemo	38	05-2571
EAST BAY PERITONEAL DIALYSIS CENTER	13939 E 14TH ST	STE 110	SAN LEANDRO	CA	94578-2601	5106141380	5106140393	PD Services	4	05-2675
SOUTH HAYWARD DIALYSIS	254 JACKSON ST		HAYWARD	CA	94544-1907	5105831255	5105830631	In-Center Hemo, In-Center Hemo Self Care	24	05-2845
KENNETH HAHN PLAZA DIALYSIS CENTER	11854 S WILMINGTON AVE		LOS ANGELES	CA	90059-3016	3235675077	3235671490	In-Center Hemo	20	05-2858
LODI DIALYSIS CENTER	1610 W KETTLEMAN LN	STE D	LODI	CA	95242-4210	2093349888	2093330888	In-Center Hemo, In-Center Hemo Self Care	21	05-2753
FLORIN DIALYSIS CENTER	7000 STOCKTON BLVD		SACRAMENTO	CA	95823-2312	9164243990	9164243799	In-Center Hemo	31	05-2857
NORTH HIGHLANDS DIALYSIS CTR	4612 ROSEVILLE RD	STE 100	NORTH HIGHLANDS	CA	95660-5175	9163341368	9163341543	In-Center Hemo	27	05-2826
ALHAMBRA DIALYSIS CENTER	1315 ALHAMBRA BLVD	STE 100	SACRAMENTO	CA	95816-5245	9164578252	9164573649	In-Center Hemo	20	05-2707
ANTELOPE DIALYSIS CENTER	6406 TUPELO DR	STE A	CITRUS HEIGHTS	CA	95621-1780	9167211800	9167214376	In-Center Hemo, In-Center Hemo Self Care	31	05-2663
CHICO DIALYSIS CENTER	530 COHASSET RD		CHICO	CA	95926-2212	5308958966	5308950419	In-Center Hemo, PD Services	21	05-2553
MANZANITA DIALYSIS CENTER	4005 MANZANITA AVE	STE 17	CARMICHAEL	CA	95608-1779	9164833241	9164836347	In-Center Hemo	21	05-2604
CAMERON PARK DIALYSIS	3311 COACH LN	STE C	CAMERON PARK	CA	95682-7247	5306775114	5306775190	In-Center Hemo, In-Center Hemo Self Care	24	05-2691
SOUTH SACRAMENTO DIALYSIS CENTER	7000 FRANKLIN BLVD	STE 880	SACRAMENTO	CA	95823-1838	9164272561	9164272025	In-Center Hemo	18	05-2569
REDDING DIALYSIS CENTER	1876 PARK MARINA DR		REDDING	CA	96001-0913	5302467474	5302460179	In-Center Hemo, In-Center Hemo Self Care, PD Services	28	05-2528
YUBA CITY DIALYSIS CENTER	1525 PLUMAS CT	STE A	YUBA CITY	CA	95991-2971	5306713652	5306714903	In-Center Hemo, In-Center Hemo Self Care	24	05-2563
UNIVERSITY DIALYSIS CENTER	333 UNIVERSITY AVE	STE 100	SACRAMENTO	CA	95825-6533	9169200877	9169201931	In-Center Hemo, Nocturnal Hemo	21	55-2549
ORANGEVALE DIALYSIS CTR	9267 GREENBACK LN	STE A2	ORANGEVALE	CA	95662-4864	9169885666	9169885636	In-Center Hemo, In-Center Hemo Self Care	20	05-2850
EATON CANYON DIALYSIS	2551 E WASHINGTON BLVD		PASADENA	CA	91107-1446	6267988896	6263988279	In-Center Hemo, In-Center Hemo Self Care, PD Services, Nocturnal Hemo	31	05-2613
PARAMOUNT DIALYSIS CENTER	15625 LAKEWOOD BLVD		PARAMOUNT	CA	90723-4633	5627902478	5622720038	In-Center Hemo, In-Center Hemo Self Care	37	05-2652
CRESCENT HEIGHTS DIALYSIS CENTER	8151 BEVERLY BLVD		LOS ANGELES	CA	90048-4514	3236556226	3236556512	In-Center Hemo, Nocturnal Hemo, PD Services	20	05-2852
OAKLAND PERITONEAL DIALYSIS CENTER	5352 CLAREMONT AVE		OAKLAND	CA	94618-1035	5105970398	5105970385	PD Services	2	05-2822
ANTIOCH DIALYSIS CENTER	3100 DELTA FAIR BLVD		ANTIOCH	CA	94509-4001	9257535000	9257535055	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	05-2841
SALINAS VALLEY DIALYSIS CENTER	955 BLANCO CIR	STE C	SALINAS	CA	93901-4452	8317586222	8317588345	In-Center Hemo, In-Center Hemo Self Care, PD Services	34	05-2602
LOS ANGELES DIALYSIS CENTER	3901 S WESTERN AVE		LOS ANGELES	CA	90062-1112	3232940670	3232940499	In-Center Hemo, PD Services	28	05-2695
MONTEREY PARK DIALYSIS CENTER	2560 CORPORATE PL	STE 100-101 BLDG D	MONTEREY PARK	CA	91754-7612	3237808787	3237800246	In-Center Hemo, PD Services	28	05-2700
DELTA SIERRA DIALYSIS CENTER	555 W BENJAMIN HOLT DR	STE 200	STOCKTON	CA	95207-3839	2094732294	2094732214	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	05-2784
CENTURY CITY DIALYSIS	10630 SANTA MONICA BLVD		LOS ANGELES	CA	90025-4837	3109542700	3104744565	In-Center Hemo, In-Center Hemo Self Care, PD Services	30	05-2865
SOLEDAD DIALYSIS CENTER	901 LOS COCHES DR		SOLEDAD	CA	93960-2995	8316784310	8316784324	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	05-2892
MONTCLAIR DIALYSIS CENTER	9142 MONTE VISTA AVE		MONTCLAIR	CA	91763-1723	9096266505	9096245736	In-Center Hemo, PD Services, In-Center Hemo Self Care	28	05-2804
PREMIER DIALYSIS CENTER	7612 ATLANTIC AVE		CUDAHY	CA	90201-5020	3235625511	3235623347	In-Center Hemo, In-Center Hemo Self Care, PD Services	36	05-2761
UNITED DIALYSIS CENTER	3111 LONG BEACH BLVD		LONG BEACH	CA	90807-5015	5624265155	5624265007	In-Center Hemo, In-Center Hemo Self Care	27	05-2671
LAKE ELSINORE DIALYSIS	32291 MISSION TRL	BLDG S	LAKE ELSINORE	CA	92530-2304	9516745050	9516745570	In-Center Hemo, In-Center Hemo Self Care	18	05-2895
GARFIELD HEMODIALYSIS CENTER	118 HILLIARD AVE		MONTEREY PARK	CA	91754-1118	6262885796	6262883870	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	05-2564
KIDNEY DIALYSIS CARE UNIT	3600 E MARTIN LUTHER KING JR BLVD		LYNWOOD	CA	90262-2607	3108865156	3106086947	In-Center Hemo	40	05-2502
LAKEWOOD DIALYSIS CENTER	4611 SILVA ST		LAKEWOOD	CA	90712-2512	5626337441	5626304609	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	30	05-2539

VALLEY DIALYSIS	6840 SEPULVEDA BLVD	STE 101	VAN NUYS	CA	91405-4401	8187791450	8187791466	In-Center Hemo, PD Services	32	05-2554
DOWNEY DIALYSIS CENTER	8630 FLORENCE AVE	STE 100	DOWNEY	CA	90240-4017	5629236741	5629232471	In-Center Hemo, In-Center Hemo Self Care	19	05-2574
COVINA DIALYSIS CENTER	1547 W GARVEY AVE N		WEST COVINA	CA	91790-2139	6269609405	6269602695	In-Center Hemo	17	05-2580
WILSHIRE DIALYSIS CENTER	1212 WILSHIRE BLVD		LOS ANGELES	CA	90017-1902	2134825181	2134824470	In-Center Hemo, Nocturnal Hemo, PD Services	22	05-2631
Beverly Hills Dialysis Center	50 N LA CIENEGA BLVD	STE 300	BEVERLY HILLS	CA	90211-2284	3102891612	3102891547	In-Center Hemo	30	05-2599
WALNUT CREEK DIALYSIS CENTER	404 N WIGET LN		WALNUT CREEK	CA	94598-2408	9259370203	9259469482	In-Center Hemo, Nocturnal Hemo, PD Services	24	05-2689
NORWALK DIALYSIS CENTER	12375 E IMPERIAL HWY	STE D3	NORWALK	CA	90650-3129	5629297430	5628631864	In-Center Hemo	17	05-2718
GREATER EL MONTE DIALYSIS CENTER	1938 TYLER AVE	STE J168	SOUTH EL MONTE	CA	91733-3623	6263506692	6263506986	In-Center Hemo, In-Center Hemo Self Care	14	05-2717
TRC/USC KIDNEY CENTER	2310 ALCAZAR ST		LOS ANGELES	CA	90033-5327	3234419966	3234419960	In-Center Hemo, In-Center Hemo Self Care, PD Services	59	05-2794
UNIVERSITY PARK DIALYSIS CENTER	3986 S FIGUEROA ST		LOS ANGELES	CA	90037-1222	2137498297	2137490472	In-Center Hemo	20	05-2713
AIRPORT SUNRISE DIALYSIS	11300 HAWTHORNE BLVD		INGLEWOOD	CA	90304-2715	3106800601	3106809166	In-Center Hemo, In-Center Hemo Self Care, PD Services	58	05-2746
HOLLYWOOD DIALYSIS CENTER	5108 W SUNSET BLVD		LOS ANGELES	CA	90027-5708	3239134010	3239134022	In-Center Hemo, PD Services	22	05-2801
TRC/HARBOR-UCLA MFI TOTAL RENAL DIALYSIS CENTER	21602 S VERMONT AVE		TORRANCE	CA	90502-1940	3105330413	3102126248	In-Center Hemo, PD Services	30	05-2802
NAPA DIALYSIS CENTER	3900 BEL AIRE PLZ	STE C	NAPA	CA	94558-2823	7072538938	7072532851	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	05-2615
LAKEPORT DIALYSIS CENTER	804 11TH ST	STE 2	LAKEPORT	CA	95453-4102	7072637132	7072638926	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	05-2601
FAIRFIELD DIALYSIS CENTER	4660 CENTRAL WAY		FAIRFIELD	CA	94534-1803	7078637369	7078637384	In-Center Hemo, In-Center Hemo Self Care, PD Services	32	05-2618
VACAVILLE DIALYSIS CENTER	941 MERCHANT ST		VACAVILLE	CA	95688-5315	7074478191	7074478196	In-Center Hemo, In-Center Hemo Self Care	21	05-2709
SANTA ANA DIALYSIS CENTER	1820 E DEERE AVE		SANTA ANA	CA	92705-5721	9492511221	9492511455	In-Center Hemo	26	05-2716
BREA DIALYSIS CENTER	595 TAMARACK AVE	STE A	BREA	CA	92821-3125	7149900110	7149900946	In-Center Hemo	21	05-2621
CORONA DIALYSIS CENTER	2057 COMPTON AVE	STE 101	CORONA	CA	92881-7287	9517355845	9517353941	In-Center Hemo, In-Center Hemo Self Care	24	05-2661
HEMET DIALYSIS CENTER	3050 W FLORIDA AVE		HEMET	CA	92545-3619	9519259723	9519259789	In-Center Hemo, In-Center Hemo Self Care	39	05-2620
VALLEY VIEW DIALYSIS CENTER	26900 CACTUS AVE		MORENO VALLEY	CA	92555-3912	9512472844	9512478631	In-Center Hemo, In-Center Hemo Self Care	34	05-2807
RIVERSIDE DIALYSIS CENTER	4361 LATHAM ST	STE 100	RIVERSIDE	CA	92501-1767	9516822700	9516823024	In-Center Hemo	32	05-2532
MOUNTAIN VISTA DIALYSIS CENTER	4041 UNIVERSITY PKWY		SAN BERNARDINO	CA	92407-1823	9098870173	9098872892	In-Center Hemo, PD Services	28	05-2743
TEMECULA DIALYSIS CENTER	40945 COUNTY CENTER DR	STE G	TEMECULA	CA	92591-6006	9512969744	9512969749	In-Center Hemo, In-Center Hemo Self Care	18	05-2735
MAINPLACE DIALYSIS CENTER	146 S MAIN ST		ORANGE	CA	92868-2861	7149380870	7149372986	In-Center Hemo, Nocturnal Hemo, PD Services	36	05-2503
ROSEMEAD SPRINGS DIALYSIS CENTER	3212 ROSEMEAD BLVD		EL MONTE	CA	91731-2807	6262803019	6262802856	In-Center Hemo	16	55-2511
IMPERIAL CARE DIALYSIS CENTER	4345 E IMPERIAL HWY		LYNWOOD	CA	90262-2318	3109000333	3109000334	In-Center Hemo	31	05-2844
DIAMOND VALLEY DIALYSIS	1181 N STATE ST		SAN JACINTO	CA	92583-6317	9514876528	9514878518	In-Center Hemo	37	05-2768
MURRIETA DIALYSIS	27602 CLINTON KEITH RD	BLDG F	MURRIETA	CA	92562-8513	9516797914	9516797693	In-Center Hemo, In-Center Hemo Self Care	24	05-2730
ASH TREE DIALYSIS	2666 N GROVE INDUSTRIAL DR	STE 106	FRESNO	CA	93727-1552	5592511919	5592511333	In-Center Hemo, In-Center Hemo Self Care, PD Services	36	55-2563
WASCO PRISON DIALYSIS	701 SCOFIELD AVE		WASCO	CA	93280-7515	6617587668		In-Center Hemo	6	
SOUTH VALLEY DIALYSIS	17815 VENTURA BLVD	STE 100	ENCINO	CA	91316-3600	8187574520	8187571043	In-Center Hemo, In-Center Hemo Self Care	25	05-2744
RIVERSIDE PD CENTRAL	3660 PARK SIERRA DR	STE 108	RIVERSIDE	CA	92505-3071	9516873900	9516877998	PD Services	11	55-2627
TURLOCK DIALYSIS CENTER	50 W SYRACUSE AVE		TURLOCK	CA	95380-3143	2096567299	2096561715	In-Center Hemo, In-Center Hemo Self Care	16	55-2528
BAKERSFIELD DIALYSIS CENTER	5143 OFFICE PARK DR		BAKERSFIELD	CA	93309-0660	6613254741	6613257631	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	76	05-2673
ANTELOPE VALLEY DIALYSIS	1759 W AVENUE J	STE 102	LANCASTER	CA	93534-2703	6619426400	6617293985	In-Center Hemo, PD Services	30	05-2521
INDIAN WELLS VALLEY DIALYSIS	212 S RICHMOND RD		RIDGECREST	CA	93555-4434	7603717506	7603717806	In-Center Hemo, In-Center Hemo Self Care	12	05-2789
PALMDALE REGIONAL	1643 E PALMDALE BLVD		PALMDALE	CA	93550-4847	6615400925	6615400930	In-Center Hemo	24	05-2869
STOCKTON KIDNEY CENTER	1523 E MARCH LN	STE 200	STOCKTON	CA	95210-5607	2094723300	2094720900	In-Center Hemo	20	55-2592
WHITTIER DIALYSIS	10055 WHITTWOOD DR		WHITTIER	CA	90603-2313	5629471808	5629471186	In-Center Hemo, Nocturnal Hemo, PD Services	18	55-2509
NORCO DIALYSIS	1901 TOWN AND COUNTRY DR	STE 100	NORCO	CA	92860-3611	9517380185	9517388490	In-Center Hemo, In-Center Hemo Self Care	20	55-2571
MAGNOLIA WEST DIALYSIS	11161 MAGNOLIA AVE		RIVERSIDE	CA	92505-3605	9513518090	9513518099	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	30	55-2553
TOKAY DIALYSIS CENTER	312 S FAIRMONT AVE	STE A	LODI	CA	95240-3840	2093695418	2093695963	In-Center Hemo, In-Center Hemo Self Care	12	55-2504
CREEKSIDE DIALYSIS CENTER	141 PARKER ST		VACAVILLE	CA	95688-3921	7074531325	7074531329	In-Center Hemo, In-Center Hemo Self Care	12	55-2510
TUSTIN DIALYSIS	2090 N TUSTIN AVE	STE 100	SANTA ANA	CA	92705-7869	7148352450	7148355715	In-Center Hemo, In-Center Hemo Self Care, PD Services, Nocturnal Hemo	24	05-2897
ELK GROVE DIALYSIS	9281 OFFICE PARK CIR	STE 105	ELK GROVE	CA	95758-8069	9166910480	9166910488	In-Center Hemo, In-Center Hemo Self Care	21	55-2529
MARYSVILLE DIALYSIS CENTER	1015 8TH ST		MARYSVILLE	CA	95901-5271	5307419801	5307419805	In-Center Hemo, In-Center Hemo Self Care, PD Services	15	55-2533
SOUTH CHICO DIALYSIS CENTER	2345 FOREST AVE		CHICO	CA	95928-7641	5308942180	5308942647	In-Center Hemo, In-Center Hemo Self Care	18	55-2530

LA HABRA DIALYSIS	1611 W WHITTIER BLVD		LA HABRA	CA	90631-3618	5622670430	5622660045	In-Center Hemo, Home Hemo, PD Services	37	55-2852
CONCORD DIALYSIS CENTER	2300 STANWELL DR	STE C	CONCORD	CA	94520-4841	9256777492	9256777497	In-Center Hemo, In-Center Hemo Self Care	21	55-2535
MAR VISTA DIALYSIS CENTER	2020 SANTA MONICA BLVD	STE 100	SANTA MONICA	CA	90404-2139	3104534900	3104534966	In-Center Hemo, PD Services	20	55-2580
LAGUNA HILLS DIALYSIS	25332 CABOT RD		LAGUNA HILLS	CA	92653-5506	9493801925	9493801746	In-Center Hemo	20	55-2718
CITRUS VALLEY DIALYSIS	894 HARDT STREET		SAN BERNARDINO	CA	92408-2854	9093886608	9093886639	In-Center Hemo, In-Center Hemo Self Care	20	55-2541
YUCAIPA DIALYSIS CENTER	33487 YUCAIPA BLVD		YUCAIPA	CA	92399-2064	9097976200	9097976446	In-Center Hemo, In-Center Hemo Self Care	12	55-2578
CROSSROADS DIALYSIS	3214 YORBA LINDA BLVD		FULLERTON	CA	92831-1707	7145776940	7145770530	In-Center Hemo, PD Services, Nocturnal Hemo	24	55-2544
CLEARLAKE DIALYSIS	14400 OLYMPIC DR		CLEARLAKE	CA	95422-8809	7079949785	7079949790	In-Center Hemo, In-Center Hemo Self Care	12	55-2586
CARQUINEZ DIALYSIS	125 CORPORATE PL	STE C	VALLEJO	CA	94590-6968	7075563637	7075563642	In-Center Hemo, In-Center Hemo Self Care	21	55-2572
ONTARIO DIALYSIS	1950 S GROVE AVE	STE 101-105	ONTARIO	CA	91761-5693	9099305566	9099305690	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	20	55-2548
RED BLUFF DIALYSIS CENTER	2455 SISTER MARY COLUMBA DR		RED BLUFF	CA	96080-4364	5305270052	5305270059	In-Center Hemo, In-Center Hemo Self Care	15	55-2557
BIXBY KNOLLS DIALYSIS	3744 LONG BEACH BLVD		LONG BEACH	CA	90807-3310	5624241403	5624244310	In-Center Hemo	24	55-2614
BELLFLOWER DIALYSIS CENTER	15736 WOODRUFF AVE		BELLFLOWER	CA	90706-4018	5628043099	5628041544	In-Center Hemo, Nocturnal Hemo	20	55-2588
LONG BEACH HARBOR DIALYSIS	1075 E PACIFIC COAST HWY		LONG BEACH	CA	90806-5089	5625991511	5625991922	In-Center Hemo	12	55-2579
SILVER LAKE DIALYSIS	2723 W TEMPLE ST		LOS ANGELES	CA	90026-4723	2134803039	2134803287	In-Center Hemo	30	55-2659
FOSTER CITY DIALYSIS	1261 E HILLSDALE BLVD	STE 2	FOSTER CITY	CA	94404-1236	6506389301	6506389306	In-Center Hemo	16	55-2620
NATOMAS DIALYSIS	30 GOLDEN LAND CT	BLDG G	SACRAMENTO	CA	95834-2423	9162856452	9162859715	In-Center Hemo, In-Center Hemo Self Care	24	55-2569
SANGER SEQUOIA DIALYSIS	2517 JENSEN AVE	BLDG B	SANGER	CA	93657-2251	5598763852	5598763930	In-Center Hemo	16	55-2650
WEST SACRAMENTO DIALYSIS CENTER	3450 INDUSTRIAL BLVD	STE 100	WEST SACRAMENTO	CA	95691-5053	9163714947	9163718845	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	55-2591
ABORN DIALYSIS	3162 S WHITE RD	STE 100	SAN JOSE	CA	95148-4019	4082230620	4082230625	In-Center Hemo	18	55-2643
REDWOOD CITY DIALYSIS	1000 MARSHALL ST		REDWOOD CITY	CA	94063-2065	6503650129	6503650232	In-Center Hemo, PD Services	24	55-2665
DOWNEY LANDING DIALYSIS CENTER	11611 BELLFLOWER BLVD		DOWNEY	CA	90241-5408	5628620001	5628620040	In-Center Hemo, In-Center Hemo Self Care	31	55-2624
CERES DIALYSIS CENTER	1768 MITCHELL RD	STE 308	CERES	CA	95307-2156	2095389853	2095389858	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	55-2581
ALMOND WOOD DIALYSIS	501 E ALMOND AVE		MADERA	CA	93637-5661	5596649252	5596649255	In-Center Hemo, In-Center Hemo Self Care	22	55-2564
SANTA FE SPRINGS DIALYSIS	11147 WASHINGTON BLVD		WHITTIER	CA	90606-3007	5626950827	5626951132	In-Center Hemo, In-Center Hemo Self Care	16	55-2597
SAN MARCOS DIALYSIS CENTER	2135 MONTIEL RD	BLDG B	SAN MARCOS	CA	92069-3511	7609750170	7609750177	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	20	55-2618
SUNSET DIALYSIS CENTER	3071 GOLD CANAL DR		RANCHO CORDOVA	CA	95670-6129	9166388429	9166388039	In-Center Hemo, In-Center Hemo Self Care	24	55-2612
GARDEN GROVE HARBOR DIALYSIS	13054 N HARBOR BLVD		GARDEN GROVE	CA	92843-1744	7145393395	7145393467	In-Center Hemo, PD Services	25	55-2781
WESTLAKE DALY CITY DIALYSIS CENTER	2201 JUNIPERO SERRA BLVD	STE A	DALY CITY	CA	94014-1908	6507559480	6507559485	In-Center Hemo	24	55-2642
EXETER DIALYSIS	1116 W VISALIA RD	STE 106	EXETER	CA	93221-1482	5595921025	5595924103	In-Center Hemo, In-Center Hemo Self Care	24	55-2594
CORNERHOUSE DIALYSIS CENTER	2005 NAGLEE AVE		SAN JOSE	CA	95128-4801	4089980183	4082953790	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	25	55-2608
MILPITAS DIALYSIS	660 E CALAVERAS BLVD		MILPITAS	CA	95035-5442	4089456536	4089456549	In-Center Hemo	24	
HESPERIA DIALYSIS CENTER	14135 MAIN ST	STE 501	HESPERIA	CA	92345-8097	7609477405	7609497925	In-Center Hemo, PD Services	22	55-2626
ROWLAND HEIGHTS DIALYSIS	17875 COLIMA RD	UNIT A	CITY OF INDUSTRY	CA	91748-1729	6269645849	6269658380	In-Center Hemo, PD Services	33	55-2843
CANYON SPRINGS DIALYSIS	22555 ALESSANDRO BLVD	BLDG 5	MORENO VALLEY	CA	92553-8533	9516536400	9518673270	In-Center Hemo	32	55-2622
NORTHGATE DIALYSIS CENTER	650 LAS GALLINAS AVE		SAN RAFAEL	CA	94903-3620	4154440376	4154914014	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	55-2607
HUNTINGTON PARK DIALYSIS	5942 RUGBY AVE		HUNTINGTON PARK	CA	90255-2803	3235857605	3235857635	In-Center Hemo	21	55-2667
VISALIA VINEYARD DIALYSIS	1140 S BEN MADDOX WAY		VISALIA	CA	93292-3643	5596351938	5596255713	In-Center Hemo, PD Services	24	55-2806
RICHMOND DIALYSIS	4200 MACDONALD AVE	STE A	RICHMOND	CA	94805-2315	5102368861	5102362563	In-Center Hemo	24	55-2688
LIVERMORE DIALYSIS	3201 DOOLAN RD	STE 175	LIVERMORE	CA	94551-9610	9252459780	9252459785	In-Center Hemo	24	55-2638
WEST ELK GROVE DIALYSIS	2208 KAUSEN DR	STE 100	ELK GROVE	CA	95758-7174	9166835992	9166836025	In-Center Hemo, In-Center Hemo Self Care	22	55-2604
LOS ALAMITOS DIALYSIS	4141 KATELLA AVE		LOS ALAMITOS	CA	90720-3406	7149520175	7149520180	In-Center Hemo, PD Services	24	55-2691
JOY OF DIXON DIALYSIS CENTER	1640 N LINCOLN ST		DIXON	CA	95620-9268	7076938301	7076938306	In-Center Hemo, In-Center Hemo Self Care, Nocturnal Hemo	12	55-2603
YOSEMITE STREET DIALYSIS CENTER	1650 W YOSEMITE AVE		MANTECA	CA	95337-5193	2098245552	2098251786	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	21	55-2606
DELTA VIEW DIALYSIS	1150 E LELAND RD		PITTSBURG	CA	94565-5319	9254270867	9254270873	In-Center Hemo	20	55-2664
SOUTH CERRITOS DIALYSIS	12191 226TH ST		HAWAIIAN GARDENS	CA	90716-1510	5624214016	5624214652	In-Center Hemo	16	55-2686
HIGHLAND RANCH DIALYSIS	7223 CHURCH ST STE A14		HIGHLAND	CA	92346-6837	9098629670	9098629675	In-Center Hemo	21	55-2663
GOLDEN GATE DIALYSIS	2700 GEARY BLVD	STE A	SAN FRANCISCO	CA	94118-3406	4153451869	4156731206	In-Center Hemo	24	55-2811
ANAHEIM WEST DIALYSIS	1821 W LINCOLN AVE		ANAHEIM	CA	92801-6731	7147656510	7147656515	In-Center Hemo, PD Services	20	55-2676
FREMONT DIALYSIS	2599 STEVENSON BLVD		FREMONT	CA	94538-2315	5107964385	5107131249	In-Center Hemo	24	55-2698
BERMUDA DUNES DIALYSIS	78030 WILDCAT DR	STE 101	PALM DESERT	CA	92211-1116	7603455115	7603603110	In-Center Hemo	21	55-2707



IMPERIAL DIALYSIS	2738 W IMPERIAL HWY		INGLEWOOD	CA	90303-3111	3237795399	3237795651	In-Center Hemo, In-Center Hemo Self Care, PD Services	30	05-2670
NORTH HOLLYWOOD DIALYSIS	12126 VICTORY BLVD		NORTH HOLLYWOOD	CA	91606-3205	8189805070	8189809956	In-Center Hemo, PD Services	28	05-2781
SAN JUAN CAPISTRANO SOUTH DIALYSIS	31736 RANCHO VIEJO RD	STE B	SAN JUAN CAPISTRANO	CA	92675-2783	9492401454	9492400735	In-Center Hemo, PD Services	18	05-2648
MISSION VIEJO DIALYSIS	27640 MARGUERITE PKWY		MISSION VIEJO	CA	92692-3604	9493472433	9493475958	In-Center Hemo, PD Services	20	05-2597
HI-DESERT DIALYSIS	56845 29 PALMS HWY		YUCCA VALLEY	CA	92284-2940	7603658706	7602280154	In-Center Hemo, In-Center Hemo Self Care, PD Services	25	05-2776
BANNING DIALYSIS	6090 W RAMSEY ST		BANNING	CA	92220-3052	9518454494	9518454845	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	55-2520
ALAMEDA COUNTY DIALYSIS	10700 MACARTHUR BLVD	BLDG 7	OAKLAND	CA	94605-5298	5105685849	5103821632	In-Center Hemo, In-Center Hemo Self Care	24	05-2787
INGLEWOOD DIALYSIS	125 E ARBOR VITAE ST		INGLEWOOD	CA	90301-3839	3106776114	3106779456	In-Center Hemo, In-Center Hemo Self Care, PD Services	40	05-2538
POMONA DIALYSIS	2111 N GAREY AVE		POMONA	CA	91767-2328	9095969997	9095967687	In-Center Hemo, In-Center Hemo Self Care, PD Services	32	05-2591
VICTOR VALLEY DIALYSIS	16049 KAMANA RD		APPLE VALLEY	CA	92307-1331	7602428311	7602425419	In-Center Hemo, In-Center Hemo Self Care	22	05-2561
BERKELEY DIALYSIS	2655 SHATTUCK AVE		BERKELEY	CA	94704-3237	5104868706	5108491008	In-Center Hemo, In-Center Hemo Self Care	25	05-2587
ESCONDIDO DIALYSIS	203 E 2ND AVE		ESCONDIDO	CA	92025-4212	7607434401	7607437059	In-Center Hemo, In-Center Hemo Self Care	22	05-2525
FULLERTON DIALYSIS	238 ORANGEFAIR MALL		FULLERTON	CA	92832-3037	7144473045	7144473645	In-Center Hemo	25	05-2505
HUNTINGTON BEACH DIALYSIS	16892 BOLSA CHICA ST	STE 100	HUNTINGTON BEACH	CA	92649-3571	7148462102	7148468053	In-Center Hemo	10	05-2641
PALM SPRINGS DIALYSIS	1061 N INDIAN CANYON DR		PALM SPRINGS	CA	92262-4854	7603250909	7603201723	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	05-2541
BENICIA DIALYSIS	560 1ST ST	STE D103	BENICIA	CA	94510-3293	7077451488	7077458089	In-Center Hemo, In-Center Hemo Self Care, PD Services	14	05-2810
ATWATER DIALYSIS	1201 COMMERCE AVE		ATWATER	CA	95301-5224	2093587681	2093587568	In-Center Hemo, In-Center Hemo Self Care	16	05-2706
MERCED DIALYSIS	3393 G ST	STE A	MERCED	CA	95340-1308	2097230013	2097232725	In-Center Hemo, In-Center Hemo Self Care, PD Services	32	05-2584
SAN DIEGO SOUTH DIALYSIS	995 GATEWAY CENTER WAY	STE 101	SAN DIEGO	CA	92102-4550	6192621960	6192622420	In-Center Hemo, Nocturnal Hemo	17	05-2799
SANTA MONICA DIALYSIS	1260 15TH ST	STE 102	SANTA MONICA	CA	90404-1136	3103934744	3103935308	In-Center Hemo, In-Center Hemo Self Care	22	05-2665
TULARE DIALYSIS	545 E TULARE AVE		TULARE	CA	93274-4220	5596888991	5596880326	In-Center Hemo, In-Center Hemo Self Care	16	05-2666
VISALIA DIALYSIS	5429 W CYPRESS AVE		VISALIA	CA	93277-8341	5597389279	5597334785	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	24	05-2696
SAN YSIDRO DIALYSIS	1445 30TH ST	STE A-B	SAN DIEGO	CA	92154-3496	6195753901	6195755538	In-Center Hemo, In-Center Hemo Self Care, PD Services	41	05-2866
SAN DIEGO EAST DIALYSIS	292 EUCLID AVE	STE 100	SAN DIEGO	CA	92114-3629	6192627225	6192627470	In-Center Hemo, PD Services	25	05-2883
ENCINITAS DIALYSIS	332 SANTA FE DR	STE 100	ENCINITAS	CA	92024-5143	7606322323	7606322311	In-Center Hemo, In-Center Hemo Self Care, PD Services	15	05-2756
CHINO DIALYSIS	4445 RIVERSIDE DR		CHINO	CA	91710-3961	9094640347	9094640936	In-Center Hemo	24	05-2739
GLENDALE DIALYSIS	1000 E PALMER AVE		GLENDALE	CA	91205-3532	8182416382	8182418153	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, PD Services	22	05-2632
WESTMINSTER SOUTH DIALYSIS	14014 MAGNOLIA ST		WESTMINSTER	CA	92683-4736	7148948712	7148948734	In-Center Hemo, PD Services	24	05-2773
COLLEGE DIALYSIS	6535 UNIVERSITY AVE		SAN DIEGO	CA	92115-5810	6192878796	6192874862	In-Center Hemo, PD Services	20	55-2513
TOWER DIALYSIS	8635 W 3RD ST	STE 560W	LOS ANGELES	CA	90048-6110	3108551742	3102891032	In-Center Hemo, PD Services	25	05-2643
CARMEL MOUNTAIN DIALYSIS	9850 CARMEL MOUNTAIN RD		SAN DIEGO	CA	92129-2892	8585381083	8585386734	In-Center Hemo, Nocturnal Hemo, PD Services	16	55-2515
FRESNO PALM BLUFFS DIALYSIS	770 W PINEDALE AVE		FRESNO	CA	93711-5744	5594388512	5594388696	In-Center Hemo, Nocturnal Hemo	25	55-2505
COSTA MESA DIALYSIS	1590 SCENIC AVE		COSTA MESA	CA	92626-1400	7145409401	7145409420	In-Center Hemo, PD Services, Nocturnal Hemo	22	55-2518
WHITE LANE DIALYSIS	7701 WHITE LN	STE D	BAKERSFIELD	CA	93309-0201	6613967158	6613967286	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	55-2521
MANTECA DIALYSIS	1620 W YOSEMITE AVE		MANTECA	CA	95337-5190	2098253905	2098246870	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	05-2723
DALY CITY DIALYSIS	1498 SOUTHGATE AVE	STE 101	DALY CITY	CA	94015-4015	6507554751	6507550356	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	34	05-2546
VALLEJO DIALYSIS	830 REDWOOD ST		VALLEJO	CA	94590-2942	7076422016	7076422023	In-Center Hemo	24	05-2567
FRESNO DIALYSIS	4308 W SHAW AVE	STE 101	FRESNO	CA	93722-6218	5592773070	5592764261	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1	24	05-2608
OAKLAND DIALYSIS	5354 CLAREMONT AVE		OAKLAND	CA	94618-1035	5105970104	5105970249	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	40	05-2729
BAKERSFIELD BRIMHALL DIALYSIS	8501 BRIMHALL RD	STE 500	BAKERSFIELD	CA	93312-2258	6613876603	6613876780	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	20	05-2635
NORTHEAST DIALYSIS	3501 MALL VIEW RD	STE 109	BAKERSFIELD	CA	93306-3045	6618723580	6618723554	In-Center Hemo, In-Center Hemo Self Care	12	05-2839
SAN FRANCISCO DIALYSIS	1499 WEBSTER ST		SAN FRANCISCO	CA	94115-3705	4159289003	4159289018	In-Center Hemo	30	05-2719
HANFORD DIALYSIS	402 W 8TH ST		HANFORD	CA	93230-4536	5595825462	5595822329	In-Center Hemo, In-Center Hemo Self Care	20	05-2628
SAN PABLO DIALYSIS	14020 SAN PABLO AVE		SAN PABLO	CA	94806-3604	5102340835	5102343854	In-Center Hemo, In-Center Hemo Self Care	22	05-2560
CHINATOWN DIALYSIS	636 CLAY ST		SAN FRANCISCO	CA	94111-2502	4152918992	4152918985	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1	22	05-2769
EL CERRITO DIALYSIS	10690 SAN PABLO AVE		EL CERRITO	CA	94530-2620	5105289590	5105289803	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	05-2786
TRACY DIALYSIS	425 W BEVERLY PL	STE A	TRACY	CA	95376-3086	2098390398	2098390799	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	05-2814
AUBURN DIALYSIS	3126 PROFESSIONAL DR	STE 100	AUBURN	CA	95603-2411	5308868221	5308868608	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	05-2614

GRASS VALLEY DIALYSIS	360 CROWN POINT CIRCLE	STE 210	GRASS VALLEY	CA	95945-2543	5304770734	5304770178	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	05-2805
UPLAND DIALYSIS	600 N 13TH AVE		UPLAND	CA	91786-4957	9099463802	9099460515	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	05-2552
FONTANA DIALYSIS	17590 FOOTHILL BLVD		FONTANA	CA	92335-3785	9093569664	9093569687	In-Center Hemo, In-Center Hemo Self Care	28	05-2682
LOS BANOS DIALYSIS	60 G ST	BLDG 5 STE D	LOS BANOS	CA	93635-3658	2098262787	2098266325	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	05-2738
BURBANK DIALYSIS	1211 N SAN FERNANDO BLVD		BURBANK	CA	91504-4234	8188425576	8188424250	In-Center Hemo, In-Center Hemo Self Care	24	05-2637
DELANO DIALYSIS	405 DOVER PKWY		DELANO	CA	93215-3714	6617251370	6617251323	In-Center Hemo, In-Center Hemo Self Care, Nocturnal Hemo	32	05-2674
SELMA DIALYSIS	2711 CINEMA WAY	STE 111	SELMA	CA	93662-2662	5598912750	5598912755	In-Center Hemo, In-Center Hemo Self Care, PD Services	30	05-2770
LOS ANGELES DOWNTOWN DIALYSIS	2021 S FLOWER ST		LOS ANGELES	CA	90007-1342	2137454222	2137491753	In-Center Hemo	28	05-2828
ANAHEIM DIALYSIS	1341 W LA PALMA AVE		ANAHEIM	CA	92801-2817	7142541484	7142541914	In-Center Hemo, PD Services	35	05-2734
SADDEBACK DIALYSIS	23141 PLAZA POINTE DR		LAGUNA HILLS	CA	92653-1425	9495889211	9495889299	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	25	05-2808
MERCED EAST DIALYSIS	464 E YOSEMITE AVE	STE B	MERCED	CA	95340-8489	2092051126	2092051130	In-Center Hemo	12	55-2647
WEST GLENDALE DIALYSIS	1427 S GLENDALE AVE		GLENDALE	CA	91205-3313	8182410016	8182410038	In-Center Hemo	18	05-2859
GATEWAY PLAZA DIALYSIS	1580 W ROSECRANS AVE		COMPTON	CA	90220-1001	3106313085	3106313670	In-Center Hemo	16	55-2661
PASADENA FOOTHILLS DIALYSIS	3722 E COLORADO BLVD		PASADENA	CA	91107-3872	6264324331	6264324336	In-Center Hemo, PD Services	20	55-2660
POMONA VALLEY DIALYSIS	2703 S TOWNE AVE		POMONA	CA	91766-6206	9095904930	9095918425	In-Center Hemo	32	55-2774
HAWTHORNE DIALYSIS	14204 PRAIRIE AVE		HAWTHORNE	CA	90250-7908	3103491174	3103491903	In-Center Hemo	25	55-2744
WESTBOROUGH DIALYSIS CENTER	925 EL CAMINO REAL		SOUTH SAN FRANCISCO	CA	94080-3203	6506245433	6506245439	In-Center Hemo	5	55-2619
BAKERSFIELD OAK ST DIALYSIS	422 OAK ST		BAKERSFIELD	CA	93304-1744	6616310227	6616310501	In-Center Hemo, PD Services	24	55-2769
LEMOORE DIALYSIS	1345 W BUSH ST		LEMOORE	CA	93245-3303	5599243175	5599242485	In-Center Hemo	16	55-2679
CATHEDRAL CITY DIALYSIS	30885 DATE PALM DR		CATHEDRAL CITY	CA	92234-2958	7602023491	7602027015	In-Center Hemo, PD Services	21	55-2700
SAN LEANDRO DIALYSIS	15555 E 14TH ST	STE 520	SAN LEANDRO	CA	94578-1949	5103176510	5103176515	In-Center Hemo, Nocturnal Hemo	24	55-2633
ROSEVILLE DIALYSIS	1836 SIERRA GARDENS DR	STE 150	ROSEVILLE	CA	95661-2943	9167720306	9167720189	In-Center Hemo	24	55-2771
CALVINE DIALYSIS	8243 E STOCKTON BLVD	STE 100	SACRAMENTO	CA	95828-8204	9166826655	9166826554	In-Center Hemo	24	55-2683
ARVIN DIALYSIS	902 BEAR MOUNTAIN BLVD		ARVIN	CA	93203-1317	6618543699	6618545118	In-Center Hemo	16	55-2753
HAYWARD MISSION HILLS DIALYSIS	1661 INDUSTRIAL PKWY W		HAYWARD	CA	94544-7046	5102665743	5102591270	In-Center Hemo	24	55-2672
SUN CITY MENIFEE DIALYSIS	1702 ILLINOIS AVE		PERRIS	CA	92571-9371	9519281369	9519282150	In-Center Hemo	24	55-2715
MOJAVE SAGE DIALYSIS	17207 JASMINE ST		VICTORVILLE	CA	92395-7786	7602418167	7608435685	In-Center Hemo, PD Services	24	55-2708
NORTH SACRAMENTO DIALYSIS	251 LATHROP WAY	STE A	SACRAMENTO	CA	95815-4223	9169224721	9169221899	In-Center Hemo	24	55-2705
FIRESTONE BLVD DIALYSIS	11913 FIRESTONE BLVD		NORWALK	CA	90650-2904	5628632127	5628633052	In-Center Hemo	24	55-2727
NORTH MADERA DIALYSIS	720 N I ST		MADERA	CA	93637-3079	5596648780	5596648971	In-Center Hemo, PD Services	20	55-2729
SEQUOIA DIALYSIS	440 N 11TH AVE		HANFORD	CA	93230-4404	5595870105	5595870293	In-Center Hemo, PD Services	20	55-2721
SANTA CLARA DIALYSIS	777 LAWRENCE EXPRESSWAY	STE 18	SANTA CLARA	CA	95051-5197	4082431130	4082431139	In-Center Hemo	24	55-2737
LAUREL MEADOWS DIALYSIS	3 ROSSI CIR	STE A	SALINAS	CA	93907-2356	8314245726	8314242565	In-Center Hemo	24	55-2713
SILICON VALLEY DIALYSIS	725 RIDDER PARK DR	STE 10	SAN JOSE	CA	95131-2431	4083920390	4083920405	In-Center Hemo	32	55-2711
MOORPARK DIALYSIS	883 PATRIOT DR	STE C	MOORPARK	CA	93021-3352	8055171442	8055171604	In-Center Hemo, PD Services	20	55-2728
EL CAMINO DIALYSIS	412 W EL CAMINO REAL		MOUNTAIN VIEW	CA	94040-2610	6509621903	6509620102	In-Center Hemo	24	55-2831
COALINGA DIALYSIS	1147 PHELPS AVE		COALINGA	CA	93210-9662	5599340690	5599340644	In-Center Hemo	12	55-2726
COLTON RANCH DIALYSIS	1405 W VALLEY BLVD	STE 100	COLTON	CA	92324-1910	9097837948	9097830125	In-Center Hemo, Home Hemo, PD Services	32	55-2791
JURUPA VALLEY DIALYSIS	8080 LIMONITE AVE		JURUPA VALLEY	CA	92509-6107	9513619405	9517270027	In-Center Hemo	25	55-2817
SAN BRUNO DIALYSIS	841 SAN BRUNO AVE W		SAN BRUNO	CA	94066-3443	6507941138	6507911125	In-Center Hemo	24	
PORT CITY DIALYSIS	1810 S FRESNO AVE		STOCKTON	CA	95206-1861	2099460738	2099460827	In-Center Hemo	24	55-2808
SOUTH GATE DIALYSIS	9848 ATLANTIC AVE		SOUTH GATE	CA	90280-5219	3235691035	3235691790	In-Center Hemo, PD Services	25	55-2821
DINUBA DIALYSIS	510 E NORTH WAY		DINUBA	CA	93618-1653	5595959462	5595959471	In-Center Hemo, PD Services	20	55-2740
STEVENS CREEK DIALYSIS	275 DI SALVO AVE		SAN JOSE	CA	95128-1628	4082970103	4082972265	In-Center Hemo, Nocturnal Hemo	24	55-2738
LOS GATOS DIALYSIS	14251 WINCHESTER BLVD	STE 100	LOS GATOS	CA	95032-1811	4083706756	4083706787	In-Center Hemo	18	55-2743
ARCHWAY DIALYSIS OF MODESTO	3001 HEALTH CARE WAY	BLDG E, STE 102	MODESTO	CA	95356-8503	2095431720	2095431596	In-Center Hemo	20	55-2760
HERNDON DIALYSIS	560 E HERNDON AVE	STE 101	FRESNO	CA	93720-2907	5594325278	5594351422	In-Center Hemo	48	55-2702
ARCHWAY MODESTO HOME TRAINING (PD)	3001 HEALTH CARE WAY	BLDG E, STE 101	MODESTO	CA	95356-8503	2095431721	2095431750	PD Services	4	55-2765
CHANNEL ISLANDS DIALYSIS	3541 W 5TH ST	STE A	OXNARD	CA	93030-6403	8059845140	8059845647	In-Center Hemo, PD Services	16	55-2764
NEWPORT IRVINE DIALYSIS	4300 VON KARMAN AVE		NEWPORT BEACH	CA	92660-2004	9498631382	9498631407	In-Center Hemo, PD Services	17	55-2789
SAN LEANDRO MARINA DIALYSIS	2551 MERCED ST		SAN LEANDRO	CA	94577-4207	5103521207	5103521294	In-Center Hemo	24	55-2749
BASTANCHURY DIALYSIS	1950 SUNNYCREST DR	STE 1300	FULLERTON	CA	92835-3638	7145780015	7145785907	In-Center Hemo, PD Services	25	55-2759
BLUFF RD DIALYSIS	100 WASHINGTON BLVD		MONTEBELLO	CA	90640-6211	3237282984	3237266747	In-Center Hemo, PD Services	24	55-2773
TULLY DIALYSIS	1290 TULLY RD	STE 80	SAN JOSE	CA	95122-3069	4089938959	4089756223	In-Center Hemo	32	55-2723
SAN RAFAEL DIALYSIS	1415 3RD ST		SAN RAFAEL	CA	94901-2826	4154534437	4154534616	In-Center Hemo, PD Services	24	55-2794
BEVERLYWOOD DIALYSIS	2080 CENTURY PARK E	STE 210	LOS ANGELES	CA	90067-2001	3107720224	3107720120	In-Center Hemo, PD Services	13	55-2800
FAIRFIELD DOWNTOWN DIALYSIS	1800 N TEXAS ST		FAIRFIELD	CA	94533-4441	7073999984	7073999925	In-Center Hemo	24	55-2763
BROADWAY DIALYSIS	2624 STOCKTON BLVD		SACRAMENTO	CA	95817-2210	9164570113	9164570116	In-Center Hemo	34	55-2802
CALVINE HOME TRAINING	8231 E STOCKTON BLVD	STE A	SACRAMENTO	CA	95828-8202	9166894254	9166899563	PD Services	6	55-2747
WALNUT CREEK WEST DIALYSIS	1221 ROSSMOOR PKWY		WALNUT CREEK	CA	94595-2539	9252959830	9252950256	In-Center Hemo	21	55-2772

WARNER CENTER DIALYSIS	21040 CALIFA ST	STE A	WOODLAND HILLS	CA	91367-5103	8187159602	8187150042	In-Center Hemo, PD Services	24	55-2835
TULLY ROAD HOME TRAINING (PD)	1290 TULLY RD	STE 60	SAN JOSE	CA	95122-3069	4082750105	4082750115	PD Services	4	55-2731
AVALON DIALYSIS	5807 AVALON BLVD		LOS ANGELES	CA	90011-5303	323232452	323232549	In-Center Hemo	24	55-2793
UPLAND COLONIES DIALYSIS	587 N MOUNTAIN AVE		UPLAND	CA	91786-5016	9099314515	9099815086	In-Center Hemo	25	55-2813
GLENDORA FOOTHILLS DIALYSIS	750 W ROUTE 66	STE Q	GLENDORA	CA	91740-4164	6263352063	6269141480	In-Center Hemo	24	55-2785
ONTARIO MILLS DIALYSIS	2403 S VINEYARD AVE	STE D	ONTARIO	CA	91761-6471	9099233850	9099238568	In-Center Hemo	25	55-2815
ARCADIA OAKS DIALYSIS	721 W HUNTINGTON DR		ARCADIA	CA	91007-6734	6262949682	6264457455	In-Center Hemo	20	55-2787
EL SOBRANTE DIALYSIS	3380 SAN PABLO DAM RD	STE C-D	SAN PABLO	CA	94803-7218	5102629230	5102629203	In-Center Hemo	20	55-2779
NORTH GLENDALE DIALYSIS	1505 WILSON TER STE 190		GLENDALE	CA	91206-4015	8186378348	8186378354	In-Center Hemo, PD Services	36	55-2589
CAMARILLO DIALYSIS	2438 N PONDEROSA DR	STE C101	CAMARILLO	CA	93010-2465	8057640171	8053880360	In-Center Hemo, PD Services	18	55-2551
THOUSAND OAKS DIALYSIS	375 ROLLING OAKS DR	STE 100	THOUSAND OAKS	CA	91361-1024	8055571036	8055571173	In-Center Hemo, PD Services	15	05-2873
SIMI VALLEY DIALYSIS	970 ENCHANTED WAY		SIMI VALLEY	CA	93065-0953	8055849621	8055849703	In-Center Hemo, PD Services	24	05-2638
SANTA PAULA DIALYSIS	253 MARCH ST		SANTA PAULA	CA	93060-2511	8055253977	8055254746	In-Center Hemo	10	05-2800
PACIFIC DIALYSIS	2351 CLAY ST	FL 4	SAN FRANCISCO	CA	94115-1931	4154402852	4154478305	In-Center Hemo	30	55-2668
DAVIES DIALYSIS	45 CASTRO ST	SOUTH TOWER 2ND FL	SAN FRANCISCO	CA	94114-1032	4152527030	4152527659	In-Center Hemo	16	55-2669
VENTURA DIALYSIS	2705 LOMA VISTA RD	STE 101	VENTURA	CA	93003-1596	8056437549	8056436891	In-Center Hemo, PD Services	20	55-2575
OXNARD DIALYSIS	1900 OUTLET CENTER DR		OXNARD	CA	93036-0677	8052783815	8059818596	In-Center Hemo, PD Services	20	55-2684
SAN LUIS OBISPO DIALYSIS	1043 MARSH ST		SAN LUIS OBISPO	CA	93401-3629	8055431013	8055435645	In-Center Hemo, Acute Hemo 1.1, PD Services	20	05-2811
TEMPLETON DIALYSIS	1310 LAS TABLAS RD	STE 101	TEMPLETON	CA	93465-9746	8054343473	8054343246	In-Center Hemo, PD Services	16	55-2567
PISMO BEACH DIALYSIS	320 JAMES WAY	STE 110	PISMO BEACH	CA	93449-2875	8055560577	8055560510	In-Center Hemo	14	55-2556
SILVERADO DIALYSIS	1100 TRANCAS ST	STE 266 AND 267	NAPA	CA	94558-2921	7072246533	7072246535	In-Center Hemo, PD Services	10	05-2565
BURLINGAME DIALYSIS	1720 EL CAMINO REAL	STE 12	BURLINGAME	CA	94010-3225	6506977601	6506977926	In-Center Hemo, PD Services	13	55-2681
MILLS DIALYSIS	100 S SAN MATEO DR		SAN MATEO	CA	94401-3805	6505484985	6506964639	In-Center Hemo, PD Services	19	55-2682
CARSON DIALYSIS	1309 E CARSON ST		CARSON	CA	90745-1631	3105131427	3105131581	In-Center Hemo	16	05-2803
MORENO VALLEY DIALYSIS	22620 GOLDENCREST DR	STE 101	MORENO VALLEY	CA	92553-9032	9516563804	9516567508	In-Center Hemo	24	55-2599
CERRITOS DIALYSIS	19222 PIONEER BLVD	STE 101	CERRITOS	CA	90703-6601	5629249990	5629249955	In-Center Hemo	21	05-2896
ANAHEIM HILLS DIALYSIS	4201 E LA PALMA AVE		ANAHEIM	CA	92807-1815	7149962900	7149962969	In-Center Hemo	21	55-2545
LA PALMA DIALYSIS	7880 VALLEY VIEW ST		BUENA PARK	CA	90620-2353	7146706812	7146706817	In-Center Hemo, PD Services	25	05-2627
FOUNTAIN VALLEY DIALYSIS	17150 EUCLID ST	STE 111	FOUNTAIN VALLEY	CA	92708-4092	7149661595	7149661555	In-Center Hemo	21	55-2630
NEPHRON DIALYSIS	5820 DOWNEY AVE		LONG BEACH	CA	90805-4517	5626630788	5626630794	In-Center Hemo	21	05-2788
SFS DIALYSIS	10012 NORWALK BLVD	STE 190	SANTA FE SPRINGS	CA	90670-3345	5629038281	5629038289	In-Center Hemo	24	05-2724
IOWA STREET DIALYSIS	8333 IOWA ST	STE 100	DOWNEY	CA	90241-4994	5629235901	5629236000	In-Center Hemo	21	55-2639
SOUTH VALLEY AT HOME	17815 VENTURA BLVD	STE 100	ENCINO	CA	91316-3600	8187574520	8187571043	Home Hemo	1	05-2744
WARNER CENTER AT HOME	21040 CALIFA ST	STE A	WOODLAND HILLS	CA	91367-5103	8187159602	8187150042	Home Hemo	1	
CIRCLE CITY DIALYSIS	1180 W 6TH ST	STE 101	CORONA	CA	92882-3135	9518089068	9518089861	In-Center Hemo	33	55-2826
EL DORADO DIALYSIS	2977 REDONDO AVE		LONG BEACH	CA	90806-2445	5629883418	5629955819	In-Center Hemo, PD Services	25	55-2801
OCEANSIDE DIALYSIS	4182 OCEANSIDE BLVD		OCEANSIDE	CA	92056-6003	7609418393	7609418430	In-Center Hemo, PD Services	21	55-2841
FRESNO NORTH HOME TRAINING (PD)	6655 N MILBURN AVE		FRESNO	CA	93722-2162	5594510768	5594471542	PD Services	6	55-2782
WHITMORE DIALYSIS	1424 E WHITMORE AVE		CERES	CA	95307-9215	2095410112	2095411468	In-Center Hemo	24	55-2839
SEVEN OAKS DIALYSIS	4651 CORPORATE CT		BAKERSFIELD	CA	93311-8704	6616645887	6616640145	In-Center Hemo	24	55-2796
WESTLAKE VILLAGE DIALYSIS	30730 RUSSELL RANCH RD	STE A	WESTLAKE VILLAGE	CA	91362-6355	8187077834	8187077874	In-Center Hemo	21	55-2824
LA MIRADA DIALYSIS	14337 IMPERIAL HWY		LA MIRADA	CA	90638-1942	5623212085	5623212679	In-Center Hemo, PD Services	21	
SERRANO DIALYSIS	1800 MEDICAL CENTER DR	STE 150	SAN BERNARDINO	CA	92411-1218	9098872717	9098873794	In-Center Hemo	25	55-2830
ANAHEIM SPRINGS DIALYSIS	1324 S EUCLID ST		ANAHEIM	CA	92802-2002	7147741518	7147741549	In-Center Hemo	25	55-2766
TUSTIN RANCH DIALYSIS	721 WEST 1ST ST		TUSTIN	CA	92780-2903	7145440079	7145440071	In-Center Hemo, PD Services	25	55-2807
DAVITA HUNTINGTON DIALYSIS	390 S FAIR OAKS AVE	STE 120	PASADENA	CA	91105-2540	6265642818	6265642889	In-Center Hemo, PD Services	25	55-2822
VISTA DEL SOL DIALYSIS	15002 AMARGOSA RD		VICTORVILLE	CA	92394-1868	4422554023	4422554030	In-Center Hemo, PD Services	25	55-2834
ROLLING HILLS DIALYSIS	25210 CRENSHAW BLVD	STE 110	TORRANCE	CA	90505-6134	3105301180	3105301312	In-Center Hemo, PD Services	25	55-2832
SANTA ROSA SPRINGS DIALYSIS	18 EAST FULTON RD		SANTA ROSA	CA	95403-7580	7075445043	7075445063	In-Center Hemo, PD Services	36	
PETALUMA RIVER DIALYSIS	417 N MCDOWELL BLVD		PETALUMA	CA	94954-2339	7077731293	7077731585	In-Center Hemo, PD Services	24	55-2849
LONE TREE RANCH DIALYSIS	4040 LONE TREE WAY		ANTIOCH	CA	94531-6209	9257773356	9257773379	In-Center Hemo, PD Services	24	55-2829
DEER PARK DIALYSIS	4401 MACK RD		SACRAMENTO	CA	95823-4545	9167383575	9164292368	In-Center Hemo	24	55-2814
REDHAWK DIALYSIS	44605 AVENIDA DE MISSIONES	STE 100	TEMECULA	CA	92592-3098	9513028315	9513030716	In-Center Hemo	25	55-2838
PACHECO DIALYSIS	1245 W PACHECO BLVD		LOS BANOS	CA	93635-8619	2098273934	2098273973	In-Center Hemo	24	55-2804
GARDENA-CA	1201 W 15TH ST		GARDENA	CA	90247-4096	3105386804	3105386836	In-Center Hemo, PD Services	25	
CARSON PAVILION DIALYSIS	20930 CHICO ST		CARSON	CA	90746-3603	3106381345	3106350464	In-Center Hemo, PD Services	25	
GOLDEN STATE DIALYSIS	4200 N GOLDEN STATE BLVD		TURLOCK	CA	95382-8840	2096340014	2096340048	In-Center Hemo, PD Services	24	55-2812

BRISTOL DIALYSIS	1232 S BRISTOL ST		SANTA ANA	CA	92704-3422	7146624573	7145572369	In-Center Hemo, PD Services	25	
HIDDEN VALLEY DIALYSIS	1951 CITRACADO PKWY		ESCONDIDO	CA	92029-4158	7607460464	7607460392	In-Center Hemo, PD Services	37	
MARINA DIALYSIS	930 2ND AVE		MARINA	CA	93933-6009	8313847831	8313847786	In-Center Hemo, PD Services	24	55-2828
PALMS VALLEY DIALYSIS	38454 5TH ST W		PALMDALE	CA	93551-4480	6612679910	6612259869	In-Center Hemo, PD Services	33	55-2845
VISTA HEIGHTS DIALYSIS	12220 PERRIS BLVD	STE A	MORENO VALLEY	CA	92557-7417	9512425112	9512429913	In-Center Hemo	37	55-2846
INDIO DIALYSIS	82900 AVENUE 42	STE E	INDIO	CA	92203-9658	7603426842	7603426807	In-Center Hemo	37	
BALDWIN PARK DIALYSIS	14101 FRANCISQUITO AVE		BALDWIN PARK	CA	91706-6100	6263371847	6263370129	In-Center Hemo	25	
BIDWELL DIALYSIS	966 EAST AVE		CHICO	CA	95926-1309	5308929937	5303423199	PD Services, In-Center Hemo	24	
TORRANCE EMERALD DIALYSIS	20821 HAWTHORNE BLVD		TORRANCE	CA	90503-4609	3102141715	3102141710	In-Center Hemo	25	55-2854
ARENA DIALYSIS	2980 ADVANTAGE WAY		SACRAMENTO	CA	95834-9666	9165757658	9165758910	In-Center Hemo, PD Services	24	55-2847
EASTRIDGE DIALYSIS	3501 E CAPITOL EXPY		SAN JOSE	CA	95122-1024	4089292274	4089292296	In-Center Hemo	24	55-2848
GRANT LINE (TRACY II)-CA	2955 N CORRAL HOLLOW RD	STE 101	TRACY	CA	95376-8858	2098399302	2098398297	In-Center Hemo	24	
VAN NUYS DIALYSIS	14434 SHERMAN WAY		VAN NUYS	CA	91405-2340	8187878225	8187878313	In-Center Hemo, PD Services	37	55-2844
VALENCIA DIALYSIS	26861 BOUQUET CANYON RD		SANTA CLARITA	CA	91350-2372	6612633216	6612633254	In-Center Hemo, PD Services	13	
MAYFAIR DIALYSIS	4930 PARAMOUNT BLVD		LAKEWOOD	CA	90712-2904	4242966870	5625310715	In-Center Hemo, PD Services	36	
PEARL DIALYSIS	1492 CONSTITUTION BLVD		SALINAS	CA	93905-3807	8314421132	8314440238	In-Center Hemo	25	
ROSE POINT DIALYSIS	400 N PALM AVE		WASCO	CA	93280-7610	6617582360	6617582356	In-Center Hemo	16	
WESTMONT DIALYSIS	11239 S WESTERN AVE		LOS ANGELES	CA	90047-4848	3232423970	3234180549	In-Center Hemo	25	
ROSE CITY DIALYSIS	1382 LOCUST ST		PASADENA	CA	91106-1515	6263957769	6263957723	In-Center Hemo	25	
CENTRAL COAST KIDNEY CENTER	2263 S DEPOT ST		SANTA MARIA	CA	93455-1216	8053498600	8059285145	In-Center Hemo, PD Services	42	05-2871
WEST HILLS DIALYSIS	7230 MEDICAL CENTER DR	STE 101	WEST HILLS	CA	91307-1907	8187041033	8187041568	In-Center Hemo, PD Services	12	05-2588
CORTEZ DIALYSIS CENTER	610 E MAIN ST	STE C	CORTEZ	CO	81321-3308	9705654302	9705654374	In-Center Hemo, PD Services	18	06-2528
DURANGO DIALYSIS CENTER	72 SUTTLE STREET	STE D	DURANGO	CO	81303-6829	9703858608	9703858626	In-Center Hemo, In-Center Hemo Self Care, PD Services	8	06-2547
LAKEWOOD CROSSING DIALYSIS	1057 S WADSWORTH BLVD	STE 100	LAKEWOOD	CO	80226-4361	7209626199	7209626196	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	22	06-2535
LOWRY DIALYSIS CENTER	7465 E 1ST AVE	STE A	DENVER	CO	80230-6877	3033670946	3033670951	In-Center Hemo, In-Center Hemo Self Care	26	06-2529
LONGMONT DIALYSIS CENTER	1715 IRON HORSE DR	STE 170	LONGMONT	CO	80501-9617	3034854084	3034854081	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	06-2534
COMMERCE CITY DIALYSIS	6320 HOLLY ST		COMMERCE CITY	CO	80022-3325	3038534300	3038534333	In-Center Hemo, In-Center Hemo Self Care	18	06-2533
LAKEWOOD DIALYSIS CENTER	1750 PIERCE ST	STE C	LAKEWOOD	CO	80214-1434	3032386111	3034620946	In-Center Hemo, In-Center Hemo Self Care	18	06-2502
THORNTON DIALYSIS CENTER	8800 FOX DR		THORNTON	CO	80260-6880	3034307020	3034879572	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	24	06-2511
BOULDER DIALYSIS CENTER	2880 FOLSOM ST	STE 110	BOULDER	CO	80304-3769	3034405600	3034404165	In-Center Hemo, In-Center Hemo Self Care	14	06-2517
ARVADA DIALYSIS CENTER	9950 W 80TH AVE	STE 25	ARVADA	CO	80005-3914	3034569556	3034568836	In-Center Hemo, In-Center Hemo Self Care	16	06-2521
PIKES PEAK DIALYSIS CENTER	2002 LELARAY ST	STE 130	COLORADO SPRINGS	CO	80909-2804	7194714615	7194710621	In-Center Hemo, In-Center Hemo Self Care, PD Services	43	06-2507
PRINTERS PLACE DIALYSIS CENTER	2802 INTERNATIONAL CIR		COLORADO SPRINGS	CO	80910-3127	7196300602	7195205291	In-Center Hemo	16	06-2524
AURORA DIALYSIS CENTER	1411 S POTOMAC ST	AMC II STE 100	AURORA	CO	80012-4536	3033681911	3033681857	In-Center Hemo, In-Center Hemo Self Care	27	06-2514
WESTMINSTER DIALYSIS CENTER	9053 HARLAN ST	STE 90	WESTMINSTER	CO	80031-2908	3034272400	3034272504	In-Center Hemo, In-Center Hemo Self Care	22	06-2516
MILE HIGH HOME DIALYSIS	1750 PIERCE ST	STE A	LAKEWOOD	CO	80214-1434	3032320939	3032746096	PD Services	3	06-2541
ALAMOSA DIALYSIS	612 DEL SOL DR		ALAMOSA	CO	81101-8548	7195892022	7195896233	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	06-2550
GRAND JUNCTION DIALYSIS CENTER	710 WELLINGTON AVE	STE 20	GRAND JUNCTION	CO	81501-6100	9702638573	9702454398	In-Center Hemo, PD Services	18	06-2553
BELCARO DIALYSIS CENTER	755 S COLORADO BLVD		DENVER	CO	80246-8005	3037772844	3037772850	In-Center Hemo, In-Center Hemo Self Care	14	06-2544
SOUTH WEST DENVER DIALYSIS	8601 W CROSS DR	UNIT C-2	LITTLETON	CO	80123-2200	3039332367	3039332566	In-Center Hemo, PD Services	9	06-2572
BRIGHTON DIALYSIS	4700 E BROMLEY LN	STE 103	BRIGHTON	CO	80601-7821	3036592511	3036592595	In-Center Hemo, In-Center Hemo Self Care	12	06-2542
NORTH METRO DIALYSIS CENTER	12365 HURON ST	STE 500	WESTMINSTER	CO	80234-3498	3034519093	3034510561	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	18	06-2559
NORTH COLORADO SPRINGS DIALYSIS	6071 E WOODMEN RD	STE 100	COLORADO SPRINGS	CO	80923-2610	7196381223	7195977052	In-Center Hemo, PD Services	15	06-2561
MESA COUNTY DIALYSIS	561 25 RD	STE D	GRAND JUNCTION	CO	81505-1360	9702489120	9702489125	In-Center Hemo, PD Services	15	06-2567
BLACK CANYON DIALYSIS	3421 S RIO GRANDE AVE	UNIT D1	MONTROSE	CO	81401-4840	9702407925	9702406197	In-Center Hemo, PD Services	13	06-2569
SABLE DIALYSIS	509 N SABLE BLVD		AURORA	CO	80011-0801	3033669458	3033649206	In-Center Hemo, Nocturnal Hemo, PD Services	30	06-2576
WEST LAKEWOOD DIALYSIS	11700 WEST 2ND PL	STE 325	LAKEWOOD	CO	80228-1755	3039874672	3039874687	In-Center Hemo, PD Services	12	06-2582
LOVELAND CENTRAL DIALYSIS	1453 DENVER AVE		LOVELAND	CO	80538-5226	9706634607	9706639076	In-Center Hemo, PD Services	12	06-2579
NORTHEASTERN COLORADO DIALYSIS	603 HOLLY DR		STERLING	CO	80751-4539	9705215368	9705213120	In-Center Hemo, PD Services	12	06-2577
GREELEY DIALYSIS	2812 W 10TH ST		GREELEY	CO	80634-5425	9703529072	9703529366	In-Center Hemo, PD Services	14	06-2586
MONTBELLO DIALYSIS	4834 CHAMBERS RD		DENVER	CO	80239-5152	3033711502	3033713627	In-Center Hemo, PD Services	12	06-2592
FORT COLLINS DIALYSIS	1601 PROSPECT PKWY	STE 180	FORT COLLINS	CO	80525-1076	9704930753	9704077230	In-Center Hemo, PD Services	13	06-2588
PLATTE VALLEY DIALYSIS	1321 S 4TH AVE	STE 100	BRIGHTON	CO	80601-6809	3036548202	3036548506	In-Center Hemo, PD Services	12	06-2591
PDI-ROCKY HILL	30 WATERCHASE DR		ROCKY HILL	CT	06067-2110	8605636000	8602573895	In-Center Hemo, PD Services	23	07-2518
PDI-MIDDLESEX DIALYSIS CENTER	100 MAIN ST	STE A	MIDDLETOWN	CT	06457-3422	8603465600	8603465700	In-Center Hemo, PD Services	22	07-2524
VERNON DIALYSIS CENTER	460 HARTFORD TPKE STE C		VERNON	CT	06066-4847	8608961537	8608961689	In-Center Hemo, Acute PD, PD Services	22	07-2529

WINDHAM DIALYSIS CENTER	375 TUCKIE RD	STE C	NORTH WINDHAM	CT	06256-1345	8604561677	8604508403	In-Center Hemo	9	07-2530
WATERBURY DIALYSIS CENTER	150 MATTATUCK HEIGHTS RD		WATERBURY	CT	06705-3893	2034190488	2034650197	In-Center Hemo	16	07-2533
BRIDGEPORT DIALYSIS	900 MADISON AVE	STE 221	BRIDGEPORT	CT	06606-5534	2033350191	2033820322	In-Center Hemo, PD Services	50	07-2501
GREATER WATERBURY DIALYSIS	209 HIGHLAND AVE		WATERBURY	CT	06708-3055	2035747933	2035744136	In-Center Hemo, PD Services	30	07-2511
SHELTON DIALYSIS	750 BRIDGEPORT AVE		SHELTON	CT	06484-4734	2039259520	2039259536	In-Center Hemo	22	07-2510
HARTFORD DIALYSIS	675 TOWER AVE	RENAL UNIT 2ND FL	HARTFORD	CT	06112-1260	8602420735	8602422239	In-Center Hemo, PD Services	27	07-2516
NEW HAVEN DIALYSIS	15 CENTER ST	STE 201	NEW HAVEN	CT	06510-3003	2038597770	2034951454	In-Center Hemo, PD Services	30	07-2507
NEW LONDON DIALYSIS	5 SHAWS COVE	STE 100	NEW LONDON	CT	06320-4974	8607011357	8604440802	In-Center Hemo, PD Services	23	07-2515
STAMFORD DIALYSIS	30 COMMERCE RD		STAMFORD	CT	06902-4550	2033589969	2033599252	In-Center Hemo, PD Services	34	07-2504
NORWICH DIALYSIS	113 SALEM TPKE		NORWICH	CT	06360-6484	8608871632	8608879095	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	07-2520
BRANFORD DIALYSIS	249 W MAIN ST		BRANFORD	CT	06405-4048	2034818531	2034818557	In-Center Hemo	13	07-2517
MILFORD DIALYSIS	470 BRIDGEPORT AVE	STE 5	MILFORD	CT	06460-4167	2033019040	2033019947	In-Center Hemo	22	07-2514
SOUTH NORWALK DIALYSIS	31 STEVENS ST		NORWALK	CT	06850-3805	2038386017	2038386494	In-Center Hemo, In-Center Hemo Self Care, PD Services	22	07-2521
TORRINGTON DIALYSIS	780 LITCHFIELD ST	STE 100	TORRINGTON	CT	06790-6268	8604960661	8604960504	In-Center Hemo, PD Services	19	07-2523
BLOOMFIELD DIALYSIS	29 GRIFFIN RD S		BLOOMFIELD	CT	06002-1351	8602435389	8602438150	In-Center Hemo, PD Services	16	07-2528
BLACK ROCK DIALYSIS	427 STILLSON RD		FAIRFIELD	CT	06824-3153	2033829566	2033689289	In-Center Hemo	16	07-2535
WILLARD AVENUE DIALYSIS	445E WILLARD AVE		NEWINGTON	CT	06111-2318	8606671700	8606671708	In-Center Hemo, PD Services	19	07-2541
HAMDEN DIALYSIS	3000 DIXWELL AVE	STE 100	HAMDEN	CT	06518-3522	2032815361	2032815376	In-Center Hemo, PD Services	19	07-2543
FARMINGTON DIALYSIS	11 SOUTH RD	STE 110	FARMINGTON	CT	06032-2483	8606780587	8606780613	In-Center Hemo, PD Services	13	07-2545
PALOMBA DRIVE DIALYSIS	51 PALOMBA DR		ENFIELD	CT	06082-3801	8607490476	8607490649	In-Center Hemo, PD Services	10	07-2547
HOUSATONIC DIALYSIS	164 MOUNT PLEASANT RD		NEWTOWN	CT	06470-1408	2032700081	2032700065	In-Center Hemo, PD Services	10	07-2548
DANBURY DIALYSIS	111 OSBORNE ST	STE 211	DANBURY	CT	06810-6031	2037941938	2037960015	In-Center Hemo, PD Services	19	07-2544
HAWLEY LANE DIALYSIS	425 HAWLEY LN		STRATFORD	CT	06614-1514	2033755438	2033755487	In-Center Hemo	25	07-2553
NORWALK RIVER DIALYSIS	112 MAIN ST		NORWALK	CT	06851-4617	2032290420	2032290688	In-Center Hemo	13	07-2552
HARTFORD DOWNTOWN DIALYSIS	80 SEYMOUR ST		HARTFORD	CT	06106-3300	8602442108	8602442133	In-Center Hemo, PD Services	32	07-2554
NEW BRITAIN DIALYSIS	100 GRAND ST		NEW BRITAIN	CT	06052-2016	8602234603	8602234203	In-Center Hemo, PD Services	22	
CHILDREN'S NATIONAL MEDICAL CENTER	111 MICHIGAN AVE NW		WASHINGTON	DC	20010-2916	2024765148	2024763580	In-Center Hemo, Acute Hemo 1:1, PD Services	6	09-3300
UNION PLAZA DIALYSIS CENTER	810 1ST ST NE	STE 100	WASHINGTON	DC	20002-4227	2028423127	2028423160	In-Center Hemo	15	09-2520
GRANT PARK DIALYSIS	5000 NANNIE HELEN BURROUGHS AVE NE		WASHINGTON	DC	20019-5506	2023997700	2023993708	In-Center Hemo	12	09-2522
LEE STREET DIALYSIS	5155 LEE ST NE		WASHINGTON	DC	20019-4051	2023981047	2023983468	In-Center Hemo	20	09-2510
WASHINGTON NURSING FACILITY	2425 25TH ST SE		WASHINGTON	DC	20020-3409	2026780013	2026780083	In-Center Hemo	9	09-2524
K STREET DIALYSIS	2131 K ST NW	STE 300	WASHINGTON	DC	20037-1898	2022238453	2022239789	In-Center Hemo, Nocturnal Hemo, PD Services	25	09-2518
GWU SOUTHEAST DIALYSIS	3857A PENNSYLVANIA AVE SE		WASHINGTON	DC	20020-1309	2025819440	2025819446	In-Center Hemo	25	09-2517
BRENTWOOD DIALYSIS	1231 BRENTWOOD RD NE		WASHINGTON	DC	20018-1019	2026363711	2026363769	In-Center Hemo, Home Hemo, PD Services	24	09-2519
EIGHTH STREET DIALYSIS	920 BLADENSBURG RD NE		WASHINGTON	DC	20002-3930	2023990812	2023968767	In-Center Hemo, PD Services	24	09-2513
GEORGETOWN HOME TRAINING	2233 WISCONSIN AVE NW	STE 215	WASHINGTON	DC	20007-4119	2023371431	2023371625	Home Hemo, PD Services	4	09-2516
INTERNATIONAL DIALYSIS	1730 HAMLIN ST NE		WASHINGTON	DC	20018-1838	2025255415	2025255418	In-Center Hemo, PD Services	15	09-2525
WASHINGTON CENTER OF AGING	2601 18TH ST NE	A WING BASEMENT	WASHINGTON	DC	20018-1301	2026367212	2026367216	In-Center Hemo	9	09-2530
CELEBRATION DIALYSIS	1154 CELEBRATION BLVD		KISSIMMEE	FL	34747-4605	4075661780	4075661756	In-Center Hemo, Nocturnal Hemo, Disaster Related Expenditures	20	10-2751
GULF BREEZE DIALYSIS CENTER	1519 MAIN ST		DUNEDIN	FL	34698-4650	7277384425	7277363353	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	20	10-2693
LIGHTHOUSE POINT DIALYSIS	200 SW NATURA AVE		DEERFIELD BEACH	FL	33441-3026	9544260152	9544260441	In-Center Hemo, Disaster Related Expenditures	16	10-2670
POMPANO BEACH ARTIFICIAL KIDNEY CENTER	600 SW 3RD ST	STE 1100	POMPANO BEACH	FL	33060-6936	9549425115	9549420946	In-Center Hemo, PD Services, Disaster Related Expenditures	28	10-2615
TAMARAC ARTIFICIAL KIDNEY CENTER	7140 W MCNAB RD		TAMARAC	FL	33321-5306	9547205336	9547203626	In-Center Hemo, Disaster Related Expenditures	12	10-2632
HUNTERS CREEK DIALYSIS	14050 TOWN LOOP BLVD	STE 104A	ORLANDO	FL	32837-6190	4078589458	4078580761	In-Center Hemo, Disaster Related Expenditures	15	10-2740
ARCADIA DIALYSIS CENTER	1341 E OAK ST		ARCADIA	FL	34266-8902	8634918550	8634918553	In-Center Hemo, PD Services, Disaster Related Expenditures	16	10-2757
BAY BREEZE DIALYSIS	11550 ULMERTON RD		LARGO	FL	33778-1501	7275844047	7275844790	In-Center Hemo, Disaster Related Expenditures	20	10-2742
CENTER FOR KIDNEY DISEASE AT NORTH SHORE	1190 NW 95TH ST	STE 208	MIAMI	FL	33150-2065	3056912144	3056910362	In-Center Hemo, Disaster Related Expenditures	22	10-2583
CENTER FOR KIDNEY DISEASE AT VENTURE	1680 NE 164TH ST		NORTH MIAMI BEACH	FL	33162-4017	3057877345	3057875805	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	16	10-2630
FLAMINGO PARK KIDNEY CENTER	901 E 10TH AVE	BAY 17	HIALEAH	FL	33010-3762	3058845677	3058842466	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	21	10-2664
INTERAMERICAN DIALYSIS CENTER	7815 CORAL WAY	STE 115	MIAMI	FL	33155-6541	3052644823	3052647263	In-Center Hemo, PD Services, Disaster Related Expenditures	25	10-2532

CORAL GABLES KIDNEY CENTER	3280 PONCE DE LEON BLVD		CORAL GABLES	FL	33134-7252	3054489888	3054454984	In-Center Hemo, Disaster Related Expenditures	20	10-2578
MIAMI LAKES ARTIFICIAL KIDNEY CENTER	14600 NW 60TH AVE		MIAMI LAKES	FL	33014-2811	7866390496	3055564924	In-Center Hemo, Disaster Related Expenditures	18	10-2648
SOUTH BROWARD ARTIFICIAL KIDNEY CENTER	4401 HOLLYWOOD BLVD		HOLLYWOOD	FL	33021-6609	9549622211	9549643546	In-Center Hemo, Disaster Related Expenditures	30	10-2504
PINE ISLAND KIDNEY CENTER	1871 N PINE ISLAND RD		PLANTATION	FL	33322-5208	9549168958	9549168960	In-Center Hemo, Disaster Related Expenditures	20	10-2708
PORT CHARLOTTE ARTIFICIAL KIDNEY CENTER	4300 KINGS HWY	STE 406	PORT CHARLOTTE	FL	33980-2990	9416252822	9416259877	In-Center Hemo, Disaster Related Expenditures	21	10-2549
COMPLETE DIALYSIS CARE	7467 W SAMPLE RD		CORAL SPRINGS	FL	33065-4754	9547530248	9547553692	In-Center Hemo, PD Services, Disaster Related Expenditures	24	10-2645
NORTH PALM BEACH DIALYSIS CENTER	2841 PGA BLVD		PALM BEACH GARDENS	FL	33410-2910	5616305081	5616301535	In-Center Hemo, PD Services, Disaster Related Expenditures	20	10-2634
OCALA REGIONAL KIDNEY CENTER-EAST	2870 SE 1ST AVE		OCALA	FL	34471-0406	3523519140	3527323825	In-Center Hemo, In-Center Hemo Self Care	31	10-2678
OCALA REGIONAL KIDNEY CENTER-WEST	8585 SW HIGHWAY 200	STE 19	OCALA	FL	34481-9644	3528545011	3528546299	In-Center Hemo, Disaster Related Expenditures	32	10-2683
OCALA REGIONAL KIDNEY CENTER-SOUTH	13940 N US HWY 441	BLDG 400	LADY LAKE	FL	32159-8908	3527511240	3527511250	In-Center Hemo, Disaster Related Expenditures	25	10-2731
OCALA REGIONAL KIDNEY CENTER-NORTH	2620 W HWY 316		CITRA	FL	32113-3555	3525914680	3525914679	In-Center Hemo, Nocturnal Hemo, PD Services, Disaster Related Expenditures	25	10-2793
BRIGHT DIALYSIS	2000 HARTMAN RD	STE 2	FORT PIERCE	FL	34947-4412	7724671117	7725959340	In-Center Hemo	22	10-2754
BOCA RATON ARTIFICIAL KIDNEY CENTER	998 NW 9TH CT		BOCA RATON	FL	33486-2214	5613923940	5613955663	In-Center Hemo, PD Services, Disaster Related Expenditures	12	10-2520
CRYSTAL RIVER DIALYSIS	7435 W GULF TO LAKE HWY		CRYSTAL RIVER	FL	34429-7834	3525648400	3525640147	In-Center Hemo, PD Services	16	10-2720
DIALYSIS ASSOCIATES OF THE PALM BEACHES	2611 POINSETTIA AVE		WEST PALM BEACH	FL	33407-5919	5618330759	5618351056	In-Center Hemo, Disaster Related Expenditures	20	10-2510
BAYONET POINT-HUDSON KIDNEY CENTER	14144 NEPHRON LN		HUDSON	FL	34667-6504	7278635459	7278620723	In-Center Hemo, In-Center Hemo Self Care, Nocturnal Hemo, Disaster Related Expenditures	16	10-2563
NEW PORT RICHEY KIDNEY CENTER	7421 RIDGE RD		PORT RICHEY	FL	34668-6935	7278468401	7278440100	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	28	10-2590
HERNANDO KIDNEY CENTER	2985 LANOVER BLVD		SPRING HILL	FL	34608-7258	3526833630	3526838892	In-Center Hemo, Home Hemo, PD Services, Disaster Related Expenditures	34	10-2602
VENICE DIALYSIS CENTER	816 PINEBROOK RD		VENICE	FL	34285-7103	9414869057	9414849624	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	23	10-2675
PANAMA CITY DIALYSIS CENTER	615 N HIGHWAY 231		PANAMA CITY	FL	32405-4704	8507851233	8509138048	In-Center Hemo, Acute PD, PD Services, Disaster Related Expenditures	37	10-2514
MARIANNA DIALYSIS CENTER	2930 OPTIMIST DR		MARIANNA	FL	32448-7703	8504825328	8504825329	In-Center Hemo, PD Services, Disaster Related Expenditures	21	10-2666
LEESBURG DIALYSIS CENTER	8425 US HWY 441	STE 104	LEESBURG	FL	34788-4038	3524350082	3524350380	In-Center Hemo, PD Services, Disaster Related Expenditures	24	10-2551
MT DORA DIALYSIS	2735 W OLD US HIGHWAY 441		MOUNT DORA	FL	32757-3526	3523837022	3523836251	In-Center Hemo, PD Services, Disaster Related Expenditures	24	10-2635
COASTAL KIDNEY CENTER	510 N MACARTHUR AVE		PANAMA CITY	FL	32401-3636	8509140824	8509149962	In-Center Hemo, Disaster Related Expenditures	28	10-2813
AMELIA ISLAND DIALYSIS (28-NOV-2018)	1525 LIME ST	STE 120	FERNANDINA BEACH	FL	32034-3015	9044911998	9044910006	In-Center Hemo	12	10-2743
CHIPLEY DIALYSIS	877 3RD ST	STE 2	CHIPLEY	FL	32428-1855	8506387783	8506388550	In-Center Hemo, Disaster Related Expenditures	20	10-2771
NORTH OKALOOSA DIALYSIS	320 REDSTONE AVE W		CRESTVIEW	FL	32536-6433	8506835700	8506835704	In-Center Hemo, Disaster Related Expenditures	15	10-2759
WEST FLORIDA DIALYSIS	8333 N DAVIS HWY	1ST FLOOR ATTN DIALYSIS ROOM	PENSACOLA	FL	32514-6050	8504748424	8509692879	In-Center Hemo, Disaster Related Expenditures	27	10-2518
SANTA ROSA DIALYSIS	5819 HIGHWAY 90		MILTON	FL	32583-1763	8506238299	8506239616	In-Center Hemo, Disaster Related Expenditures	12	10-2726
FLORIDA RENAL CENTER	5300 W FLAGLER ST		CORAL GABLES	FL	33134-1148	3054435702	3054435176	In-Center Hemo, Disaster Related Expenditures	20	10-2840
ST CLOUD DIALYSIS	4750 OLD CANOE CREEK RD		SAINT CLOUD	FL	34769-1430	4074980018	4074980881	In-Center Hemo, Disaster Related Expenditures	23	10-2832
LAKE GRIFFIN EAST DIALYSIS	401 E NORTH BLVD		LEESBURG	FL	34748-5262	3523150062	3523150089	In-Center Hemo, Disaster Related Expenditures	16	10-2822
HIALEAH ARTIFICIAL KIDNEY CENTER	8524 NW 103RD ST		HIALEAH	FL	33016-4870	3058270576	3058270871	In-Center Hemo, Disaster Related Expenditures	16	10-2834
PINNACLE DIALYSIS OF BOCA RATON	2900 N MILITARY TRL	STE 195	BOCA RATON	FL	33431-6308	5612416667	5619898550	In-Center Hemo, Acute Hemo 1:1, PD Services, Disaster Related Expenditures	27	10-2658
APOPKA DIALYSIS	640 EXECUTIVE PARK CT		APOPKA	FL	32703-6075	4073898980	4073898984	In-Center Hemo, Disaster Related Expenditures	24	10-2829
CASSELBERRY DIALYSIS	4970 S US HWY 17/92		CASSELBERRY	FL	32707-3888	3212077135	3212070254	In-Center Hemo, Disaster Related Expenditures	20	10-2857
CENTRAL ORLANDO DIALYSIS	2548 N ORANGE BLOSSOM TRL	STE 400	ORLANDO	FL	32804-4863	4072465081	4072465192	In-Center Hemo, Disaster Related Expenditures	24	10-2837
SANFORD DIALYSIS	1701 W 1ST ST		SANFORD	FL	32771-1605	4072689425	4072689899	In-Center Hemo, Disaster Related Expenditures	24	10-2827
WINTER PARK HEMO DIALYSIS	4100 METRIC DR	STE 300	WINTER PARK	FL	32792-6832	4076817600	4076817690	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	24	10-2858

WINTER PARK HOME PD DIALYSIS	4100 METRIC DR	STE 200	WINTER PARK	FL	32792-6832	4076818730	4076818739	PD Services, Disaster Related Expenditures	2	10-2823
EAST FT LAUDERDALE DIALYSIS CENTER	1301 S ANDREWS AVE	STE 101	FT LAUDERDALE	FL	33316-1823	9547611273	9544670384	In-Center Hemo, PD Services, Disaster Related Expenditures	18	10-2805
WESTON DIALYSIS CENTER	2685 EXECUTIVE PARK DR	STE 1	WESTON	FL	33331-3651	9543891290	9543848207	In-Center Hemo, PD Services, Disaster Related Expenditures	15	10-2807
AVENTURA KIDNEY CENTER	22 SW 11TH ST	FLOOR 2	HALLANDALE BEACH	FL	33009-7038	9544580887	9544580948	In-Center Hemo, Disaster Related Expenditures	12	10-2875
EMBASSY LAKES ARTIFICIAL KIDNEY CENTER	11011 SHERIDAN ST	STE 308	HOLLYWOOD	FL	33026-1505	9544309166	9544309329	In-Center Hemo, PD Services, Disaster Related Expenditures	16	10-2817
DAVENPORT DIALYSIS	45597 HIGHWAY 27	RIDGEVIEW PLAZA	DAVENPORT	FL	33897-4519	8634197408	8634209165	In-Center Hemo, Disaster Related Expenditures	12	10-2819
LAUREL MANOR DIALYSIS CENTER AT THE VILLAGES	1950 LAUREL MANOR DR	STE 190	LADY LAKE	FL	32162-5608	3522590250	3522590335	In-Center Hemo, PD Services, Disaster Related Expenditures	16	10-2838
REGENCY DIALYSIS CENTER	9535 REGENCY SQUARE BLVD N		JACKSONVILLE	FL	32225-8128	9047250526	9047254726	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	16	10-2850
INDIAN RIVER DIALYSIS CENTER	2150 45TH ST	UNIT 102	VERO BEACH	FL	32967-6281	7725672529	7725672587	In-Center Hemo, PD Services, Disaster Related Expenditures	16	10-2851
WINTER PARK DIALYSIS	3727 N GOLDENROD RD	STE 101	WINTER PARK	FL	32792-8611	4076575262	4076778641	In-Center Hemo, Disaster Related Expenditures	12	10-2859
WEST PENSACOLA DIALYSIS CENTER	598 N FAIRFIELD DR	STE 100	PENSACOLA	FL	32506-4320	8504536066	8504536681	In-Center Hemo, Disaster Related Expenditures	16	10-2845
EMERALD COAST DIALYSIS	1112 HOSPITAL RD		FORT WALTON BEACH	FL	32547-6742	8508644850	8508644356	In-Center Hemo, PD Services	16	68-2650
CAPE CORAL SOUTH DIALYSIS	3040 DEL PRADO BLVD S		CAPE CORAL	FL	33904-7232	2395490339	2395491349	In-Center Hemo, Disaster Related Expenditures	18	10-2847
WEST BEACH DIALYSIS CENTER	16201 PANAMA CITY BEACH PKWY	STE 102	PANAMA CITY BEACH	FL	32413-5301	8502330837	8502338436	In-Center Hemo, Disaster Related Expenditures	8	10-2863
MIRAMAR KIDNEY CENTER	2501 DYKES RD	STE 200	MIRAMAR	FL	33027-4223	9544316939	9544316993	In-Center Hemo, PD Services, Disaster Related Expenditures	16	10-2866
WESLEY CHAPEL DIALYSIS	2255 GREEN HEDGES WAY		WESLEY CHAPEL	FL	33544-8183	8139730153	8139730673	PD Services, Disaster Related Expenditures	6	10-2887
AVE MARIA DIALYSIS	5340 USEPPA DR		AVE MARIA	FL	34142-5051	2393040198	2393481723	In-Center Hemo, Disaster Related Expenditures	16	10-2890
SOUTH DADE KIDNEY CENTER	11040 SW 184TH ST		CUTLER BAY	FL	33157-6602	3052591516	3052591769	In-Center Hemo, PD Services, Disaster Related Expenditures	23	68-2508
EAST TAMPA DIALYSIS	1701 E 9TH AVE		YBOR CITY	FL	33605-3801	8132471820	8132473129	In-Center Hemo, Nocturnal Hemo, Disaster Related Expenditures	21	10-2886
POINCIANA DIALYSIS	1002 CYPRESS PKWY		KISSIMMEE	FL	34759-3328	3216975658	3216975435	In-Center Hemo, Disaster Related Expenditures	21	10-2898
BRANDON EAST DIALYSIS	114 E BRANDON BLVD		BRANDON	FL	33511-5219	8136572783	8136572521	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	20	10-2779
MIAMI CAMPUS DIALYSIS	1951 NW 7TH AVE	STE 500	MIAMI	FL	33136-1121	3053258956	3053258748	In-Center Hemo, PD Services, Nocturnal Hemo, Disaster Related Expenditures	33	10-2656
ORLANDO DIALYSIS	116 STURTEVANT ST		ORLANDO	FL	32806-2021	4074269212	4074267476	In-Center Hemo, Disaster Related Expenditures	23	10-2623
OCOE DIALYSIS	11140 W COLONIAL DR	STE 5	OCOE	FL	34761-3300	4078770626	4078770603	In-Center Hemo, Disaster Related Expenditures	18	10-2639
ORLANDO NORTH DIALYSIS	5135 ADANSON ST	STE 700	ORLANDO	FL	32804-1338	4075393998	4075395708	In-Center Hemo, Disaster Related Expenditures	16	10-2707
PLANTATION DIALYSIS	7061 CYPRESS RD	STE 103	PLANTATION	FL	33317-2243	9545832100	9545842463	In-Center Hemo, Disaster Related Expenditures	25	10-2536
SEBASTIAN DIALYSIS	1424 US HWY 1	STE C	SEBASTIAN	FL	32958-1619	7725899182	7725899959	In-Center Hemo, Acute Hemo 1:1, PD Services, Disaster Related Expenditures	16	10-2727
ORLANDO EAST DIALYSIS	11616 LAKE UNDERHILL RD	STE 206	ORLANDO	FL	32825-4466	4073841175	4073841421	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	21	10-2660
ST. PETERSBURG DIALYSIS	1117 ARLINGTON AVE N		ST PETERSBURG	FL	33705-1521	7278969029	7278967269	In-Center Hemo, PD Services, Disaster Related Expenditures	20	10-2773
ORANGE CITY DIALYSIS	2575 S VOLUSIA AVE	STE 400	ORANGE CITY	FL	32763-9116	3867740101	3867740249	In-Center Hemo, Disaster Related Expenditures	16	10-2775
MIAMI EAST DIALYSIS	1250 NW 7TH ST	STE 106	MIAMI	FL	33125-3744	3055471496	3055471516	In-Center Hemo, Disaster Related Expenditures	16	10-2784
TEMPLE TERRACE DIALYSIS	11306 N 53RD ST		TEMPLE TERRACE	FL	33617-2214	8139892062	8139893658	In-Center Hemo, PD Services, Disaster Related Expenditures	24	10-2748
PERRY DIALYSIS	118 W MAIN ST		PERRY	FL	32347-2656	8505846012	8505846040	In-Center Hemo, Disaster Related Expenditures	16	10-2790
FORT MYERS NORTH DIALYSIS	16101 N CLEVELAND AVE		NORTH FORT MYERS	FL	33903-2148	2396564403	2396561886	In-Center Hemo, Disaster Related Expenditures	12	10-2788
MELBOURNE DIALYSIS	2235 S BABCOCK ST		MELBOURNE	FL	32901-5305	3219566252	3219566464	In-Center Hemo, PD Services, Disaster Related Expenditures	16	10-2816
ST PETERSBURG SOUTH DIALYSIS	2850 34TH ST S		ST PETERSBURG	FL	33711-3817	7278644050	7278640013	In-Center Hemo, Disaster Related Expenditures	20	10-2803
MIAMI GARDENS DIALYSIS	3363 NW 167TH ST		MIAMI GARDENS	FL	33056-4254	3056279311	3056289389	In-Center Hemo, Disaster Related Expenditures	16	10-2839
TALLAHASSEE WEST DIALYSIS	5857 W TENNESSEE ST		TALLAHASSEE	FL	32304-9218	8503500002	8503500120	In-Center Hemo, PD Services, Disaster Related Expenditures	24	10-2673
DAYTONA SOUTH DIALYSIS	1801 S NOVA RD	STE 306	SOUTH DAYTONA	FL	32119-1775	3863223625	3863223695	In-Center Hemo, Nocturnal Hemo, Disaster Related Expenditures	24	10-2614
DAYTONA BEACH DIALYSIS	578 HEALTH BLVD		DAYTONA BEACH	FL	32114-1492	3862587322	3862580191	In-Center Hemo, PD Services, Disaster Related Expenditures	20	10-2521
WEST TAMPA DIALYSIS	4515 GEORGE RD	STE 300	TAMPA	FL	33634-7300	8138844008	8138841465	In-Center Hemo, Disaster Related Expenditures	20	10-2679
FORT MYERS DIALYSIS	4220 EXECUTIVE CIRCLE	STE 38	FORT MYERS	FL	33916-8055	2392743681	2392746168	In-Center Hemo, PD Services, Disaster Related Expenditures	34	10-2513

LEHIGH ACRES DIALYSIS	2814 LEE BLVD	STE 16	LEHIGH ACRES	FL	33971-1561	2393687169	2393687541	In-Center Hemo, Disaster Related Expenditures	12	10-2618
KISSIMMEE DIALYSIS	802 N JOHN YOUNG PKWY		KISSIMMEE	FL	34741-4912	4078474423	4078475973	In-Center Hemo, Disaster Related Expenditures	25	10-2569
NEW SMYRNA BEACH DIALYSIS	110 S ORANGE ST		NEW SMYRNA BEACH	FL	32168-7153	3864090025	3864090410	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	12	10-2696
LAKE WALES DIALYSIS	1125 BRYN MAWR AVE		LAKE WALES	FL	33853-4333	8636799851	8636799856	In-Center Hemo, Disaster Related Expenditures	12	10-2712
GREATER MIAMI DIALYSIS	160 NW 176TH ST	STE 100	MIAMI	FL	33169-5023	3056536033	3056530118	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	20	10-2586
LAKELAND DIALYSIS	515 E BELLA VISTA ST		LAKELAND	FL	33805-3005	8636885463	8636887150	In-Center Hemo, Disaster Related Expenditures	16	10-2524
PLANT CITY DIALYSIS	1211 W REYNOLDS ST	STE 1	PLANT CITY	FL	33563-4321	8137522136	8137576729	In-Center Hemo, PD Services, Disaster Related Expenditures	17	10-2554
WINTER HAVEN DIALYSIS	1625 UNITY WAY NW		WINTER HAVEN	FL	33881-5226	8632948851	8632945212	In-Center Hemo, Acute Hemo 1:1, PD Services, Disaster Related Expenditures	20	10-2545
BROWARD DIALYSIS	1500 N FEDERAL HWY	STE 100	FT LAUDERDALE	FL	33304-5600	9543968990	9543966988	In-Center Hemo, Disaster Related Expenditures	21	10-2555
BRADENTON DIALYSIS	3501 CORTEZ RD W	STE 3	BRADENTON	FL	34210-3104	9417274209	9417538386	In-Center Hemo, PD Services, Disaster Related Expenditures	17	10-2646
DELAND DIALYSIS	350 E NEW YORK AVE		DELAND	FL	32724-5510	3867382570	3867389576	In-Center Hemo, PD Services, Disaster Related Expenditures	20	10-2573
DELRAY DIALYSIS	2655 W ATLANTIC AVE		DELRAY BEACH	FL	33445-4400	5612792626	5612792921	In-Center Hemo, Disaster Related Expenditures	22	10-2617
LAKE WORTH DIALYSIS	2459 S CONGRESS AVE	STE 100	PALM SPRINGS	FL	33406-7616	5614391532	5614391018	In-Center Hemo, PD Services, Disaster Related Expenditures	25	10-2637
PALM COAST DIALYSIS	13 KINGSWOOD DR	STE A	PALM COAST	FL	32137-4614	3864454445	3864453312	In-Center Hemo, PD Services, Disaster Related Expenditures	22	10-2728
FORT MYERS SOUTH DIALYSIS	8850 GLADIOLUS DR		FORT MYERS	FL	33908-5102	2394151661	2394157440	In-Center Hemo, PD Services, Disaster Related Expenditures	22	10-2744
FOUR FREEDOMS DIALYSIS	289 SW RANGE AVE	STE A	MADISON	FL	32340-2351	8509733852	8509739861	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	16	10-2737
TALLAHASSEE SOUTH DIALYSIS	2410 S ADAMS ST		TALLAHASSEE	FL	32301-6325	8502248757	8502248766	In-Center Hemo, Disaster Related Expenditures	20	10-2765
SUN CITY CENTER DIALYSIS	783 CORTARO DR		RUSKIN	FL	33573-6812	8136332847	8136332972	In-Center Hemo, PD Services, Disaster Related Expenditures	16	10-2642
CENTRAL TAMPA DIALYSIS	4204 N MACDILL AVE	SOUTH BLDG	TAMPA	FL	33607-6342	8138713202	8138713903	In-Center Hemo, Disaster Related Expenditures	20	10-2605
ZEPHYRHILLS DIALYSIS	36819 EILAND BLVD	UNIT 2	ZEPHYRHILLS	FL	33542-0600	8137887041	8137887236	In-Center Hemo, PD Services, Disaster Related Expenditures	24	10-2593
BARTOW DIALYSIS	1190 E CHURCH ST		BARTOW	FL	33830-4117	8635331601	8635338144	In-Center Hemo, Disaster Related Expenditures	16	10-2626
ORMOND BEACH DIALYSIS	420 S NOVA RD	STE 7	ORMOND BEACH	FL	32174-0411	3866762405	3866766738	In-Center Hemo, Disaster Related Expenditures	17	10-2638
LAKELAND SOUTH DIALYSIS	4774 S FLORIDA AVE		LAKELAND	FL	33813-2181	8636460462	8636470802	In-Center Hemo, PD Services, Disaster Related Expenditures	20	10-2764
MIAMI NORTH DIALYSIS	860 NE 125TH ST		NORTH MIAMI	FL	33161-5743	3058937887	3058934429	In-Center Hemo, Disaster Related Expenditures	17	10-2776
BONITA SPRINGS DIALYSIS	9134 BONITA BEACH RD SE		BONITA SPRINGS	FL	34135-4281	2399490444	2399490450	In-Center Hemo, Disaster Related Expenditures	16	10-2752
ORLANDO SOUTHWEST DIALYSIS	6925 LAKE ELLENOR DR	STE 650	ORLANDO	FL	32809-4670	4078521751	4078521748	In-Center Hemo, Disaster Related Expenditures	18	10-2750
QUINCY DIALYSIS	878 STRONG RD		QUINCY	FL	32351-5243	8508751570	8508751572	In-Center Hemo, Disaster Related Expenditures	20	10-2627
TALLAHASSEE DIALYSIS	1607 PHYSICIANS DR		TALLAHASSEE	FL	32308-4620	8508788776	8508789004	In-Center Hemo, Disaster Related Expenditures	27	10-2624
SOUTH BEACH DIALYSIS	1711 ALTON RD		MIAMI BEACH	FL	33139-2411	3056954175	3056954179	In-Center Hemo, Acute Hemo 1:1, PD Services, Disaster Related Expenditures	20	10-2718
PALMETTO ARTIFICIAL KIDNEY CENTER	7150 W 20TH AVE	STE 109	HIALEAH	FL	33016-5509	3058278399	3058271892	In-Center Hemo, PD Services, Disaster Related Expenditures	15	10-2665
RENOVATION OF LIFE DIALYSIS	14505 COMMERCE WAY	STE 600	MIAMI LAKES	FL	33016-1530	3053628399	3053628351	In-Center Hemo, Disaster Related Expenditures	16	68-2512
GREATER TAMPA AT HOME PD	4204 N MACDILL AVE	STE 1B NORTH BLDG	TAMPA	FL	33607-6364	8138728216	8138728469	PD Services	4	10-2885
JACKSONVILLE SOUTH DIALYSIS CENTER	14965 OLD SAINT AUGUSTINE RD	UNIT 114	JACKSONVILLE	FL	32258-9481	9048809494	9048800295	In-Center Hemo, PD Services, Disaster Related Expenditures	16	10-2873
PINELLAS WEST SHORE DIALYSIS	3451 66TH ST N	STE A	ST PETERSBURG	FL	33710-1568	7273458389	7273458410	In-Center Hemo, PD Services, Disaster Related Expenditures	12	10-2889
WINTER GARDEN DIALYSIS	1222 WINTER GARDEN VINELAND RD	BLDG 3 STE 100	WINTER GARDEN	FL	34787-4449	4078770364	4078773641	In-Center Hemo, Disaster Related Expenditures	16	10-2880
KENDALL KIDNEY CENTER	8364 MILLS DR	STE 1740	MIAMI	FL	33183-4806	3052733783	3052733873	In-Center Hemo, Home Hemo, PD Services, Disaster Related Expenditures	17	10-2897
GATEWAY DIALYSIS	5705 LEE BLVD	STE 16	LEHIGH ACRES	FL	33971-6342	2394795251	2394795275	In-Center Hemo, Disaster Related Expenditures	16	10-2888
ORLANDO PARK DIALYSIS	5397 W COLONIAL DR	STE 120	ORLANDO	FL	32808-7647	4075323109	4075324881	In-Center Hemo, Disaster Related Expenditures	24	10-2884
PALM BREEZE DIALYSIS	14942 TAMIAMI TRL	STE E	NORTH PORT	FL	34287-2705	9414290443	9414292240	In-Center Hemo, Disaster Related Expenditures	16	10-2892
PORT SAINT JOE DIALYSIS	3871 HIGHWAY 98 E	STE 101	PORT ST JOE	FL	32456-5318	8502292662	8502292675	In-Center Hemo, Disaster Related Expenditures	12	68-2505



CAPE CORAL NORTH DIALYSIS	1315 SE 8TH TERRACE		CAPE CORAL	FL	33990-3213	2397728599	2397729421	In-Center Hemo, Disaster Related Expenditures	12	68-2501
CARROLLWOOD DIALYSIS	14358 N DALE MABRY HWY		TAMPA	FL	33618-2018	8139603751	8139617312	In-Center Hemo, Nocturnal Hemo, Disaster Related Expenditures	16	68-2520
LAKE VISTA DIALYSIS	3187 US HWY 98 N		LAKELAND	FL	33805-2103	8636032130	8636865687	In-Center Hemo, PD Services, Disaster Related Expenditures	24	68-2517
CLARCONA DIALYSIS	8259 CLARCONA OCOEE RD		ORLANDO	FL	32818-1228	4072992173	4072997673	In-Center Hemo, PD Services	16	68-2665
PLANTATION HOME TRAINING (PD)	8144 W BROWARD BLVD		PLANTATION	FL	33324-2000	9544739138	9544732941	PD Services, Disaster Related Expenditures	3	68-2543
KEYS GATE DIALYSIS	1982 NE 8TH ST		HOMESTEAD	FL	33033-4704	3052473506	3052473859	In-Center Hemo, Disaster Related Expenditures	16	68-2564
DORAL KIDNEY CENTER	7755 NW 48TH ST	STE 120	DORAL	FL	33166-5401	3054365279	3054368087	In-Center Hemo, Disaster Related Expenditures	12	68-2527
KENNEDY BOULEVARD DIALYSIS	2205 W KENNEDY BLVD		TAMPA	FL	33606-1536	8132543638	8132543809	In-Center Hemo, Disaster Related Expenditures	20	68-2596
KISSIMMEE HOME TRAINING PD	1203 N CENTRAL AVE	STE A	KISSIMMEE	FL	34741-4407	4075189232	4075189350	PD Services, Home Hemo, Disaster Related Expenditures	4	68-2538
PALATKA DIALYSIS	326 ZEAGLER DR		PALATKA	FL	32177-3817	3863299458	3863299340	In-Center Hemo, PD Services, Disaster Related Expenditures	16	68-2532
MEMORIAL PLAZA DIALYSIS	3901 UNIVERSITY BLVD S	STE 111	JACKSONVILLE	FL	32216-4374	9047310247	9047314046	In-Center Hemo, PD Services, Disaster Related Expenditures	18	68-2516
LAUDERHILL DIALYSIS	2916 N STATE ROAD 7		LAUDERDALE LAKES	FL	33313-1912	9547316044	9547316078	In-Center Hemo, Disaster Related Expenditures	20	68-2535
SUNSHINE STATE DIALYSIS	2710 ALLEN RD		TALLAHASSEE	FL	32312-2607	8502972019	8505237842	In-Center Hemo	20	68-2663
DOWNTOWN PENSACOLA DIALYSIS	700 E CERVANTES ST	STE A	PENSACOLA	FL	32501-3210	8504331534	8504331538	In-Center Hemo, Disaster Related Expenditures	20	68-2529
GAINESVILLE NEWBERRY DIALYSIS	1177 NW 64TH TER		GAINESVILLE	FL	32605-4218	3523313240	3523313245	In-Center Hemo, Disaster Related Expenditures	18	68-2592
SILVER SPRINGS SHORES DIALYSIS	9310 SPRING RD		OCALA	FL	34472-2913	3526870403	3526872527	In-Center Hemo, Disaster Related Expenditures	20	68-2530
DEERFIELD BEACH DIALYSIS	1983 W HILLSBORO BLVD		DEERFIELD BEACH	FL	33442-1418	9544263350	9544265275	In-Center Hemo, Disaster Related Expenditures	12	68-2540
JACKSONVILLE ARLINGTON DIALYSIS	929 UNIVERSITY BLVD N		JACKSONVILLE	FL	32211-5529	9047431689	9047431570	In-Center Hemo, PD Services, Disaster Related Expenditures	16	68-2526
HOME OPTIONS OF PENSACOLA (PD)	812 CREIGHTON RD		PENSACOLA	FL	32504-7028	8509699082	8504752635	PD Services, Disaster Related Expenditures	4	68-2534
BUENA VENTURA LAKES DIALYSIS	1998 E OSCEOLA PKWY		KISSIMMEE	FL	34743-8600	4073481271	4073481407	In-Center Hemo, Disaster Related Expenditures	20	68-2563
MANASOTA DIALYSIS	6960 PROFESSIONAL PKWY E	UNITS 4 & 5	SARASOTA	FL	34240-8428	9413622864	9419074720	In-Center Hemo, PD Services, Disaster Related Expenditures	12	68-2574
JUPITER DIALYSIS	630 MAPLEWOOD DR	STE 300	JUPITER	FL	33458-5571	5617481750	5617481585	In-Center Hemo, Disaster Related Expenditures	16	68-2586
PORT ORANGE DIALYSIS	3997 S NOVA RD		PORT ORANGE	FL	32127-9296	3867617961	3867632150	In-Center Hemo, PD Services	16	68-2632
GAINESVILLE HOME DIALYSIS	4960 W NEWBERRY RD	STE 280	GAINESVILLE	FL	32607-2201	3523784960	3523711552	PD Services, Disaster Related Expenditures	3	68-2531
OVIEDO DIALYSIS	7560 RED BUG LAKE RD	STE 1048	OVIEDO	FL	32765-6591	4073660211	4073664269	In-Center Hemo, Disaster Related Expenditures	20	68-2549
GOLDEN GLADES DIALYSIS	15600 NW 15TH AVE	STE D	MIAMI GARDENS	FL	33169-5609	3056211328	3056216272	In-Center Hemo, PD Services, Disaster Related Expenditures	20	68-2556
USF DIALYSIS	10770 N 46TH ST	STE A100	TAMPA	FL	33617-3465	8136327918	8136327952	In-Center Hemo, PD Services, Disaster Related Expenditures	29	10-2636
ADVANCED DIALYSIS CENTER OF FORT LAUDERDALE	911 E OAKLAND PARK BLVD		OAKLAND PARK	FL	33334-2725	9543187000	9543187001	In-Center Hemo, Disaster Related Expenditures	23	10-2878
PEMBROKE PINES DIALYSIS	10970 PINES BLVD	STE 70	PEMBROKE PINES	FL	33026-5208	9544356145	9544427350	In-Center Hemo, Disaster Related Expenditures	28	10-2647
FORT LAUDERDALE DIXIE DIALYSIS	1299 E COMMERCIAL BLVD	STE 100	OAKLAND PARK	FL	33334-4806	9547766056	9547768088	In-Center Hemo, PD Services, Disaster Related Expenditures	20	10-2701
HALLANDALE DIALYSIS	2655 HOLLYWOOD BLVD		HOLLYWOOD	FL	33020-4840	9549259909	9549275852	In-Center Hemo, Disaster Related Expenditures	22	10-2601
SOUTH FLORIDA DIALYSIS	1 OAKWOOD BLVD	STE 100	HOLLYWOOD	FL	33020-1937	9548947500	9548947700	In-Center Hemo, PD Services, Disaster Related Expenditures	21	10-2680
DAVIE CITY DIALYSIS	7950 SW 30TH ST		DAVIE	FL	33328-1979	9545772778	9545772710	In-Center Hemo, Disaster Related Expenditures	15	10-2808
DAELAND DIALYSIS	9175 SW 87TH AVE		MIAMI	FL	33176-2302	3052733830	3052733804	In-Center Hemo, PD Services, Disaster Related Expenditures	18	10-2738
ST AUGUSTINE DIALYSIS	264 SOUTHPARK CIR E		SAINT AUGUSTINE	FL	32086-5137	9048080445	9048080446	In-Center Hemo, Disaster Related Expenditures	18	10-2692
KEY WEST DIALYSIS	1122 KEY PLZ		KEY WEST	FL	33040-4076	3052948453	3052943421	In-Center Hemo, PD Services, Disaster Related Expenditures	16	10-2543
NAPLES RENAL CENTER	6625 HILLWAY CIR		NAPLES	FL	34112-8756	2397759454	2397321391	In-Center Hemo, PD Services, Disaster Related Expenditures	19	10-2809
LAKEWOOD RANCH DIALYSIS	8470 COOPER CREEK BLVD		UNIVERSITY PARK	FL	34201-2020	9413590676	9413587012	In-Center Hemo, Disaster Related Expenditures	12	10-2733
DELTONA DIALYSIS	1200 DELTONA BLVD	STE 26	DELTONA	FL	32725-6389	3865740225	3865746460	In-Center Hemo, PD Services, Disaster Related Expenditures	21	10-2616
NORTH BREVARD DIALYSIS	250 HARRISON ST	STE 110	TITUSVILLE	FL	32780-5026	3213831345	3212684875	In-Center Hemo, Disaster Related Expenditures	21	10-2654
DELTONA AT HOME	1200 DELTONA BLVD	STE 26	DELTONA	FL	32725-6389	3865740225	3865746460	Home Hemo	1	10-2616
LAKE MARY AT HOME	39 SKYLINE DR	STE 1001	LAKE MARY	FL	32746-7123	4078338667	4078338672	Home Hemo	1	68-2567
BRIGHT AT HOME	2000 HARTMAN RD		FORT PIERCE	FL	34947-4412	7724671117	7725959340	Home Hemo	22	10-2754
LYNN HAVEN DIALYSIS	404 E 24TH ST		LYNN HAVEN	FL	32444-4881	8502712937	8502710326	In-Center Hemo, PD Services, Disaster Related Expenditures	12	68-2582
WINTER HAVEN SOUTH DIALYSIS	7220 CYPRESS GARDENS BLVD		WINTER HAVEN	FL	33884-3217	8633245040	8633248492	In-Center Hemo, PD Services, Disaster Related Expenditures	12	68-2552
LAKE MARY DIALYSIS	39 SKYLINE DR	STE 1001	LAKE MARY	FL	32746-7123	4078338667	4078338672	In-Center Hemo, PD Services, Disaster Related Expenditures	20	68-2567
BEACH BOULEVARD DIALYSIS	14444 BEACH BLVD	STE B	JACKSONVILLE	FL	32250-2079	9049929254	9049928835	In-Center Hemo, PD Services, Disaster Related Expenditures	16	68-2560

COLUMBIA COUNTY DIALYSIS	1389 W US HIGHWAY 90	STE 100	LAKE CITY	FL	32055-6130	3864660197	3862928992	In-Center Hemo, PD Services, Disaster Related Expenditures	16	68-2568
CLAY COUNTY DIALYSIS	1784 BLANDING BLVD		MIDDLEBURG	FL	32068-3807	9042911537	9042829869	PD Services, In-Center Hemo, Disaster Related Expenditures	16	68-2572
ST AUGUSTINE HOME TRAINING (PD)	252 SOUTHPARK CIR E		ST AUGUSTINE	FL	32086-5137	9048231594	9048081437	PD Services, Disaster Related Expenditures	3	68-2561
DUNN AVENUE DIALYSIS	1215 DUNN AVE	STE 8	JACKSONVILLE	FL	32218-4897	9047573540	9047513499	In-Center Hemo, PD Services, Disaster Related Expenditures	16	68-2566
LAND O LAKES DIALYSIS	2100 VIA BELLA BLVD	STE 104	LAND O LAKES	FL	34639-5429	8139488157	8139499071	In-Center Hemo, Disaster Related Expenditures	20	68-2598
WELLINGTON DIALYSIS	573 N STATE ROAD 7		ROYAL PALM BEACH	FL	33411-3524	5617934285	5617847090	In-Center Hemo, Home Hemo, PD Services	16	68-2633
WEST BOYNTON DIALYSIS	10150 HAGEN RANCH RD	STE 101	BOYNTON BEACH	FL	33437-3776	5617366096	5617386190	In-Center Hemo, PD Services, Disaster Related Expenditures	16	68-2577
FALKENBURG DIALYSIS	3140 S FALKENBURG RD	STE 101	RIVERVIEW	FL	33578-2594	8133721625	8133721615	In-Center Hemo, PD Services	20	68-2630
OCALA WEST HOME TRAINING (PD-ICHD)	8615 SW 103RD STREET RD		OCALA	FL	34481-9622	3528543099	3528543480	PD Services, In-Center Hemo, Disaster Related Expenditures	2	68-2573
BAYSHORE DIALYSIS	16151 SLATER RD		NORTH FORT MYERS	FL	33917-6502	2397311006	2397311070	In-Center Hemo, Disaster Related Expenditures	16	68-2616
LAKE SEMINOLE DIALYSIS	10799 PARK BLVD		SEMINOLE	FL	33772-5420	7273190180	7273190175	In-Center Hemo, Disaster Related Expenditures	20	68-2612
TAMPA BAY DIALYSIS	2301 W DR MARTIN LUTHER KING JR BLVD		TAMPA	FL	33607-6405	8138767023	8138791530	In-Center Hemo, Disaster Related Expenditures	24	68-2594
TRINITY DIALYSIS	2870 BUND AVE		NEW PORT RICHEY	FL	34655-1849	7273727742	7273727551	In-Center Hemo	20	68-2629
ORLANDO AIRPORT DIALYSIS	5778 S SEMORAN BLVD	STE A	ORLANDO	FL	32822-4819	4072823835	4072829520	In-Center Hemo, Disaster Related Expenditures	24	68-2618
BROOKSVILLE DIALYSIS	7326 BROAD ST		BROOKSVILLE	FL	34601-3114	3525406185	3527998190	In-Center Hemo, PD Services, Disaster Related Expenditures	16	68-2621
MIAMI JEWISH DIALYSIS	5200 NE 2ND AVE		MIAMI	FL	33137-2706	3057518699	3057518195	In-Center Hemo, PD Services	12	68-2657
OSLO DIALYSIS	100 S US HIGHWAY 1		VERO BEACH	FL	32962-3630	7725678496	7725625735	In-Center Hemo, Disaster Related Expenditures	16	68-2615
CALLE OCHO DIALYSIS	1800 SW 8TH ST		MIAMI	FL	33135-3418	3055412560	3056422261	In-Center Hemo, PD Services	16	68-2651
FLEMING ISLAND DIALYSIS	4575 US HIGHWAY 17	STE 301	FLEMING ISLAND	FL	32003-4825	9042152476	9042158344	In-Center Hemo, PD Services	12	68-2648
JACKSONVILLE WESTSIDE DIALYSIS	5276 BLANDING BLVD	STE 26	JACKSONVILLE	FL	32210-8176	9045736405	9049089975	In-Center Hemo, PD Services, Disaster Related Expenditures	20	68-2627
ALAFAYA DIALYSIS	12001 SCIENCE DR	STE 110	ORLANDO	FL	32826-2913	4072828202	4072089391	In-Center Hemo	20	68-2637
CLERMONT DIALYSIS	1350 N HANCOCK RD		CLERMONT	FL	34711-5952	3523940072	3522410433	In-Center Hemo	12	68-2669
BETHESDA DIALYSIS	332 N CONGRESS AVE		BOYNTON BEACH	FL	33426-3413	5617359313	5613648240	In-Center Hemo	16	68-2640
INVERRARY DIALYSIS	4984 N UNIVERSITY DR		LAUDERHILL	FL	33351-5748	9547481659	9547489865	In-Center Hemo	20	68-2658
WILDWOOD DIALYSIS	4713 E SR 44	STE 900	WILDWOOD	FL	34785-7462	3523301103	3523301106	In-Center Hemo, PD Services	12	68-2647
PHILIPS HIGHWAY DIALYSIS	8021 PHILIPS HIGHWAY	STE 13	JACKSONVILLE	FL	32256-4452	9046369652	9046369657	In-Center Hemo, PD Services	16	
COUNTY LINE DIALYSIS	21353 NW 2ND AVE		MIAMI GARDENS	FL	33169-2112	3056542724	3056540433	In-Center Hemo	20	
METROWEST DIALYSIS	4578 S KIRKMAN RD		ORLANDO	FL	32811-2848	4072983977	4072985785	In-Center Hemo	24	68-2661
BROOKSIDE DIALYSIS	10725 WILES RD		CORAL SPRINGS	FL	33076-2014	9547969925	9547967360	In-Center Hemo, PD Services	16	68-2655
CAPE POINT DIALYSIS	4539 CHIQUITA BLVD S		CAPE CORAL	FL	33914-6352	2395490202	2395490345	In-Center Hemo	16	
ESTERO DIALYSIS	9431 CORKSCREW PALMS CIR		ESTERO	FL	33928	2399470004	2399471125	In-Center Hemo	13	
SANDY SHORES DIALYSIS	5947 20TH ST		VERO BEACH	FL	32966-4676	7727700331	7727700336	In-Center Hemo	12	
HARDEN DIALYSIS	2105 HARDEN BLVD		LAKELAND	FL	33803	8632840534	8632841140	In-Center Hemo	16	
DEL RIO DIALYSIS	6222 HARNEY RD		TAMPA	FL	33610-5500	8133727090	8133727255	In-Center Hemo	16	
ULTIMATE KIDNEY CARE	2720 SW 97TH AVE	STE 201	MIAMI	FL	33165-2680	3052262699	3052264199	In-Center Hemo	15	68-2546
DIALYSIS CENTER OF MIDDLE GEORGIA-MACON	2494 2ND ST		MACON	GA	31206	4784641872	4784640792	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, PD Services, Acute PD	16	11-2583
DIALYSIS CENTER OF MIDDLE GEORGIA-WARNER ROBINS	509 N HOUSTON RD		WARNER ROBINS	GA	31093-8844	4783281800	4789295499	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	11-2620
ELBERTON DIALYSIS CENTER	894 ELBERT ST		ELBERTON	GA	30635-2628	7062839833	7062839844	In-Center Hemo, In-Center Hemo Self Care	18	11-2545
WASHINGTON DIALYSIS CENTER	154 WASHINGTON PLZ		WASHINGTON	GA	30673-2074	7066785855	7066786903	In-Center Hemo, In-Center Hemo Self Care	25	11-2527
EAST POINT DIALYSIS CENTER	2669 CHURCH ST		EAST POINT	GA	30344-3115	4047651780	4047659939	In-Center Hemo, In-Center Hemo Self Care	28	11-2655
MCDONOUGH DIALYSIS CENTER	114 DUNN ST		MCDONOUGH	GA	30253-2347	7708984999	7708980059	In-Center Hemo, In-Center Hemo Self Care	18	11-2651
NEPHROLOGY CENTER OF SOUTH AUGUSTA	1631 GORDON HWY	STE 1B	AUGUSTA	GA	30906-2221	7067908300	7067909944	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	11-2671
PERRY DIALYSIS CENTER	1027 KEITH DR		PERRY	GA	31069-2948	4789877120	4789883095	In-Center Hemo, In-Center Hemo Self Care	11	11-2683
BAKERS FERRY DIALYSIS	3645 BAKERS FERRY RD SW		ATLANTA	GA	30331-3712	4046911932	4046912786	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	11-2729
IRIS CITY DIALYSIS	521 N EXPRESSWAY	STE 1509	GRIFFIN	GA	30223-2073	7702283177	7702298431	In-Center Hemo, PD Services	28	11-2711
FOREST PARK DIALYSIS CENTER	380 FOREST PKWY	STE C	FOREST PARK	GA	30297-2107	4043610646	4043610727	In-Center Hemo, In-Center Hemo Self Care	18	11-2692
NEPHROLOGY CENTER OF STATESBORO	4B COLLEGE PLZ		STATESBORO	GA	30458-4928	9126814028	9128713615	In-Center Hemo, In-Center Hemo Self Care	18	11-2584
BUCKHEAD DIALYSIS	1575 NORTHSIDE DR NW	STE 365	ATLANTA	GA	30318-4210	4043518266	4043519345	In-Center Hemo, Home Hemo, In-Center Hemo Self Care	18	11-2578
JONESBORO DIALYSIS	129 KING ST		JONESBORO	GA	30236-3656	7704712381	7704778027	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	11-2517

SOUTHWEST ATLANTA DIALYSIS CENTER	3620 MARTIN LUTHER KING DR SW		ATLANTA	GA	30331-3711	4046967303	4046991656	In-Center Hemo, In-Center Hemo Self Care	30	11-2523
LINDEN DIALYSIS	121 LINDEN AVE NE		ATLANTA	GA	30308-2432	4048179700	4048176644	In-Center Hemo, In-Center Hemo Self Care, PD Services	28	11-2566
FORT VALLEY DIALYSIS CENTER	557 BLUEBIRD BLVD		FORT VALLEY	GA	31030-5083	4788257208	4788253114	In-Center Hemo, In-Center Hemo Self Care	13	11-2559
MILLEDGEVILLE DIALYSIS	400 S WAYNE ST		MILLEDGEVILLE	GA	31061-3446	4784539489	4784533100	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	11-2571
MOULTRIE DIALYSIS CENTER	2419 S MAIN ST		MOULTRIE	GA	31768-6531	2298901221	2298901226	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	10	11-2603
COLUMBUS DIALYSIS	6228 BRADLEY PARK DR	STE B	COLUMBUS	GA	31904-3604	7065968222	7065968381	In-Center Hemo, In-Center Hemo Self Care	22	11-2573
BUENA VISTA DIALYSIS	102 E BURKHALTER AVE	STE A	BUENA VISTA	GA	31803-9701	2296495017	2296496410	In-Center Hemo, In-Center Hemo Self Care	12	11-2598
DECATUR DIALYSIS CENTER	1987 CANDLER RD		DECATUR	GA	30032-4212	4042861700	4042861710	In-Center Hemo, In-Center Hemo Self Care	20	11-2633
EAST MACON DIALYSIS CENTER	165 EMERY HWY	STE 101	MACON	GA	31217-3666	4787551144	4787551127	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	11-2602
ELLIJAY DIALYSIS	449 INDUSTRIAL BLVD	STE 240	ELLIJAY	GA	30540-6724	7062761417	7062761454	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	11-2709
GAINESVILLE DIALYSIS	2545 FLINTRIDGE RD	STE 130	GAINESVILLE	GA	30501-7428	7705367194	7705351597	In-Center Hemo, PD Services	19	11-2693
NEWMAN DIALYSIS	242 BULLSBORO DR		NEWMAN	GA	30263-1295	7703045850	7703045855	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	11-2689
EAST GEORGIA DIALYSIS	1989 STAMBUK LN		STATESBORO	GA	30458-2642	9128715394	9126814330	In-Center Hemo, In-Center Hemo Self Care, PD Services	29	11-2710
COBB DIALYSIS	3865 MEDICAL PARK DR		AUSTELL	GA	30106-1109	7707328616	7707328605	In-Center Hemo	16	11-2581
NORTHLAKE DIALYSIS	1350 MONTREAL RD	STE 200	TUCKER	GA	30084-8144	6784060825	6784060830	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	11-2695
PAULDING DIALYSIS	4019 JOHNS RD		DALLAS	GA	30132-3420	7704453571	7704453898	In-Center Hemo, PD Services	16	11-2594
SWEETWATER DIALYSIS	7117 S SWEETWATER RD		LITHIA SPRINGS	GA	30122-2446	6789453600	6789453623	In-Center Hemo, Nocturnal Hemo, PD Services	17	11-2706
CENTENNIAL ATLANTA DIALYSIS	418 DECATUR ST SE		ATLANTA	GA	30312-1801	4045241606	4045253502	In-Center Hemo, In-Center Hemo Self Care	18	11-2660
KIDNEY DIALYSIS CENTER	640 MARTIN LUTHER KING JR BLVD	STE 100	MACON	GA	31201-3206	4787425850	4787425860	In-Center Hemo, In-Center Hemo Self Care, PD Services	26	11-2803
SNAPPINGER DIALYSIS	5255 SNAPPINGER PARK DR	STE 115	DECATUR	GA	30035-4066	7709810558	7709814828	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	24	11-2646
EAST DEKALB DIALYSIS	2853 CANDLER RD	STE 203	DECATUR	GA	30034-1421	4042410402	4043280232	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	11-2715
VIDALIA FIRST STREET DIALYSIS	906 E 1ST ST		VIDALIA	GA	30474-4207	9125388908	9125388909	In-Center Hemo, In-Center Hemo Self Care	21	11-2723
GROVEPARK DIALYSIS	794 MCDONOUGH RD		JACKSON	GA	30233-1572	7705040365	7705048761	In-Center Hemo, PD Services	12	11-2741
WEST GEORGIA DIALYSIS	1216 STARK AVE		COLUMBUS	GA	31906-2500	7063200103	7063201906	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	11-2742
LAKE HEARN DIALYSIS	1150 LAKE HEARN DR NE	STE 100	ATLANTA	GA	30342-1566	4048479850	4048479261	In-Center Hemo, In-Center Hemo Self Care	20	11-2745
DIALYSIS OF LITHONIA	2485 PARK CENTRAL BLVD	STE A	DECATUR	GA	30035-3903	6784189808	6784189802	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, Hemo Self Care Training	24	11-2746
BUFORD DIALYSIS	1550 BUFORD HWY	STE 1E	BUFORD	GA	30518-3666	7708312379	7708316983	In-Center Hemo, PD Services	21	11-2760
SNELLVILLE DIALYSIS	2135 MAIN ST E	STE 130	SNELLVILLE	GA	30078-6424	7709793117	7709793640	In-Center Hemo, Home Hemo, PD Services	18	11-2806
SUGARLOAF DIALYSIS	1705 BELLE MEADE CT	STE 110	LAWRENCEVILLE	GA	30043-5895	7705132833	7705137611	In-Center Hemo, PD Services	20	11-2758
SOUTHSTAR ADAMSVILLE DIALYSIS	3651 BAKERS FERRY RD SW		ATLANTA	GA	30331-3712	4044721856	4044723970	In-Center Hemo, In-Center Hemo Self Care	20	11-2790
SOUTHERN CRESCENT DIALYSIS CENTER	275 UPPER RIVERDALE RD SW	STE B	RIVERDALE	GA	30274-2556	7709077022	7709077587	In-Center Hemo, In-Center Hemo Self Care	20	11-2771
MEDLOCK BRIDGE DIALYSIS	10680 MEDLOCK BRIDGE RD	STE 103	DULUTH	GA	30097-8420	7706222167	7706225542	In-Center Hemo, Nocturnal Hemo, PD Services	16	11-2778
MOUNTAIN PARK DIALYSIS	5235 MEMORIAL DR		STONE MOUNTAIN	GA	30083-3112	4042961344	4042964706	In-Center Hemo, In-Center Hemo Self Care	16	11-2777
ATHENS EAST DIALYSIS	2026 S MILLEDGE AVE	STE A2	ATHENS	GA	30605-6480	7065493082	7065493802	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	11-2789
TIFTON DIALYSIS	624 LOVE AVE		TIFTON	GA	31794-4406	2293821497	2293864748	In-Center Hemo, PD Services	14	11-2794
UNION CITY DIALYSIS	6851 SHANNON PKWY	STE 200	UNION CITY	GA	30291-2049	7707749033	7707743189	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	11-2788
SATILLA RIVER DIALYSIS	308 CARSWELL AVE		WAYCROSS	GA	31501-4762	9122851663	9122853078	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	16	11-2817
NORTH HENRY DIALYSIS	3546 HIGHWAY 138 SE		STOCKBRIDGE	GA	30281-4170	7705077169	6782899223	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	24	11-2784
CEDAR GREEN-GA			GREENVILLE	GA	30222	1234567890		In-Center Hemo	12	
CORDELE DIALYSIS CENTER	1013 E 16TH AVE		CORDELE	GA	31015-1539	2292730163	2292735849	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	11-2796
POOLER DIALYSIS	54 TRADERS WAY		POOLER	GA	31322-4158	9127481018	9127484187	In-Center Hemo, PD Services	16	11-2811
ROME DIALYSIS	20 RIVERBEND DR SW	STE 100	ROME	GA	30161-6066	7062369550	7062369308	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	21	11-2505
OAK STREET DIALYSIS	2704 N OAK ST	BLDG H	VALDOSTA	GA	31602-1723	2292474857	2292458658	In-Center Hemo, In-Center Hemo Self Care	23	11-2515
SOUTHERN LANE DIALYSIS	1840 SOUTHERN LN		DECATUR	GA	30033-4033	4043258884	4043258879	In-Center Hemo, In-Center Hemo Self Care	16	11-2596
CANDLER COUNTY DIALYSIS	325 CEDAR ST		METTER	GA	30439-4043	9126856604	9126855540	In-Center Hemo, In-Center Hemo Self Care	20	11-2624
JESUP DIALYSIS	301 PEACHTREE ST		JESUP	GA	31545-0245	9124278946	9124273164	In-Center Hemo, In-Center Hemo Self Care	16	11-2532
DOUGLAS DIALYSIS	190 WESTSIDE DR	STE A	DOUGLAS	GA	31533-3534	9123843439	9123836324	In-Center Hemo, In-Center Hemo Self Care, PD Services	23	11-2535
EASTLAKE DIALYSIS	1757 CANDLER RD		DECATUR	GA	30032-3276	4042892313	4042892450	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	11-2553

WYLDYS ROAD DIALYSIS	1815 WYLDYS RD		AUGUSTA	GA	30909-4430	7067330522	7067330432	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	11-2579
DOUGLASVILLE DIALYSIS	3899 LONGVIEW DR		DOUGLASVILLE	GA	30135-1373	7709498403	7709498406	In-Center Hemo, PD Services	20	11-2526
BRUNSWICK DIALYSIS	53 SCRANTON CONNECTOR		BRUNSWICK	GA	31525-1862	9122648657	9122656542	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	11-2514
ATLANTA DIALYSIS	567 NORTH AVE NE	STE 200	ATLANTA	GA	30308-2721	4048531662	4048533674	In-Center Hemo, PD Services	28	11-2561
ATLANTA EAST DIALYSIS	1308 MORELAND AVE SE		ATLANTA	GA	30316-3224	4046275511	4046275522	In-Center Hemo, In-Center Hemo Self Care	23	11-2611
BRUNSWICK SOUTH DIALYSIS	2930 SPRINGDALE RD		BRUNSWICK	GA	31520-4838	9122671507	9122679768	In-Center Hemo, In-Center Hemo Self Care	16	11-2608
THOMASTON DIALYSIS	1065 US HIGHWAY 19 NORTH		THOMASTON	GA	30286-2230	7066486364	7066483505	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD, PD Services	23	11-2557
PIEDMONT DIALYSIS	105 COLLIER RD NW	STE B BLDG 500	ATLANTA	GA	30309-1730	4043556055	4043528376	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, PD Services	21	11-2567
ATHENS WEST DIALYSIS	1747 LANGFORD DR		WATKINSVILLE	GA	30677-7370	7065831785	7065831943	In-Center Hemo, In-Center Hemo Self Care, PD Services	28	11-2513
ATLANTA AIRPORT DIALYSIS	2685 METROPOLITAN PKWY SW	STE F	ATLANTA	GA	30315-7926	4047612630	4047612618	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	11-2568
LAURENS COUNTY DIALYSIS	2400 BELLEVUE RD	STE 8	DUBLIN	GA	31021-2856	4782725190	4782752433	In-Center Hemo, In-Center Hemo Self Care, PD Services	26	11-2546
PONCE CITY DIALYSIS	567 NORTH AVE NE	STE 100	ATLANTA	GA	30308-2721	4047459580	4047459155	In-Center Hemo, In-Center Hemo Self Care	25	11-2562
NORTH FULTON DIALYSIS	1250 NORTHMEADOW PKWY 2538 MARTIN LUTHER KING JR DR SW	STE 120	ROSWELL	GA	30076-4914	7705692888	7705692861	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	11-2617
ATLANTA WEST DIALYSIS			ATLANTA	GA	30311-1779	4046991300	4046991144	In-Center Hemo	20	11-2643
BAXLEY DIALYSIS	539 FAIR ST		BAXLEY	GA	31513-0112	9123660202	9123660333	In-Center Hemo, In-Center Hemo Self Care	13	11-2638
FAYETTEVILLE DIALYSIS	1279 HIGHWAY 54 W	STE 110	FAYETTEVILLE	GA	30214-4551	6788179974	6788179930	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	11-2657
CUMMING DIALYSIS	911 MARKET PLACE BLVD	STE 3	CUMMING	GA	30041-7938	6785136486	6789475446	In-Center Hemo, In-Center Hemo Self Care	12	11-2681
ATLANTA SOUTH DIALYSIS	3158 EAST MAIN ST	STE A	EAST POINT	GA	30344-4800	4047615593	4047610622	In-Center Hemo, In-Center Hemo Self Care	18	11-2678
EFFINGHAM NORTH DIALYSIS	1451 GA HWY 21 S	STE A	SPRINGFIELD	GA	31329-5244	9127544289	9127546564	In-Center Hemo, In-Center Hemo Self Care	12	11-2661
WILLIAMS STREET DIALYSIS	2812 WILLIAMS ST		SAVANNAH	GA	31404-4134	9123545005	9123537509	In-Center Hemo, In-Center Hemo Self Care	20	11-2636
DERENNE DIALYSIS	5303 MONTGOMERY ST		SAVANNAH	GA	31405-5138	9123521354	9123527489	In-Center Hemo, In-Center Hemo Self Care, PD Services	26	11-2639
ABERCORN DIALYSIS	11706 MERCY BLVD	STE 9	SAVANNAH	GA	31419-1751	9129616006	9129619257	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	12	11-2631
MONTEZUMA DIALYSIS	114 DEVAUGHN AVE		MONTEZUMA	GA	31063-1708	4784727099	4784727128	In-Center Hemo, In-Center Hemo Self Care	12	11-2724
WRIGHTSVILLE DIALYSIS	2240 W ELM ST		WRIGHTSVILLE	GA	31096-2016	4788648701	4788648716	In-Center Hemo, In-Center Hemo Self Care	12	11-2725
LORING HEIGHTS DIALYSIS	1741 COMMERCE DR NW		ATLANTA	GA	30318-3107	4043515758	4043519470	In-Center Hemo, In-Center Hemo Self Care	20	11-2727
HINESVILLE DIALYSIS	522 ELMA G MILES PKWY		HINESVILLE	GA	31313-4021	9123684850	9123687247	In-Center Hemo, In-Center Hemo Self Care	16	11-2555
ST. MARY'S DIALYSIS	2714 OSBORNE RD		SAINT MARYS	GA	31558-4049	9128827507	9128827523	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	11-2558
AMERICUS DIALYSIS	227 N LEE ST		AMERICUS	GA	31709-3525	2299282257	2299280695	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	11-2528
KENNESTONE DIALYSIS	200 COBB PKWY N	STE 318	MARIETTA	GA	30062-3558	6787971110	6787971176	In-Center Hemo, PD Services	20	11-2810
SHAMROCK DIALYSIS	1016 CLAXTON DAIRY RD	STE 1A	DUBLIN	GA	31021-7971	4782754200	4782754225	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	11-2813
SUNRISE ON CENTRAL DIALYSIS	540 CENTRAL AVE		ATLANTA	GA	30312-2735	4045819314	4046814718	In-Center Hemo, PD Services, Nocturnal Hemo	19	11-2852
ARBOR PLACE DIALYSIS	9559 HIGHWAY 5	STE 1	DOUGLASVILLE	GA	30135-1573	6783910993	6783910977	In-Center Hemo	13	11-2807
GEORGIA DIALYSIS FOR ADOLESCENTS AND PEDIATRICS	4434 HUGH HOWELL RD		TUCKER	GA	30084-4905	7704917187	7704917192	In-Center Hemo, PD Services	16	11-2816
PEACHTREE CITY DIALYSIS	2830 W HWY 54	BLDG 100 STE J AND K	PEACHTREE CITY	GA	30269-1026	6783649165	6783649823	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	11-2815
CONYERS DIALYSIS	1501 MILSTEAD RD NE		CONYERS	GA	30012-3838	7707618097	7707618141	In-Center Hemo, PD Services	17	11-2828
MCAFEE DIALYSIS	1987 CANDLER RD	STE C	DECATUR	GA	30032-4212	4042848596	4042848595	In-Center Hemo, PD Services	20	11-2841
COLONIAL SPRINGS DIALYSIS	2840 EAST WEST CONNECTOR	STE 350	AUSTELL	GA	30106-6852	7702222236	7702224907	In-Center Hemo, PD Services	17	11-2829
WALTON COUNTY DIALYSIS	225 PLAZA DR		MONROE	GA	30655-3184	7702076942	7702676811	In-Center Hemo, PD Services	12	11-2863
MAGNOLIA OAKS DIALYSIS	2377 HWY 196 W		HINESVILLE	GA	31313-8036	9123682710	9123682714	In-Center Hemo, PD Services	20	11-2831
NORTH CARROLLTON DIALYSIS	195 PARKWOOD CIRCLE		CARROLLTON	GA	30117-8756	7708328959	7708328796	In-Center Hemo	12	11-2840
DARIEN DIALYSIS	5873 HIGHWAY 17		DARIEN	GA	31305-4015	9124371211	9124371244	In-Center Hemo	8	11-2848
LAKE HARTWELL DIALYSIS	1065 E FRANKLIN ST		HARTWELL	GA	30643-2205	7063763285	7063761674	In-Center Hemo, PD Services	8	11-2854
VALDOSTA HOME TRAINING	401 NORTHSIDE DR	STE A	VALDOSTA	GA	31602-1872	2292479286	2292479190	In-Center Hemo, PD Services	3	11-2857
ALBANY DIALYSIS	244 CORDELE RD	STE 165	ALBANY	GA	31705-2412	2294466412	2294837806	In-Center Hemo, PD Services	13	85-2519
SAVANNAH GATEWAY DIALYSIS	5973 OGEECHEE RD		SAVANNAH	GA	31419-8901	9129251920	9129252935	In-Center Hemo, PD Services	13	11-2859
MCDUFFIE DIALYSIS	621 MCNEIL CIRCLE		THOMSON	GA	30824-8060	7065953054	7065953907	In-Center Hemo	17	11-2855
MCFARLAND DIALYSIS	6225 ATLANTA HWY	STE 117	ALPHARETTA	GA	30004-8799	7705691275	7704751932	In-Center Hemo, PD Services	17	11-2870
OLD NATIONAL DIALYSIS	5615 OLD NATIONAL HWY	STE A	COLLEGE PARK	GA	30349-3817	4047629243	4047625304	In-Center Hemo, PD Services	17	11-2875
TRI COUNTY DIALYSIS	2540 FLAT SHOALS RD		ATLANTA	GA	30349-4314	7709916479	7709915206	In-Center Hemo, PD Services	17	11-2877
TURNER HILL DIALYSIS	7301 STONECREST CONCOURSE	STE 101	LITHONIA	GA	30038-6902	7704848475	7704848916	In-Center Hemo, PD Services	20	11-2866

WEST HIRAM DIALYSIS	76 HIGHLAND PAVILION CT	STE 129	HIRAM	GA	30141-3170	6783841180	6783840662	In-Center Hemo, PD Services	17	11-2867
BUCKHEAD HOME TRAINING (PD)	1575 NORTHSIDE DR NW	STE 355	ATLANTA	GA	30318-4210	4043521870	4043523107	PD Services	4	11-2851
SOUTH FULTON HOME TRAINING (PD)	1275 E CLEVELAND AVE	1ST FLR	EAST POINT	GA	30344-3433	4043059080	4043059084	PD Services	3	11-2880
COLUMBUS HOME TRAINING (PD/HHD)	1200 BROOKSTONE CENTRE PKWY	STE 111	COLUMBUS	GA	31904-2934	7063222935	7063174862	PD Services	4	11-2869
MERIWETHER GREENVILLE DIALYSIS	4130 WHITE HOUSE PKWY		WARM SPRINGS	GA	31830-2214	7066553642	7066553754	In-Center Hemo, PD Services	11	11-2881
VICTORY DIALYSIS	2401 SHELBY ST		COLUMBUS	GA	31903-3360	7066825327	7066826059	In-Center Hemo	12	11-2876
LOCUST GROVE DIALYSIS	521 STANLEY K TANGER BLVD		LOCUST GROVE	GA	30248-2591	7709141432	7709577565	In-Center Hemo, PD Services	12	11-2892
MONTREAL DIALYSIS	1901 MONTREAL RD		TUCKER	GA	30084-5245	7709389865	7704140284	In-Center Hemo	13	85-2536
QUITMAN DIALYSIS	101 E DAVIS ST		QUITMAN	GA	31643-1407	2292639483	2292636948	In-Center Hemo	12	85-2555
FLINT RIVER DIALYSIS	700 GORDON AVE		BAINBRIDGE	GA	39819-5713	2292460173	2292460177	In-Center Hemo	19	85-2553
CAIRO DIALYSIS	1182 5TH ST SE		CAIRO	GA	39828-3141	2293770852	2293778670	In-Center Hemo	12	85-2541
CAMILLA DIALYSIS	251 US HWY 19 N		CAMILLA	GA	31730-1410	2295222045	2295222049	In-Center Hemo	19	85-2540
RED HILLS DIALYSIS	201 OLD ALBANY RD		THOMASVILLE	GA	31792-4010	2292265931	2292265940	In-Center Hemo	41	85-2542
TROUP COUNTY DIALYSIS	140 GLENN BASS RD		LA GRANGE	GA	30240-5809	7068820193	7068821895	In-Center Hemo, PD Services	33	11-2858
MIDATLANTA HOME AT HOME	418 DECATUR ST SE	STE B	ATLANTA	GA	30312-1801	4046140641	4045243651	Home Hemo	5	11-2842
CARTERSVILLE RENAL CENTER	419 E MAIN ST		CARTERSVILLE	GA	30121-3349	6787211045	6787211252	In-Center Hemo, PD Services	13	11-2691
AUSTELL RENAL CENTER	3642 MARATHON CIR		AUSTELL	GA	30106-6821	7704394170	7704394252	In-Center Hemo	12	11-2825
NORTHWEST GEORGIA DIALYSIS	260 HOSPITAL RD		CANTON	GA	30114-2409	6788803939	7704799466	In-Center Hemo, Home Hemo, PD Services	19	11-2765
GREENSBORO DIALYSIS	1220 SILOAM RD		GREENSBORO	GA	30642-2810	7064537222	7064530022	In-Center Hemo, PD Services	15	11-2640
EAST COBB DIALYSIS	4880 LOWER ROSWELL RD	STE 770	MARIETTA	GA	30068-4375	7703210675	7705098283	In-Center Hemo	13	11-2572
CLASSIC CITY DIALYSIS	1686 PRINCE AVE		ATHENS	GA	30606-6021	7068507400	7068507404	In-Center Hemo, PD Services	20	11-2821
MILLER AT HOME	213 DELORES ST		COLQUITT	GA	39837-3528	2297581985	2297582555	Home Hemo	1	11-2898
EAST COBB AT HOME	4880 LOWER ROSWELL RD	STE 770	MARIETTA	GA	30068-4375	7703210675	7705098282	Home Hemo	1	11-2572
SAVANNAH RIVERSIDE DIALYSIS	540 E OGLETHORPE AVE		SAVANNAH	GA	31401-4121	9122363053	9122381024	In-Center Hemo, PD Services	16	11-2891
JESSE JEWELL DIALYSIS	1475 JESSE JEWELL PKWY NE	STE 110	GAINESVILLE	GA	30501-3802	7705387598	7705387632	In-Center Hemo	13	85-2538
BRASELTON DIALYSIS	1241 FRIENDSHIP RD	STE 130	BRASELTON	GA	30517-5609	7709656056	7709658185	In-Center Hemo	13	85-2514
NEWTON COUNTY DIALYSIS	10132 CARLIN DR		COVINGTON	GA	30014-3651	7703858008	7703857287	In-Center Hemo, PD Services	17	11-2883
SUMTER COUNTY DIALYSIS	1432 E FORSYTH ST		AMERICUS	GA	31709-3808	2299249709	2299246002	In-Center Hemo	12	11-2885
MILLER DIALYSIS	213 DELORES ST		COLQUITT	GA	39837-3528	2297581985	2297582555	In-Center Hemo, PD Services, Disaster Related Expenditures	12	11-2898
CHAPEL WOODS DIALYSIS	2460 WESLEY CHAPEL RD	STE 250	DECATUR	GA	30035-3420	7709871439	6784187948	In-Center Hemo	17	85-2510
SENOIA DIALYSIS	105 VILLAGE CIRCLE		SENOIA	GA	30276-3494	7705990242	7705993540	In-Center Hemo, PD Services	13	85-2518
TOWN PARK DIALYSIS	401 TOWN PARK BLVD		EVANS	GA	30809-3487	7068549502	7068559982	In-Center Hemo, Home Hemo, PD Services	16	85-2520
JEFFERSONVILLE II (NAME TO BE CHANGED)-GA			JEFFERSONVILLE	GA	31044	1234567890		In-Center Hemo, PD Services	12	
TARA BOULEVARD DIALYSIS	6540 TARA BLVD	STE 200	JONESBORO	GA	30236-1228	7709688279	7709688744	In-Center Hemo	20	85-2525
EAGLES LANDING DIALYSIS	270 VILLAGE CENTER PKWY		STOCKBRIDGE	GA	30281-9044	7703898255	7703893264	In-Center Hemo, PD Services	16	85-2543
CENTER HILL DIALYSIS	2045 DONALD LEE HOLLOWELL PKWY NW		ATLANTA	GA	30318-4701	4047921611	4047990816	In-Center Hemo	13	85-2527
ROCKBRIDGE DIALYSIS	8032 ROCKBRIDGE RD		LITHONIA	GA	30058-5882	6785268340	7704824671	In-Center Hemo, PD Services	13	85-2534
DULUTH DIALYSIS	3170 PEACHTREE INDUSTRIAL BLVD	STE 100	DULUTH	GA	30097-8615	7702325219	7704763730	In-Center Hemo, PD Services	13	85-2551
COWAN LAKE DIALYSIS	1950 HONEY CREEK COMMONS SE		CONYERS	GA	30094-3422	7709182563	7709182059	In-Center Hemo	13	85-2547
MACLAND DIALYSIS	4110 AUSTELL POWDER SPRINGS RD	STE 100	POWDER SPRINGS	GA	30127-2954	7704398775	7704398736	In-Center Hemo	17	85-2546
PANOLA DIALYSIS	5360 SNAPPINGER WOODS DR	STE 102	STONECREST	GA	30035-4046	7703221301	7703222491	In-Center Hemo, PD Services	20	85-2554
LILBURN DIALYSIS	4805 LAWRENCEVILLE HWY	STE 320B	LILBURN	GA	30047-3800	7703817544	7703819857	In-Center Hemo	17	85-2545
POPLAR DIALYSIS	2301 NEWNAN CROSSING BLVD	STE 180	NEWNAN	GA	30265-2542	7702532403	7702538092	In-Center Hemo	13	85-2560
THOMAS COUNTY HT AT HOME	708 S BROAD ST		THOMASVILLE	GA	31792-6107	2292264541	2292264545	Home Hemo	12	
NORTH ATLANTA HT AT HOME	980 JOHNSON FERRY RD	STE 410A	ATLANTA	GA	30342-1626	4042563537	4042563541	Home Hemo	1	
RAINBOW-WAILUKU DIALYSIS	80 MAHALANI ST		WAILUKU	HI	96793-2531	8082980555	8086334884	In-Center Hemo, PD Services, Nocturnal Hemo	11	12-2526
RAINBOW DIALYSIS-LAHAINA	305 KEAWE ST	STE 503	LAHAINA	HI	96761-2734	8086618372	8086619484	In-Center Hemo	6	12-2528
HARLAN DIALYSIS	1213 GARFIELD AVE		HARLAN	IA	51537-2057	7127554257	7127552398	In-Center Hemo, In-Center Hemo Self Care	6	16-2528
SHENANDOAH DIALYSIS	300 PERSHING AVE		SHENANDOAH	IA	51601-2355	7122465220	7122465226	In-Center Hemo, In-Center Hemo Self Care	12	16-2527
CENTRAL DES MOINES DIALYSIS	1215 PLEASANT ST	STE 106	DES MOINES	IA	50309-1409	5152415715	5152415782	In-Center Hemo	20	16-2501
WEST DES MOINES DIALYSIS	6800 LAKE DR	STE 185	WEST DES MOINES	IA	50266-2544	5152212944	5152211903	In-Center Hemo, PD Services	10	16-2506
CRESTON DIALYSIS	1700 W TOWNLINE ST		CRESTON	IA	50801-1054	6417825202	6417825228	In-Center Hemo	8	16-2514
ATLANTIC DIALYSIS	1500 E 10TH ST		ATLANTIC	IA	50022-1935	7122437485	7122437486	In-Center Hemo	6	16-2520
NEWTON DIALYSIS	204 N 4TH AVE E	STE 134	NEWTON	IA	50208-3135	6417922600	6417922701	In-Center Hemo	8	16-2523
BUCHANAN COUNTY DIALYSIS	1600 1ST ST E		INDEPENDENCE	IA	50644-3155	3193347437	3193347414	In-Center Hemo	12	16-2544
CEDAR VALLEY WAVERLY DIALYSIS	220 10th ST SW		WAVERLY	IA	50677-2930	3193528019	3193528032	In-Center Hemo	16	16-2542
BLACK HAWK DIALYSIS	3421 W 9TH ST		WATERLOO	IA	50702-5401	3192728700	3192728695	In-Center Hemo	18	16-2541

CEDAR VALLEY DIALYSIS	1661 W RIDGEWAY AVE		WATERLOO	IA	50701-4541	3192266425	3192266421	In-Center Hemo, PD Services	24	16-2516
WEST UNION DIALYSIS	405 HIGHWAY 150 N		WEST UNION	IA	52175-1003	5634225734	5634225830	In-Center Hemo	16	16-2526
RIVERPOINT DIALYSIS UNIT	501 SW 7TH ST	STE B	DES MOINES	IA	50309-4538	5152831300	5152831316	In-Center Hemo, PD Services	16	16-2529
EAST DES MOINES DIALYSIS	1301 PENNSYLVANIA AVE	STE 208	DES MOINES	IA	50316-2365	5152625995	5152628350	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	16-2533
PERRY DIALYSIS	610 10TH ST	STE L100	PERRY	IA	50220-2221	5154652657	5154652874	In-Center Hemo	8	16-2534
COUNCIL BLUFFS DIALYSIS CENTER	300 W BROADWAY	STE 150	COUNCIL BLUFFS	IA	51503-9077	7123880261	7123880269	In-Center Hemo, PD Services	24	16-2539
PELLA DIALYSIS	1117 HAZEL ST		PELLA	IA	50219-1338	6416288826	6416288830	In-Center Hemo, PD Services	9	16-2566
GRUNDY CENTER DIALYSIS	101 E J AVENUE		GRUNDY CENTER	IA	50638-2031	3198254730	3198254733	In-Center Hemo	8	16-2545
CEDAR RAPIDS DIALYSIS	5945 COUNCIL ST NE		CEDAR RAPIDS	IA	52402-5858	3192947088	3192944196	In-Center Hemo, PD Services	12	16-2552
SIOUX CITY DIALYSIS	5865 SUNNYBROOK DR		SIOUX CITY	IA	51106-4203	7122748068	7122763877	In-Center Hemo, PD Services	12	16-2561
GREEN COUNTRY DIALYSIS	5250 UTICA RIDGE RD		DAVENPORT	IA	52807-3872	5633557913	5633554007	In-Center Hemo, PD Services	12	16-2554
ANKENY DIALYSIS	2625 N ANKENY BLVD		ANKENY	IA	50023-4704	5159633174	5159643620	In-Center Hemo, PD Services	12	16-2557
FIVE SEASONS DIALYSIS	1002 4TH AVE SE	STE A	CEDAR RAPIDS	IA	52403-2425	3193631538	3193640982	In-Center Hemo	16	16-2558
OTTUMWA DIALYSIS	1005 PENNSYLVANIA AVE	STE 101	OTTUMWA	IA	52501-6408	6416821531	6416820794	In-Center Hemo	12	16-2560
AMES MARY GREELEY DIALYSIS	2322 E 13TH ST		AMES	IA	50010-5669	5152396800	5152338151	In-Center Hemo, PD Services	16	16-2549
MARSHALLTOWN MARY GREELEY DIALYSIS	3120 S 2ND ST		MARSHALLTOWN	IA	50158-4614	6417521819	6417524836	In-Center Hemo	24	16-2548
IOWA FALLS MARY GREELEY DIALYSIS	701 WASHINGTON AVE	STE E	IOWA FALLS	IA	50126-2109	6416485241	6416483628	In-Center Hemo	8	16-2547
EA MOTTO DIALYSIS	1228 E RUSHOLME ST	STE 1000	DAVENPORT	IA	52803-2467	5633220101	5633222092	In-Center Hemo	24	16-2559
WINDSOR HEIGHTS DIALYSIS	1119 73RD ST		WINDSOR HEIGHTS	IA	50324-1313	5152749303	5152556418	In-Center Hemo	12	16-2567
RENAL CENTER OF FORT DODGE	2520 9TH AVE SOUTH		FORT DODGE	IA	50501-5440	5155746200	5155746078	In-Center Hemo, PD Services	16	16-2550
RENAL CENTER OF STORM LAKE	1426 LAKE AVE		STORM LAKE	IA	50588-1910	7127326900	7127326906	In-Center Hemo, PD Services	16	16-2518
CEDAR RAPIDS AT HOME	5945 COUNCIL ST N E		CEDAR RAPIDS	IA	52402-5858	3192947088	3192944196	Home Hemo	1	
TREASURE VALLEY DIALYSIS CENTER	3045 E ST LUKES ST	STE 105	MERIDIAN	ID	83642-3507	2088872174	2088879437	In-Center Hemo	17	13-2513
NAMPA DIALYSIS CENTER	846 PARKCENTRE WAY		NAMPA	ID	83651-1790	2084675180	2084674475	In-Center Hemo, Home Hemo, In-Center Hemo Self Care	15	13-2501
TABLE ROCK DIALYSIS CENTER	5610 W GAGE ST	STE B	BOISE	ID	83706-1332	2086588111	2086588127	In-Center Hemo	25	13-2502
TWIN FALLS DIALYSIS CENTER	582 POLE LINE RD		TWIN FALLS	ID	83301-3042	2087332006	2087332051	In-Center Hemo	24	13-2505
BURLEY DIALYSIS CENTER	741 N OVERLAND AVE		BURLEY	ID	83318-3440	2086775483	2086775498	In-Center Hemo, Home Hemo	12	13-2503
GATE CITY DIALYSIS CENTER	2001 BENCH RD		POCATELLO	ID	83201-2033	2086371090	2086370750	In-Center Hemo, In-Center Hemo Self Care	18	13-2506
SNAKE RIVER DIALYSIS CENTER	1491 PARKWAY DR		BLACKFOOT	ID	83221-1667	2087851720	2087851709	In-Center Hemo	14	13-2524
CALDWELL DIALYSIS CENTER	4716 BEACON LN		CALDWELL	ID	83605-4834	2084548260	2084548204	In-Center Hemo	12	13-2518
TAYLOR CROSSING DIALYSIS	900 PANCHERI DR	STE B	IDAHO FALLS	ID	83402-3310	2085241336	2085247452	In-Center Hemo	14	
MOSCOW DIALYSIS	212 RODEO DR	STE 110	MOSCOW	ID	83843-9791	2088825925	2088825926	In-Center Hemo, In-Center Hemo Self Care, PD Services	8	13-2521
TREASURE VALLEY AT HOME	3045 E ST LUKES ST	STE 105	MERIDIAN	ID	83642-6303	2088872174	2088879437	Home Hemo	1	
FRUITLAND DIALYSIS	815 NW 13TH ST		FRUITLAND	ID	83619-2316	2084523600	2084523609	In-Center Hemo	12	13-2533
LOGAN SQUARE DIALYSIS	2838 N KIMBALL AVE		CHICAGO	IL	60618-7524	7733423738	7733428186	In-Center Hemo, In-Center Hemo Self Care	28	14-2534
LAKE COUNTY DIALYSIS SERVICES	565 LAKEVIEW PKWY	STE 176	VERNON HILLS	IL	60061-1822	8479180592	8475491281	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	18	14-2552
LINCOLN PARK DIALYSIS	2484 N ELSTON AVE		CHICAGO	IL	60647-2002	7732784403	7734896986	In-Center Hemo, In-Center Hemo Self Care	25	14-2528
TRC CHILDREN'S DIALYSIS CENTER	1333 N KINGSBURY ST		CHICAGO	IL	60642-2687	3126422631	3126422695	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD, PD Services	8	14-2604
EMERALD DIALYSIS	710 W 43RD ST		CHICAGO	IL	60609-3435	7738435668	7735238225	In-Center Hemo, In-Center Hemo Self Care	24	14-2529
OLYMPIA FIELDS DIALYSIS CENTER	4557 LINCOLN HWY	STE B	MATTESON	IL	60443-2385	7085031112	7085031116	In-Center Hemo, In-Center Hemo Self Care	24	14-2548
CHICAGO HEIGHTS DIALYSIS	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	IL	60411-1733	7087559000	7087559017	In-Center Hemo	16	14-2635
STONY CREEK DIALYSIS	6246 W 95TH ST		OAK LAWN	IL	60453-2702	7082339027	7082339429	In-Center Hemo, In-Center Hemo Self Care	14	14-2661
BEVERLY DIALYSIS	8109 SOUTH WESTERN AVE		CHICAGO	IL	60620-5939	7737780173	7737780193	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	14-2638
MONTCLARE DIALYSIS CENTER	7009 W BELMONT AVE		CHICAGO	IL	60634-4533	7738896051	7738896030	In-Center Hemo, In-Center Hemo Self Care	16	14-2649
MT GREENWOOD DIALYSIS	3401 W 111TH ST		CHICAGO	IL	60655-3329	7734450558	7734450829	In-Center Hemo	16	14-2660
LAKE VILLA DIALYSIS	37809 N IL ROUTE 59		LAKE VILLA	IL	60046-7332	8472454872	8472454873	In-Center Hemo, In-Center Hemo Self Care	12	14-2666
LITTLE VILLAGE DIALYSIS	2335 W CERMAK RD		CHICAGO	IL	60608-3811	7735232939	7735233797	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	14-2668
KANKAKEE COUNTY DIALYSIS	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	IL	60914-2439	8159363088	8159363756	In-Center Hemo, In-Center Hemo Self Care	14	14-2685
WEST SIDE DIALYSIS	1600 W 13TH ST	STE 3	CHICAGO	IL	60608-1306	3122439286	3127332466	In-Center Hemo	12	14-2783
NORWOOD PARK DIALYSIS	7435 W TALCOTT AVE		CHICAGO	IL	60631-3707	7739907620	7735947964	In-Center Hemo	14	14-2851
HARVEY DIALYSIS	16641 S HALSTED ST	STE A	HARVEY	IL	60426-6174	7082109500	7082109510	In-Center Hemo	18	14-2698
GRAND CROSSING DIALYSIS	7319 S COTTAGE GROVE AVE		CHICAGO	IL	60619-1909	7737833491	7737836046	In-Center Hemo	12	14-2728
BIG OAKS DIALYSIS	5623 W TOUHY AVE		NILES	IL	60714-4019	8476473140	8476475006	In-Center Hemo	12	14-2712
WEST LAWN DIALYSIS	7000 S PULASKI RD		CHICAGO	IL	60629-5842	7732845324	7732845616	In-Center Hemo	12	14-2719
PALOS PARK DIALYSIS	13155 S LA GRANGE RD		ORLAND PARK	IL	60462-1162	7089230928	7089230945	In-Center Hemo	12	14-2732
BARRINGTON CREEK DIALYSIS (Chronic Only)	28160 W NORTHWEST HWY		LAKE BARRINGTON	IL	60010-2324	8473811325	8473811793	In-Center Hemo	12	14-2736
LAWNDALE DIALYSIS	3934 W 24TH ST		CHICAGO	IL	60623-3371	7732770578	7735421381	In-Center Hemo	16	14-2768
NEW LENOX HOME TRAINING	1890 SILVER CROSS BLVD	STE 465	NEW LENOX	IL	60451-9545	8154624258	8154624290	PD Services	3	14-2785

FLOSSMOOR HOME DIALYSIS	19720 GOVERNORS HWY	STE 2	FLOSSMOOR	IL	60422-2075	7087997239	7087991252	PD Services	4	14-2775
IRVING PARK DIALYSIS	4323 N PULASKI RD		CHICAGO	IL	60641-2155	7732798714	7732798624	In-Center Hemo	12	14-2840
CHICAGO RIDGE DIALYSIS	10511 S HARLEM AVE		CHICAGO RIDGE	IL	60415-1291	7083612863	7083612954	In-Center Hemo	16	14-2793
CRYSTAL SPRINGS DIALYSIS	720 COG CIRCLE	STE A	CRYSTAL LAKE	IL	60014-7301	8154594945	8154594836	In-Center Hemo	16	14-2716
COBBLESTONE DIALYSIS	836 DUNDEE AVE	STE A	ELGIN	IL	60120-3068	8478889386	8478889394	In-Center Hemo	16	14-2715
KENWOOD DIALYSIS	4259 S COTTAGE GROVE AVE	STE 100	CHICAGO	IL	60653-2929	7732853621	7739245670	In-Center Hemo, Nocturnal Hemo	32	14-2717
STONY ISLAND DIALYSIS	8725 S STONY ISLAND AVE		CHICAGO	IL	60617-2709	7732217320	7732217410	In-Center Hemo	32	14-2718
WOODLAWN DIALYSIS	5060 S STATE ST		CHICAGO	IL	60609-5328	7732851840	7732853485	In-Center Hemo	32	14-2721
RENAL CENTER WEST JOLIET	1051 ESSINGTON RD	STE 160	JOLIET	IL	60435-2893	8157253275	8157253833	In-Center Hemo, PD Services	29	14-2742
RENAL CENTER NEW LENOX	1890 SILVER CROSS BVLD	PAVILION A STE 150	NEW LENOX	IL	60451-9528	8153203049	8153203241	In-Center Hemo	19	14-2741
MORRIS DIALYSIS	1551 CREEK DR		MORRIS	IL	60450-6857	8154160475	8154160547	In-Center Hemo	9	14-2740
ARLINGTON HEIGHTS RENAL CENTER	17 W GOLF RD		ARLINGTON HEIGHTS	IL	60005-3905	8474372188	8474371891	In-Center Hemo	20	14-2628
HAZEL CREST RENAL CENTER	3470 W 183RD ST		HAZEL CREST	IL	60429-2428	7087993101	7087993320	In-Center Hemo, Nocturnal Hemo	20	14-2622
LOOP RENAL CENTER	1101 S CANAL ST		CHICAGO	IL	60607-4901	3123412543	3123419498	In-Center Hemo	28	14-2505
COUNTRY HILLS DIALYSIS	4215 W 167TH ST		COUNTRY CLUB HILLS	IL	60478-2017	7082061845	7089577521	In-Center Hemo	24	14-2575
SOUTH HOLLAND RENAL CENTER	16110 LA SALLE ST		SOUTH HOLLAND	IL	60473-1299	7083317697	7083317698	In-Center Hemo	24	14-2544
WAUKEGAN RENAL CENTER	3350 GRAND AVE	STE 100	WAUKEGAN	IL	60085-2206	8477820640	8475999563	In-Center Hemo	24	14-2577
BUFFALO GROVE DIALYSIS	1291 W DUNDEE RD		BUFFALO GROVE	IL	60089-4009	8472539400	8472539484	In-Center Hemo	16	14-2650
EVANSTON RENAL CENTER	1922 DEMPSTER ST		EVANSTON	IL	60202-1016	8478695336	8478695313	In-Center Hemo	18	14-2511
SCHAUMBURG RENAL CENTER	1156 S ROSELLE RD		SCHAUMBURG	IL	60193-4072	8475244310	8475244311	In-Center Hemo	22	14-2654
CARPENTERSVILLE DIALYSIS	2203 RANDALL RD		CARPENTERSVILLE	IL	60110-3355	8474266456	8474264795	In-Center Hemo	13	14-2598
MARENGO CITY DIALYSIS	910 GREENLEE ST	STE B	MARENGO	IL	60152-8200	8155685800	8155685900	In-Center Hemo	13	14-2643
GARFIELD KIDNEY CENTER	414 N HOMAN AVE		CHICAGO	IL	60624-3350	7732650750	7738266429	In-Center Hemo	16	14-2777
FLOSSMOOR HOME AT HOME	19720 GOVERNORS HWY	STE 2	FLOSSMOOR	IL	60422-2075	7087997239	7087991252	Home Hemo	1	14-2775
ALSIP HOME TRAINING (PD)	11500 S PULASKI RD		ALSIP	IL	60803-1610	7083857145	7083857487	PD Services	4	14-2808
HUNTLEY DIALYSIS	10370 HALIGUS RD	STE 100	HUNTLEY	IL	60142-9582	8476698145	8476698165	In-Center Hemo	12	14-2828
TINLEY PARK DIALYSIS	16767 80TH AVE		TINLEY PARK	IL	60477-2361	7084294738	7084294984	In-Center Hemo	12	14-2810
PARK MANOR DIALYSIS	9505 S COLFAX AVE		CHICAGO	IL	60617-4976	7739785446	7739785549	In-Center Hemo	16	14-2831
CALUMET CITY DIALYSIS	1200 SIBLEY BLVD		CALUMET CITY	IL	60409-2327	7088626454	7088626540	In-Center Hemo	16	14-2817
WASHINGTON HEIGHTS DIALYSIS	10620 S HALSTED ST		CHICAGO	IL	60628-2310	7737798149	7737798195	In-Center Hemo	16	14-2835
BRIGHTON PARK DIALYSIS	4737 S CALIFORNIA AVE		CHICAGO	IL	60632-2015	7736509026	7735232468	In-Center Hemo	16	
SALT CREEK DIALYSIS	196 WEST NORTH AVE		VILLA PARK	IL	60181-1226	6302793350	6302793378	In-Center Hemo, Home Hemo, PD Services	12	14-2855
GENEVA CROSSING DIALYSIS	546 S SCHMALE RD		CAROL STREAM	IL	60188-2419	6302604086	6302604116	In-Center Hemo, Home Hemo, PD Services	12	
FORD CITY DIALYSIS	8159 S CICERO AVE		CHICAGO	IL	60652-2017	7737358820	7738555536	In-Center Hemo	12	14-2854
MANTENO DIALYSIS	1 E DIVISION ST		MANTENO	IL	60950-1507	8154688944	8154688993	In-Center Hemo, PD Services	15	14-2671
KANKAKEE RIVER DIALYSIS	455 W COURT ST	STE 100	KANKAKEE	IL	60901-3692	8159372470	8159378743	In-Center Hemo, PD Services	24	14-2850
SUN HEALTH DIALYSIS	2121 ONEIDA ST	STE 104	JOLIET	IL	60435-6546	8157257886	8157257876	In-Center Hemo	17	14-2553
GLEN DIALYSIS	2601 COMPASS RD	STE 145	GLENVIEW	IL	60026-8089	8476577574	8476578022	In-Center Hemo	16	14-2746
GRANITE CITY DIALYSIS CENTER	9 AMERICAN VLG		GRANITE CITY	IL	62040-3706	6184525858	6184526868	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	14-2537
SAUGET DIALYSIS	2061 GOOSE LAKE RD		SAUGET	IL	62206-2822	6183327801	6183327815	In-Center Hemo, In-Center Hemo Self Care	24	14-2561
CHURCHVIEW DIALYSIS	417 WARE AVE		ROCKFORD	IL	61107-6413	8153974123	8153973059	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	14-2640
FREERPORT DIALYSIS	1028 S KUNKLE BLVD		FREERPORT	IL	61032-6914	8152322477	8152330824	In-Center Hemo, In-Center Hemo Self Care	10	14-2642
ROCKFORD DIALYSIS	3339 N ROCKTON AVE		ROCKFORD	IL	61103-2839	8156364493	8156374814	In-Center Hemo, In-Center Hemo Self Care	22	14-2647
WHITESIDE DIALYSIS	4406 E LINCOLNWAY		STERLING	IL	61081-9749	8155350447	8155359474	In-Center Hemo, In-Center Hemo Self Care	15	14-2648
BENTON DIALYSIS	1151 ROUTE 14 W		BENTON	IL	62812-1500	6184354850	6184354852	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	14-2608
CENTRALIA DIALYSIS	1231 STATE ROUTE 161		CENTRALIA	IL	62801-6739	6185332535	6185333911	In-Center Hemo, PD Services	14	14-2609
MARION DIALYSIS	324 S 4TH ST		MARION	IL	62959-1241	6189978410	6189978415	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	13	14-2570
MOUNT VERNON DIALYSIS	4102 N WATER TOWER PL		MOUNT VERNON	IL	62864-6583	6182443407	6182426137	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	14-2541
METRO EAST DIALYSIS	5105 W MAIN ST		BELLEVILLE	IL	62226-4728	6182339018	6182335647	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	36	14-2527
OLNEY DIALYSIS CENTER	117 N BOONE ST		OLNEY	IL	62450-2109	6183934234	6183934614	In-Center Hemo, In-Center Hemo Self Care	7	14-2674
MARYVILLE DIALYSIS	2102 VADALABENE DR	STE 1	MARYVILLE	IL	62062-5632	6182881196	6182881294	In-Center Hemo, In-Center Hemo Self Care	16	14-2634
ROXBURY DIALYSIS CENTER	622 ROXBURY RD		ROCKFORD	IL	61107-5089	8153970713	8153970796	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	16	14-2665
DIXON KIDNEY CENTER	1131 N GALENA AVE		DIXON	IL	61021-1015	8152840595	8152840547	In-Center Hemo, In-Center Hemo Self Care, PD Services, Acute Hemo 1:1	13	14-2651
SYCAMORE DIALYSIS	2200 GATEWAY DR		SYCAMORE	IL	60178-3113	8157580205	8157580244	In-Center Hemo, In-Center Hemo Self Care	14	14-2639
WAYNE COUNTY DIALYSIS	303 NW 11TH ST	STE 1	FAIRFIELD	IL	62837-1203	6188427204	6188427279	In-Center Hemo, In-Center Hemo Self Care, PD Services	8	14-2688

EDWARDSVILLE DIALYSIS	235 S BUCHANAN ST		EDWARDSVILLE	IL	62025-2108	6186929217	6186929439	In-Center Hemo	8	14-2701
VANDALIA DIALYSIS	301 MATTES AVE		VANDALIA	IL	62471-2061	6182831366	6182831390	In-Center Hemo, In-Center Hemo Self Care, PD Services	8	14-2693
MACON COUNTY DIALYSIS	1090 W MCKINLEY AVE		DECATUR	IL	62526-3208	2178779351	2178772137	In-Center Hemo, In-Center Hemo Self Care	23	14-2584
EFFINGHAM DIALYSIS	904 MEDICAL PARK DR	STE 1	EFFINGHAM	IL	62401-2193	2173429558	2173421049	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	14-2580
JACKSONVILLE DIALYSIS	1515 W WALNUT ST		JACKSONVILLE	IL	62650-1150	2172433042	2172431365	In-Center Hemo, In-Center Hemo Self Care	14	14-2581
LITCHFIELD DIALYSIS	915 ST FRANCIS WAY		LITCHFIELD	IL	62056-1775	2173242200	2173242077	In-Center Hemo, In-Center Hemo Self Care	12	14-2583
MATTOON DIALYSIS	6051 DEVELOPMENT DR		CHARLESTON	IL	61920-9467	2173452550	2173455770	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	14-2585
SPRINGFIELD CENTRAL DIALYSIS	600 N GRAND AVE W		SPRINGFIELD	IL	62702-2538	2175280556	2175284065	In-Center Hemo, In-Center Hemo Self Care	21	14-2586
TAYLORVILLE DIALYSIS	901 W SPRESSER ST		TAYLORVILLE	IL	62568-1831	2178245460	2178245967	In-Center Hemo, In-Center Hemo Self Care	12	14-2587
LINCOLN DIALYSIS	2100 5TH ST		LINCOLN	IL	62656-9115	2177326798	2177327076	In-Center Hemo, In-Center Hemo Self Care	14	14-2582
SPRINGFIELD MONTVALE DIALYSIS	2930 MONTVALE DR	STE A	SPRINGFIELD	IL	62704-5376	2177932781	2177932845	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	17	14-2590
DECATUR EAST WOOD DIALYSIS	794 E WOOD ST		DECATUR	IL	62523-1155	2174256403	2174258724	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	14-2599
ALTON DIALYSIS	309 HOMER ADAMS PKWY		ALTON	IL	62002-5929	6184620186	6184620213	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	14-2619
RUSHVILLE DIALYSIS	112 SULLIVAN DRIVE		RUSHVILLE	IL	62681-1293	2173222652	2173224893	In-Center Hemo, In-Center Hemo Self Care	8	14-2620
ILLINOIS RENAL DIALYSIS	1004 W ANTHONY DR		CHAMPAIGN	IL	61821-1205	2173557020	2173557313	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	14-2633
ROBINSON DIALYSIS	1215 N ALLEN ST	STE B	ROBINSON	IL	62454-1100	6185447092	6185447370	In-Center Hemo	9	14-2714
SPRINGFIELD SOUTH DIALYSIS	2930 S 6TH ST		SPRINGFIELD	IL	62703-5944	2175281745	2175288972	In-Center Hemo, PD Services	12	14-2733
DRIFTWOOD DIALYSIS	1808 S WEST AVE		FREEPORT	IL	61032-6712	8152320295	8152321635	In-Center Hemo, PD Services	10	14-2747
SHILOH DIALYSIS	1095 N GREEN MOUNT RD		BELLEVILLE	IL	62221-3303	6186281108	6186281459	In-Center Hemo, PD Services	16	14-2753
RED BUD DIALYSIS	1500 E MARKET ST	LOT 4	RED BUD	IL	62278-2143	6182823444	6182823578	In-Center Hemo, PD Services	8	14-2772
MOLINE HOME TRAINING PD	4650 38TH AVE		MOLINE	IL	61265-6706	3097364260	3097364296	PD Services	2	14-2762
TAZEWELL COUNTY DIALYSIS	1021 COURT ST	STE A	PEKIN	IL	61554-4807	3094781000	3093461369	In-Center Hemo, PD Services	8	14-2767
TIMBER CREEK DIALYSIS	1001 S ANNIE GLIDDEN RD		DEKALB	IL	60115-8250	8157483074	8157483148	In-Center Hemo	12	14-2763
ADAMS COUNTY DIALYSIS	436 N 10TH ST		QUINCY	IL	62301-2601	2172237913	2172231369	In-Center Hemo, Acute Hemo 1:1, PD Services	18	14-2711
PITTSFIELD DIALYSIS	640 W WASHINGTON ST		PITTSFIELD	IL	62363-1350	2172852780	2172854549	In-Center Hemo	5	14-2708
JERSEYVILLE DIALYSIS	917 S STATE ST		JERSEYVILLE	IL	62052-2344	6184989532	6184981012	In-Center Hemo, PD Services	17	14-2636
STONECREST DIALYSIS	1302 E STATE ST		ROCKFORD	IL	61104-2228	8159685794	8159688669	In-Center Hemo	12	14-2615
ALTON AT HOME	309 HOMER ADAMS PKWY		ALTON	IL	62002-5929	6184620186	6184620213	Home Hemo	1	
DIXON KIDNEY AT HOME	1131 N GALENA AVE		DIXON	IL	61021-1015	8152840595	8152840547	Home Hemo	1	14-2651
BELVIDERE DIALYSIS	1751 HENRY LUCKOW LN		BELVIDERE	IL	61008-1702	8155440311	8155449292	In-Center Hemo	12	142795
VERMILION COUNTY DIALYSIS	26 E WEST NEWELL RD		DANVILLE	IL	61834-7488	2174311470	2174311753	In-Center Hemo	12	14-2812
MACHESNEY PARK DIALYSIS	7170 N PERRYVILLE RD		MACHESNEY PARK	IL	61115-7700	8158858132	8158858178	In-Center Hemo	12	14-2806
MONTGOMERY COUNTY DIALYSIS	1822 SENATOR MILLER DR		HILLSBORO	IL	62049-2401	2175323000	2175323009	In-Center Hemo, PD Services	8	14-2813
FOREST CITY DIALYSIS	198 N SPRINGFIELD AVE		ROCKFORD	IL	61101-5086	8159628914	8159628952	In-Center Hemo	12	14-2825
O'FALLON DIALYSIS	1941 FRANK SCOTT PKWY E	STE B	SHILOH	IL	62269-7387	6186220592	6186220650	In-Center Hemo	12	14-2818
COLLINSVILLE DIALYSIS	101 LANTER CT		COLLINSVILLE	IL	62234-6124	6183442016	6183442102	In-Center Hemo	8	14-2822
FOXPOINT DIALYSIS	1300 SCHAEFER RD	STE J	GRANITE CITY	IL	62040-6859	6184518730	6184518738	In-Center Hemo	12	14-2838
EDGEMONT DIALYSIS	8 VIEUX CARRE DR		EAST SAINT LOUIS	IL	62203-1923	6183983809	6183983881	In-Center Hemo	12	14-2847
COMPREHENSIVE RENAL CARE-GARY	4802 BROADWAY		GARY	IN	46408-4509	2198871199	2198871605	In-Center Hemo, Home Hemo, In-Center Hemo Self Care	40	15-2521
COMPREHENSIVE RENAL CARE-HAMMOND	222 DOUGLAS ST		HAMMOND	IN	46320-1960	2199321199	2199322393	In-Center Hemo, In-Center Hemo Self Care	32	15-2522
COMPREHENSIVE RENAL CARE-VALPARAISO	606 LINCOLNWAY		VALPARAISO	IN	46383-5728	2195311299	2195311094	In-Center Hemo, In-Center Hemo Self Care	22	15-2527
COMPREHENSIVE RENAL CARE-MICHIGAN CITY	9836 WEST 400 NORTH		MICHIGAN CITY	IN	46360-2910	2198781989	2198789569	In-Center Hemo, In-Center Hemo Self Care	16	15-2546
COMPREHENSIVE RENAL CARE-MUNSTER	9100 CALUMET AVE		MUNSTER	IN	46321-2806	2198361299	2198369447	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	15-2549
COMPREHENSIVE RENAL CARE-EAST CHICAGO	4320 FIR ST	UNIT 404	EAST CHICAGO	IN	46312-3078	2193971199	2193971625	In-Center Hemo, In-Center Hemo Self Care	12	15-2561
MERRILLVILLE DIALYSIS	9223 TAFT ST		MERRILLVILLE	IN	46410-6911	2197939035	2197939171	In-Center Hemo, In-Center Hemo Self Care	16	15-2581
LA PORTE DIALYSIS	1406 E LINCOLNWAY	STE A	LA PORTE	IN	46350-8047	2193243080	2193249528	In-Center Hemo, Home Hemo, PD Services	12	15-2684
WESTVIEW DIALYSIS	3749 COMMERCIAL DR	LAFAYETTE PLACE SHOPPING CENTER	INDIANAPOLIS	IN	46222-1676	3172994693	3172995461	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	17	15-2596
FRANKLIN DIALYSIS	1140 W JEFFERSON ST	STE A	FRANKLIN	IN	46131-2101	3177364304	3177365787	In-Center Hemo, In-Center Hemo Self Care, PD Services	14	152603
WHITewater VALLEY DIALYSIS	2302 CHESTER BLVD		RICHMOND	IN	47374-1221	7659355128	7659355749	In-Center Hemo, PD Services	12	15-2680
CHESTERTON DIALYSIS	711 PLAZA DR	STE 6	CHESTERTON	IN	46304-5506	2199266049	2199299201	In-Center Hemo, In-Center Hemo Self Care	12	15-2628
INDY SOUTH DIALYSIS	972 EMERSON PKWY	STE E	GREENWOOD	IN	46143-6202	3178810641	3178815451	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	15-2616
CARMEL DIALYSIS	180 E CARMEL DR		CARMEL	IN	46032-2633	3175758916	3175759136	In-Center Hemo, PD Services	12	15-2620
HOOSIER HILLS DIALYSIS	143 S KINGSTON DR		BLOOMINGTON	IN	47408-6342	8123331697	8123331945	In-Center Hemo, PD Services	12	15-2642



PORTAGE DIALYSIS	5823 US HIGHWAY 6		PORTAGE	IN	46368-4851	2197640564	2197640809	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	15-2630
ST. JOHN DIALYSIS	10033 WICKER AVE	STE 6	SAINT JOHN	IN	46373-8777	2193655043	2193655385	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	15-2627
INDY EAST DIALYSIS	1208 N ARLINGTON AVE		INDIANAPOLIS	IN	46219-3203	3173536315	3173536358	In-Center Hemo, PD Services, Nocturnal Hemo	16	15-2661
AVON DIALYSIS	9210 ROCKVILLE RD	STE D	INDIANAPOLIS	IN	46234-2670	3172092544	3172092741	In-Center Hemo, PD Services	12	15-2645
PAOLI DIALYSIS	555 WEST LONGEST ST		PAOLI	IN	47454-9670	8127233571	8127234823	In-Center Hemo, PD Services	12	15-2652
CARMEL HEALTH AND LIVING DIALYSIS	118 MEDICAL DR	STE 114	CARMEL	IN	46032-2923	3178449045	3178449097	In-Center Hemo	6	15-2650
SUMMIT CITY DIALYSIS	3233 E COUSEUM BLVD		FORT WAYNE	IN	46805-1561	2603731599	2603731555	In-Center Hemo	24	15-2653
FORT WAYNE SOUTH DIALYSIS	302 E PETTIT AVE		FORT WAYNE	IN	46806-3007	2604560451	2604589269	In-Center Hemo	20	15-2647
FORT WAYNE WEST DIALYSIS	4916 ILLINOIS RD	STE 118	FORT WAYNE	IN	46804-5116	2604340483	2604351527	In-Center Hemo, PD Services	12	15-2648
APPLESEED DIALYSIS	1833 MAGNAVOX WAY		FORT WAYNE	IN	46804-1539	2604321036	2604322085	PD Services, In-Center Hemo	4	15-2649
BROWNSBURG DIALYSIS	124 E NORTHFIELD DR	STE N	BROWNSBURG	IN	46112-2601	3178583561	3178584967	In-Center Hemo	10	15-2656
EAGLE HIGHLANDS DIALYSIS	6925 SHORE TER		INDIANAPOLIS	IN	46254-4675	3172950423	3172950245	In-Center Hemo, Nocturnal Hemo, PD Services	16	15-2658
SOUTH BEND WEST DIALYSIS	5660 NIMTZ PKWY		SOUTH BEND	IN	46628-6205	5742317570	5742317571	In-Center Hemo	12	15-2659
MISHAWAKA DIALYSIS	1420 TRINITY PL		MISHAWAKA	IN	46545-5005	5742317204	5742317205	In-Center Hemo, PD Services	16	15-2655
MUNCIE DIALYSIS	820 E MCGALLIARD RD		MUNCIE	IN	47303-2081	7652821266	7652821218	In-Center Hemo, PD Services	12	15-2665
FALL CREEK DIALYSIS	3820 N COLLEGE AVE		INDIANAPOLIS	IN	46205-2755	3179265125	3179264439	In-Center Hemo	20	15-2694
BRAZIL DIALYSIS	115 S MURPHY AVE		BRAZIL	IN	47834-8296	8124428481	8124428490	In-Center Hemo	9	15-2683
TERRE HAUTE DIALYSIS	504 6TH AVE		TERRE HAUTE	IN	47807-1025	8122318560	8122328501	In-Center Hemo, PD Services	13	15-2689
BLUE RIVER VALLEY RENAL CENTER	2309 S MILLER ST	SUITE 100	SHELBYVILLE	IN	46176-9350	3173980486	3173980493	In-Center Hemo	12	15-2545
MARION COUNTY DIALYSIS	3834 S EMERSON AVE	BLDG B	INDIANAPOLIS	IN	46203-5902	3177873171	3177868319	In-Center Hemo	24	15-2512
QUAD COUNTIES DIALYSIS	528 N GRANDSTAFF DR		AUBURN	IN	46706-1660	2609270100	2609271196	In-Center Hemo	9	15-2539
KENDALLVILLE RENAL CENTER	602 N SAWYER RD		KENDALLVILLE	IN	46755-2566	2605990423	2605990447	In-Center Hemo	20	15-2625
PLAINFIELD RENAL CENTER	8110 NETWORK DR		PLAINFIELD	IN	46168-9024	3178388089	3178389062	In-Center Hemo, Nocturnal Hemo, PD Services	24	15-2637
INDY EAST AT HOME	1208 N ARLINGTON AVE		INDIANAPOLIS	IN	46219-3203	3173536315	3173536358	Home Hemo	1	15-2661
EAGLE HIGHLANDS AT HOME	6925 SHORE TER		INDIANAPOLIS	IN	46254-4675	3172950423	3172950245	Home Hemo	1	15-2658
FORT WAYNE NORTH DIALYSIS	415 E DUPONT RD		FORT WAYNE	IN	46825-2051	2606370431	2606376641	In-Center Hemo, Nocturnal Hemo	12	152681
IRISH DIALYSIS	4350 S IRONWOOD DR		SOUTH BEND	IN	46614-3073	5742994529	5742994737	In-Center Hemo, PD Services	20	15-2668
ELKHART DIALYSIS	1401 N MICHIGAN ST		ELKHART	IN	46514-2209	5742625295	5742628895	In-Center Hemo, PD Services	12	15-2664
THREE RIVERS DIALYSIS	6721 OLD TRAIL RD	STE 100	FORT WAYNE	IN	46809-2655	2604788582	2604788566	In-Center Hemo, PD Services	12	15-2676
SULLIVAN DIALYSIS	2232 N HOSPITAL BLVD	STE 1	SULLIVAN	IN	47882-7674	8122685593	8122685693	In-Center Hemo, PD Services	13	15-2685
WHITING DIALYSIS	816 119TH ST		WHITING	IN	46394-1401	2194730712	2194730931	In-Center Hemo, Home Hemo, PD Services	9	15-2698
SPEEDWAY DIALYSIS	2636 W MICHIGAN ST		INDIANAPOLIS	IN	46222-3727	3174230956	3174230868	In-Center Hemo	13	15-2700
INDY CAPITOL DIALYSIS	2140 N CAPITOL AVE		INDIANAPOLIS	IN	46202-1225	3179217536	3179217572	In-Center Hemo	16	15-2688
UNIVERSITY DIALYSIS OF INDY	550 UNIVERSITY BLVD	STE 1115	INDIANAPOLIS	IN	46202-5149	3176358729	3176359512	In-Center Hemo	31	15-2686
HOME DIALYSIS OF INDIANAPOLIS AT HOME	8803 N MERIDIAN ST	STE 150	INDIANAPOLIS	IN	46260-5376	3175741798	3175741825	Home Hemo	1	15-2687
BATESVILLE DIALYSIS CENTER	232 STATE ROAD 129 S		BATESVILLE	IN	47006-7694	8129345666	8129345657	In-Center Hemo	12	152507
LAWRENCEBURG DIALYSIS CENTER	721 RUDOLPH WAY		GREENDALE	IN	47025-8378	8125374240	8125374671	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	15-2511
MADISON DIALYSIS CENTER	220 CLIFTY DR	UNIT K	MADISON	IN	47250-1669	8122652278	8122656458	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1	9	15-2514
TELL CITY DIALYSIS CENTER	1602 MAIN ST		TELL CITY	IN	47586-1310	8125471140	8125471150	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	15-2574
EAST EVANSVILLE DIALYSIS	1312 PROFESSIONAL BLVD		EVANSVILLE	IN	47714-8007	8124916300	8124017554	In-Center Hemo, In-Center Hemo Self Care	25	15-2569
NORTH EVANSVILLE DIALYSIS	1151 W BUENA VISTA RD		EVANSVILLE	IN	47710-3334	8124010140	8124010151	In-Center Hemo, In-Center Hemo Self Care	24	15-2536
VINCENNES DIALYSIS	700 WILLOW ST	STE 101	VINCENNES	IN	47591-1029	8128820546	8128820938	In-Center Hemo, In-Center Hemo Self Care	20	15-2592
JASPER DIALYSIS	671 3RD AVE	STE A	JASPER	IN	47546-3653	8124821791	8124821865	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	15-2523
DAVIES COUNTY DIALYSIS	310 NE 14TH ST		WASHINGTON	IN	47501-2137	8122549950	8122549960	In-Center Hemo, In-Center Hemo Self Care	14	15-2568
NEW ALBANY DIALYSIS	2669 CHARLESTOWN RD	STE F	NEW ALBANY	IN	47150-2573	8125421250	8125421403	In-Center Hemo, In-Center Hemo Self Care	12	15-2589
PRINCETON DIALYSIS	2227 SHERMAN DR		PRINCETON	IN	47670-1062	8123852906	8123853293	In-Center Hemo, In-Center Hemo Self Care	12	15-2629
CORYDON DIALYSIS CENTER	1937 OLD HWY 135 NW		CORYDON	IN	47112-2013	8127385200	8127384935	In-Center Hemo, In-Center Hemo Self Care	12	15-2619
GREENSBURG DIALYSIS	1531 N COMMERCE EAST DR	STE 6	GREENSBURG	IN	47240-3259	8126626570	8126626572	In-Center Hemo, In-Center Hemo Self Care, PD Services	9	15-2615
FREEDOM DIALYSIS (PD)	800 N MAIN ST		EVANSVILLE	IN	47711-5052	8124235368	8124235419	PD Services	13	15-2690
NORTH VERNON DIALYSIS	2340 N STATE HWY 7		NORTH VERNON	IN	47265-7183	8123528150	8123528204	In-Center Hemo	10	15-2636
NEWBURGH DIALYSIS	4311 HIGHWAY 261	STE A	NEWBURGH	IN	47630-2653	8128532010	8128533601	In-Center Hemo	16	15-2644
JEFFERSONVILLE DIALYSIS	365 QUARTERMASTER CT		JEFFERSONVILLE	IN	47130-3670	8122882296	8122884153	In-Center Hemo, PD Services	12	15-2651
SCOTTSBURG DIALYSIS	1619 W MCCLAIN AVE		SCOTTSBURG	IN	47170-1161	8127525249	8127526313	In-Center Hemo	8	15-2646
SPRING STREET DIALYSIS	1601 SPRING ST		JEFFERSONVILLE	IN	47130-2903	8122842098	8122842680	In-Center Hemo	13	15-2666
EAGLES DIALYSIS	5301 PEARL DR		EVANSVILLE	IN	47712-8111	8124670161	8124670139	In-Center Hemo	13	15-2682
FREEDOM DIALYSIS	800 N MAIN ST		EVANSVILLE	IN	47711-5052	8124235368	8124235419	In-Center Hemo	13	15-2690
PRATT DIALYSIS CENTER	203 WATSON ST	STE 110	PRATT	KS	67124-3092	6206727006	6206727063	In-Center Hemo, PD Services	12	17-2537
WICHITA DIALYSIS CENTER	909 N TOPEKA ST		WICHITA	KS	67214-3620	3162639090	3162650842	In-Center Hemo, Nocturnal Hemo	23	17-2503

EAST WICHITA DIALYSIS CENTER	320 N HILLSIDE ST		WICHITA	KS	67214-4918	3166843200	3166846298	In-Center Hemo, In-Center Hemo Self Care	24	17-2519
INDEPENDENCE DIALYSIS CENTER	801 W MYRTLE ST		INDEPENDENCE	KS	67301-3239	6203316117	6203316484	In-Center Hemo	12	17-2511
GARDEN CITY DIALYSIS CENTER	2308 E KANSAS AVE		GARDEN CITY	KS	67846-6959	6202609852	6202710148	In-Center Hemo, Acute Hemo 1:1, Acute PD, PD Services	17	17-2514
RENAL TREATMENT CENTER-WINFIELD	1315 E 4TH AVE		WINFIELD	KS	67156-2457	6202214100	6202212272	In-Center Hemo	12	17-2526
PARSONS DIALYSIS CENTER	1902 S US HIGHWAY 59 BLDG B		PARSONS	KS	67357-4948	6204211081	6204211598	In-Center Hemo, PD Services	12	17-2530
RENAL TREATMENT CENTER-NEWTON	1223 WASHINGTON RD		NEWTON	KS	67114-4855	3162839950	3162834478	In-Center Hemo	12	17-2529
RENAL TREATMENT CENTER-DERBY	250 W RED POWELL DR		DERBY	KS	67037-2626	3167882899	3167886404	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	18	17-2533
MAIZE DIALYSIS CENTER	10001 W GRADY AVE		MAIZE	KS	67101-3747	3167731400	3167731412	In-Center Hemo, Nocturnal Hemo, PD Services	24	17-2548
JOHNSON COUNTY DIALYSIS	10453 W 84TH TER		LENEXA	KS	66214-1641	9134922044	9134922451	In-Center Hemo, In-Center Hemo Self Care, PD Services	26	17-2501
WYANDOTTE COUNTY DIALYSIS	5001 STATE AVE		KANSAS CITY	KS	66102-3459	9132875724	9135961370	In-Center Hemo	21	17-2523
NE WICHITA DIALYSIS CENTER	2630 N WEBB RD	STE 100 BLDG 100	WICHITA	KS	67226-8174	3166365719	3166365738	In-Center Hemo, In-Center Hemo Self Care	12	17-2542
LEAVENWORTH DIALYSIS	501 OAK ST		LEAVENWORTH	KS	66048-2646	9136511431	9136515143	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	17-2545
WYANDOTTE CENTRAL DIALYSIS	3737 STATE AVE		KANSAS CITY	KS	66102-3830	9132330536	9132330903	In-Center Hemo, In-Center Hemo Self Care, PD Services	15	17-2544
OLATHE DIALYSIS	732 W FRONTIER LN		OLATHE	KS	66061-7202	9133904937	9133905194	In-Center Hemo, In-Center Hemo Self Care	12	17-2541
WYANDOTTE WEST DIALYSIS	11014 HASKELL AVE		KANSAS CITY	KS	66109-4404	9137219780	9137219818	In-Center Hemo, In-Center Hemo Self Care	17	17-2536
LENEXA DIALYSIS	8630 HALSEY ST		LENEXA	KS	66215-2880	9138941100	9138946915	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	17-2509
PAOLA DIALYSIS	1605 E PEORIA ST		PAOLA	KS	66071-1893	9132948417	9132949132	In-Center Hemo	12	17-2553
NALL DIALYSIS	10787 NALL AVE	STE 130	OVERLAND PARK	KS	66211-1375	9136492671	9136492869	In-Center Hemo, PD Services	13	17-2555
ANDOVER DIALYSIS	626 S ANDOVER RD	STE 900	ANDOVER	KS	67002-8910	3167332984	3167334138	In-Center Hemo, PD Services	16	17-2557
DIALYSIS CENTER OF HUTCHINSON	1901 N WALDRON ST		HUTCHINSON	KS	67502-1129	6207280440	6207280499	In-Center Hemo, PD Services	20	17-2546
TOPEKA DIALYSIS	634 SW MULVANE ST	STE 300	TOPEKA	KS	66606-1678	7852342277	7852342396	In-Center Hemo	50	17-2508
OTTAWA DIALYSIS	1320 S ASH ST	STE 206	OTTAWA	KS	66067-3413	7852425300	7852427615	In-Center Hemo	12	17-2510
LAWRENCE DIALYSIS	330 ARKANSAS ST	STE 100	LAWRENCE	KS	66044-1394	7858432000	7858430574	In-Center Hemo	15	17-2524
SABETHA DIALYSIS	106 N 12TH ST		SABETHA	KS	66534-1810	7852840100	7852840101	In-Center Hemo	10	17-2534
LAWRENCE HOME TRAINING	3510 CLINTON PKWY	STE 110	LAWRENCE	KS	66047-2145	7858410490	7858308697	PD Services	6	17-2559
GARDNER DIALYSIS	328 E MAIN ST		GARDNER	KS	66030-1314	9138848488	9138848243	In-Center Hemo	16	17-2560
EMPORIA DIALYSIS	1616 INDUSTRIAL RD	STE 2004	EMPORIA	KS	66801-6222	6203408043	6203408063	In-Center Hemo, PD Services	13	17-2561
NOTTINGHAM DIALYSIS	14010 W 134TH PL		OLATHE	KS	66062-6139	9137640358	9137640328	In-Center Hemo	12	17-2565
HOPEFIELD DIALYSIS	2425 S ROUSE ST		PITTSBURG	KS	66762-6606	6202310794	6202310901	In-Center Hemo, PD Services	13	17-2567
AIR CAPITAL DIALYSIS	1812 S SENECA ST	STE 110	WICHITA	KS	67213-4104	3162631248	3162631521	In-Center Hemo	17	17-2572
WANAMAKER DIALYSIS	3711 SW WANAMAKER RD		TOPEKA	KS	66610-1368	7852731824	7852731881	In-Center Hemo	24	17-2563
MISSION DIALYSIS	2852 W 47TH AVE		KANSAS CITY	KS	66103-3243	9134031843	9134031848	In-Center Hemo	12	17-2566
FREE STATE DIALYSIS	1918 E 23RD ST		LAWRENCE	KS	66046-5069	7853129377	7858321498	In-Center Hemo	12	17-2573
MANHATTAN DIALYSIS	519 MCCALL RD	STE 100	MANHATTAN	KS	66502-5038	7855395743	7855395781	In-Center Hemo, PD Services	12	17-2564
OVERLAND PARK DIALYSIS	12201 W 110TH ST		OVERLAND PARK	KS	66210-4045	9134515984	9133275401	In-Center Hemo, PD Services	16	17-2571
WALNUT RIVER DIALYSIS	701 W CENTRAL AVE		EL DORADO	KS	67042-2117	3163224541	3163224579	In-Center Hemo	12	
EASTERN KENTUCKY DIALYSIS	167 WEDDINGTON BRANCH RD		PIKEVILLE	KY	41501-3204	6064324477	6064324201	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	18-2538
PAINTSVILLE DIALYSIS CENTER	4750 S KY ROUTE 321		HAGERHILL	KY	41222-9012	6067891101	6067897818	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	18-2548
RAVEN ROCK DIALYSIS	483 GATEWAY INDUSTRIAL PARK		JENKINS	KY	41537-9209	6068322070	6068322345	In-Center Hemo, In-Center Hemo Self Care, PD Services	11	18-2566
SOUTH WILLIAMSON DIALYSIS	204 APPALACHIAN PLAZA		SOUTH WILLIAMSON	KY	41503-9404	6062376221	6062376223	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	18-2598
LOUISA DIALYSIS	2145 HWY 2565		LOUISA	KY	41230-9166	6066383403	6066383404	In-Center Hemo, Acute Hemo 1:1, Acute PD, PD Services, Home Hemo	15	18-2580
DIALYSIS OF CENTRAL KENTUCKY	2807 RING ROAD		ELIZABETHTOWN	KY	42701-9114	2707351883	2703608982	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	18-2504
TAYLOR COUNTY DIALYSIS CENTER	1595 OLD LEBANON RD		CAMPBELLSVILLE	KY	42718-3372	2704650787	2707893626	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	18-2518
OWENSBORO DIALYSIS CENTER	1930 E PARRISH AVE		OWENSBORO	KY	42303-1443	2709260120	2706919865	In-Center Hemo, In-Center Hemo Self Care, PD Services	25	18-2547
GARDENSIDE DIALYSIS	70 N GARDENMILE RD		HENDERSON	KY	42420-5529	2708300050	2708300051	In-Center Hemo, In-Center Hemo Self Care	15	18-2544
TURFWAY PD TRAINING	11 SPIRAL DR	STE 15A	FLORENCE	KY	41042-1394	8596472802	8596476012	PD Services	4	18-2586
MADISONVILLE DIALYSIS CENTER	255 E NORTH ST		MADISONVILLE	KY	42431-1641	2708217824	2708216659	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	18-2597
BARDESTOWN DIALYSIS CENTER	210 W JOHN FITCH AVE		BARDESTOWN	KY	40004-1115	5023501130	5023501125	In-Center Hemo, In-Center Hemo Self Care	10	18-2568
LOUISVILLE DIALYSIS	8037 DIXIE HWY		LOUISVILLE	KY	40258-1344	5029379111	5029379111	In-Center Hemo, In-Center Hemo Self Care	24	18-2570

LEITCHFIELD DIALYSIS	912 WALLACE AVE	STE 106	LEITCHFIELD	KY	42754-2405	2702300163	2702300173	In-Center Hemo	10	18-2574
LAGRANGE DIALYSIS	240 PARKER DR		LA GRANGE	KY	40031-1200	5022225527	5022256356	In-Center Hemo, In-Center Hemo Self Care	12	18-2572
TURFWAY DIALYSIS	11 SPIRAL DR	STE 15	FLORENCE	KY	41042-1394	8593711263	8596476085	In-Center Hemo, In-Center Hemo Self Care	16	18-2582
SPRINGHURST DIALYSIS	10201 CHAMPION FARMS DR		LOUISVILLE	KY	40241-6150	5024252131	5024252151	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	18-2577
WEST BROADWAY DIALYSIS	720 W BROADWAY		LOUISVILLE	KY	40202-2240	5025842059	5025842835	In-Center Hemo, PD Services	24	18-2581
RADCLIFF DIALYSIS	180 E LINCOLN TRAIL BLVD		RADCLIFF	KY	40160-1254	2703522252	2703525380	In-Center Hemo	12	18-2611
MEADOWS EAST DIALYSIS	2529 SIX MILE LN		LOUISVILLE	KY	40220-2934	5024994384	5024994990	In-Center Hemo, In-Center Hemo Self Care	12	18-2592
MAYSVILLE DIALYSIS	489 TUCKER DR		MAYSVILLE	KY	41056-9111	6067590923	6067594915	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	18-2589
COLD SPRING DIALYSIS	430 CROSS ROADS BLVD		COLD SPRING	KY	41076-2341	8594413981	8594414582	In-Center Hemo, In-Center Hemo Self Care	12	18-2583
WILLIAMSTOWN DIALYSIS	103 BARNES RD	STE A	WILLIAMSTOWN	KY	41097-9468	8598230500	8598230588	In-Center Hemo	12	18-2595
HOPKINSVILLE DIALYSIS	115 N VIRGINIA ST		HOPKINSVILLE	KY	42240-3143	2708875622	2708869784	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	18-2519
CRESTVIEW HILLS DIALYSIS	400 CENTRE VIEW BLVD		CRESTVIEW HILLS	KY	41017-3478	8593415561	8593415746	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	18-2529
SOUTH HILLS DIALYSIS	525 ALEXANDRIA PIKE	STE 120	SOUTHGATE	KY	41071-3243	8594425539	8594425587	In-Center Hemo, In-Center Hemo Self Care	12	18-2542
CHRISTIAN COUNTY DIALYSIS	200 BURLEY AVE		HOPKINSVILLE	KY	42240-8725	2707070701	2707070780	In-Center Hemo, In-Center Hemo Self Care	13	18-2549
HAMBURG DIALYSIS	1745 ALYSHEBA WAY		LEXINGTON	KY	40509-9013	8595430084	8595430619	In-Center Hemo, Home Hemo, PD Services	12	18-2601
BOURBON COUNTY DIALYSIS	213 LETTON DR	PARIS TOWNE SQUARE	PARIS	KY	40361-2251	8599881117	8599881978	In-Center Hemo	10	18-2603
VERSAILLES DIALYSIS	480 LEXINGTON RD	STE E	VERSAILLES	KY	40383-1918	8592560110	8592560115	In-Center Hemo	12	18-2606
SHEPHERDSVILLE DIALYSIS CENTER	150 BROOKS WAY	STE 15	BROOKS	KY	40109-6105	5029552153	5029552174	In-Center Hemo, In-Center Hemo Self Care	12	18-2600
DIALYSIS OF WARREN COUNTY	391 SUWANNEE TRAIL ST		BOWLING GREEN	KY	42103-7956	2707465805	2707465375	In-Center Hemo, PD Services	15	18-2615
12TH STREET COVINGTON DIALYSIS	1500 JAMES SIMPSON JR WAY	STE 1100	COVINGTON	KY	41011-0801	8592614345	8592614378	In-Center Hemo	17	18-2604
GENERAL BUTLER DIALYSIS	329 FLOYD DR	STE B	CARROLLTON	KY	41008-8258	5027324713	5027328352	In-Center Hemo	8	18-2616
SHELBYVILLE ROAD DIALYSIS	4600 SHELBYVILLE RD	STE 310	LOUISVILLE	KY	40207-3326	5028934791	5028934793	In-Center Hemo	12	18-2614
KENTUCKY HOME TRAINING	2130 NICHOLASVILLE RD	STE 5	LEXINGTON	KY	40503-2520	8592779911	8592778450	PD Services	4	18-2627
PORTLAND DIALYSIS	2118 PORTLAND AVE		LOUISVILLE	KY	40212-1032	5027764371	5027727259	In-Center Hemo	13	18-2630
SHELBY COUNTY DIALYSIS	50 CHURCH VIEW ST		SHELBYVILLE	KY	40065-1663	5026470127	5026334991	In-Center Hemo, PD Services	13	18-2635
WALTON DIALYSIS	13250 SERVICE RD		WALTON	KY	41094-9565	8594850321	8594850327	In-Center Hemo, PD Services	13	18-2636
BRIDGEVIEW DIALYSIS	2480 US HWY 41 N	STE J	HENDERSON	KY	42420-2376	2708308061	2708312925	In-Center Hemo	13	18-2637
LOST RIVER DIALYSIS	737 DISHMAN LN		BOWLING GREEN	KY	42101-4098	2708461054	2708462866	In-Center Hemo	12	18-2638
MEMORIAL DIALYSIS CENTER	4427 S ROBERTSON ST		NEW ORLEANS	LA	70115-6308	5048991103	5048991956	In-Center Hemo, In-Center Hemo Self Care, PD Services	22	19-2608
KENNER REGIONAL DIALYSIS CENTER	200 W ESPLANADE AVE	STE 100	KENNER	LA	70065-2473	5044710931	5044710317	In-Center Hemo, Nocturnal Hemo	14	19-2599
WESTBANK CHRONIC RENAL CENTER	3631 BEHRMAN PL		NEW ORLEANS	LA	70114-0906	5043660808	5043673816	In-Center Hemo, Nocturnal Hemo, PD Services	29	19-2507
FLEUR DE LIS DIALYSIS	5555 BULLARD AVE	STE 110	NEW ORLEANS	LA	70128-3450	5042402696	5042402877	In-Center Hemo, PD Services	25	19-2523
SLIDELL KIDNEY CARE	662 ROBERT BLVD		SLIDELL	LA	70458-1648	9856495197	9856495218	In-Center Hemo, PD Services	25	19-2556
DIALYSIS SYSTEMS OF COVINGTON	210 GREENBRIAR BLVD		COVINGTON	LA	70433-7235	9858751915	9858751918	In-Center Hemo, PD Services	12	19-2613
DIALYSIS SYSTEMS OF HAMMOND	15799 PROFESSIONAL PLZ		HAMMOND	LA	70403-1452	9855428827	9855426351	In-Center Hemo, PD Services	13	19-2626
WASHINGTON PARISH DIALYSIS	724 WASHINGTON ST		FRANKLINTON	LA	70438-1790	9857951111	9857950000	In-Center Hemo	14	19-2615
BOGALUSA KIDNEY CARE	2108 AVENUE F		BOGALUSA	LA	70427-5027	9857357811	9857351501	In-Center Hemo	15	19-2540
OAKWOOD DIALYSIS CENTER	148 HECTOR AVE		GRETNA	LA	70056-2531	5043761603	5043762364	In-Center Hemo	19	19-2683
NORTHSHORE KIDNEY CENTER	106 MEDICAL CENTER DR		SLIDELL	LA	70461-5503	9856906018	9856906074	In-Center Hemo	8	19-2666
METAIRIE DIALYSIS CENTER	7100 AIRLINE DR		METAIRIE	LA	70003-5950	5047311969	5047318533	In-Center Hemo, Nocturnal Hemo, PD Services	12	19-2678
RIVER PARISHES DIALYSIS	2880 W AIRLINE HWY		LA PLACE	LA	70068-2922	9854797505	9854797510	In-Center Hemo	12	19-2681
MARRERO DIALYSIS	1908 JUTLAND DR		HARVEY	LA	70058-2359	5043476224	5043476257	In-Center Hemo	17	19-2694
CRESCENT CITY DIALYSIS CENTER	3909 BIENVILLE ST	STE 1B	NEW ORLEANS	LA	70119-5151	5044837117	5044838937	In-Center Hemo, PD Services	17	19-2696
NEW ORLEANS UPTOWN DIALYSIS	1401 FOUCHER ST # 4		NEW ORLEANS	LA	70115-3515	5048978530	5048978790	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, PD Services, Nocturnal Hemo	20	19-2581
CHATEAU DIALYSIS	720 VILLAGE RD		KENNER	LA	70065-2751	5044692796	5044697587	In-Center Hemo, PD Services, Acute Hemo 1:1	16	19-2534
DERIDDER DIALYSIS	239 E 1ST ST		DERIDDER	LA	70634-4105	3374620950	3374601933	In-Center Hemo	12	19-2598
LAKE CHARLES SOUTHWEST DIALYSIS	300 18th ST		LAKE CHARLES	LA	70601-7342	3374336831	3374336613	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	19-2597
SULPHUR DIALYSIS	944 BEGLIS PKWY		SULPHUR	LA	70663-5102	3376260774	3376262803	In-Center Hemo	12	19-2612
MONROE JACKSON STREET-ACUTE	309 JACKSON ST	STE 383	MONROE	LA	71201-7407	3189664405	3189665280	Acute Hemo 1:1, Acute PD, In-Center Hemo	20	19-2654
MAGNOLIA DIALYSIS	1125 S BURNSIDE AVE		GONZALES	LA	70737-4248	2256444490	2256449032	In-Center Hemo, Nocturnal Hemo	17	19-2551
BROADMOOR DIALYSIS	1815 E 70TH ST		SHREVEPORT	LA	71105-5301	3187977940	3187978143	In-Center Hemo, PD Services	13	19-2695
RED RIVER DIALYSIS	9205 LINWOOD AVE		SHREVEPORT	LA	71106-7006	3186030548	3186038905	In-Center Hemo	13	19-2711
ESSEN LANE DIALYSIS	7703 PICARDY AVE		BATON ROUGE	LA	70808-4338	2257698669	2257660095	In-Center Hemo, PD Services	21	19-2716
MID CITY DIALYSIS	2902 FLORIDA BLVD		BATON ROUGE	LA	70802-2723	2253878558	2253878250	In-Center Hemo	13	19-2725
SCOTLANDVILLE DIALYSIS	7797 HOWELL BLVD		BATON ROUGE	LA	70807-5583	2253576929	2253551008	In-Center Hemo	17	19-2720

WESTWEGO DIALYSIS	1 WESTBANK EXPRESSWAY		WESTWEGO	LA	70094-4156	5043476942	5043476957	In-Center Hemo, PD Services	12	19-2713
NOLA DIALYSIS	5646 READ BLVD	STE 150	NEW ORLEANS	LA	70127-3106	5042482137	5042481832	In-Center Hemo, PD Services	14	19-2715
ALGIERS DIALYSIS	2924 GENERAL DEGAULLE DR		NEW ORLEANS	LA	70114-6440	5043670006	5043670340	In-Center Hemo	13	19-2719
RIVER BEND DIALYSIS	1057 PAUL MAILLARD RD	ST B1350	LULING	LA	70070-4349	9853311156	9853311112	In-Center Hemo, Acute Hemo 1:1, Acute PD	15	19-2707
GARDEN DISTRICT DIALYSIS	2620 JENA ST		NEW ORLEANS	LA	70115-6325	5042696004	5042696011	In-Center Hemo, PD Services	14	19-2689
BROADMOOR AT HOME	1815 E 70TH ST		SHREVEPORT	LA	71105-5301	3187977940	3187978143	Home Hemo	4	19-2695
EAST BATON ROUGE DIALYSIS	1333 ONEAL LANE		BATON ROUGE	LA	70816-1957	2252261444	2252729857	In-Center Hemo, Nocturnal Hemo, PD Services	24	19-2616
HOUUMA DIALYSIS	108 PICONE RD		HOUUMA	LA	70363-7051	9858688187	9858794639	In-Center Hemo, PD Services	15	19-2509
FREMAUX DIALYSIS	1566 SHORTCUT HWY		SLIDELL	LA	70458-8126	9856439237	9857260400	In-Center Hemo	13	19-2724
YOUNGVILLE DIALYSIS	314 YOUNGVILLE HWY	STE 125	LAFAYETTE	LA	70508-4524	3378375044	3378375609	In-Center Hemo, PD Services	13	19-2721
MARIGNY DIALYSIS	2345 ST CLAUDE AVE		NEW ORLEANS	LA	70117-8352	5049474197	5049439545	In-Center Hemo	19	19-2737
WALKER SOUTH DIALYSIS	28375 WALKER RD S		WALKER	LA	70785-6029	2256642099	2257916079	In-Center Hemo	13	192729
EARHART DIALYSIS	7730 EARHART BLVD		NEW ORLEANS	LA	70125-2504	5048611256	5048615082	In-Center Hemo, PD Services	15	19-2738
PRAIRIEVILLE DIALYSIS	17123 COMMERCE CENTRE DR		PRAIRIEVILLE	LA	70769-3481	2256731127	2256731126	In-Center Hemo	17	19-2736
GENTILLY DIALYSIS	4720 PARIS AVE		NEW ORLEANS	LA	70122-2553	5042839098	5042823888	In-Center Hemo	21	19-2735
COVINGTON TRACE DIALYSIS	3999 HWY 190 E SERVICE RD	STE A	COVINGTON	LA	70433-4914	9852761998	9852766856	In-Center Hemo, PD Services	13	19-2750
PDI-FITCHBURG	551 ELECTRIC AVE		FITCHBURG	MA	01420-5371	9783434100	9783434559	In-Center Hemo, PD Services	19	22-2536
PDI-WORCESTER	19 GLENNIE ST	STE A	WORCESTER	MA	01605-3918	5084219539	5084216653	In-Center Hemo, PD Services	26	22-2564
BOSTON DIALYSIS	660 HARRISON AVE		BOSTON	MA	02118-2304	6178597000	6178594579	In-Center Hemo, PD Services	37	22-2526
BROOKLINE DIALYSIS	322 WASHINGTON ST		BROOKLINE	MA	02445-6850	6177347794	6177346999	In-Center Hemo, PD Services	25	22-2529
NORTHEAST CAMBRIDGE DIALYSIS	799 CONCORD AVE		CAMBRIDGE	MA	02138-1048	6175477700	6178644724	In-Center Hemo, PD Services	18	22-2533
NEW BEDFORD DIALYSIS	237-B STATE RD		NORTH DARTMOUTH	MA	02747-2612	5089920629	5089991319	In-Center Hemo, PD Services	22	22-2530
WEYMOUTH DIALYSIS	330 LIBBEY INDUSTRIAL PKWY	STE 900	WEYMOUTH	MA	02189-3122	7813317700	7813313046	In-Center Hemo, In-Center Hemo Self Care, PD Services	27	22-2517
WOBURN DIALYSIS	23 WARREN AVE		WOBURN	MA	01801-7906	7819357700	7819337690	In-Center Hemo, PD Services	16	22-2520
WELLINGTON CIRCLE DIALYSIS CENTER	10 CABOT RD	STE 103B	MEDFORD	MA	02155-5275	7813069740	7813069745	In-Center Hemo, PD Services	16	22-2542
SALEM NORTHEAST DIALYSIS	207 HIGHLAND AVE		SALEM	MA	01970-1829	9787442075	9785421976	In-Center Hemo, PD Services	22	22-2543
BURLINGTON REGIONAL DIALYSIS	31 MALL RD	STE 1B	BURLINGTON	MA	01803-4138	7812703580	7812703653	In-Center Hemo, PD Services	17	22-2556
AMESBURY RENAL CENTER	24 MORRILL PLACE		AMESBURY	MA	01913-3530	9783887100	9783883666	In-Center Hemo	17	22-2532
NORTH ANDOVER RENAL CENTER	201 SUTTON ST		NORTH ANDOVER	MA	01845-1612	9789751119	9789750444	In-Center Hemo, PD Services	22	22-2545
SHREWSBURY STREET DIALYSIS	267 SHREWSBURY ST		WORCESTER	MA	01604-4623	7745306353	7745306348	In-Center Hemo, PD Services	16	22-2592
BALTIMORE COUNTY DIALYSIS CENTER	3689 OFFUTT RD	STE A	RANDALLSTOWN	MD	21133-3515	4109222475	4109221506	In-Center Hemo, In-Center Hemo Self Care	28	21-2546
CARROLL COUNTY DIALYSIS FACILITY	193 STONER AVE	STE 120	WESTMINSTER	MD	21157-5782	4108711762	4108711766	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	21-2537
RIVERTOWNE DIALYSIS	6169 LIVINGSTON RD		OXON HILL	MD	20745-3006	3018394105	3018394106	In-Center Hemo	21	21-2621
HARFORD ROAD DIALYSIS CENTER	5800 HARFORD RD		BALTIMORE	MD	21214-1847	4104441544	4104442787	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, PD Services	19	21-2605
BERTHA SIRK DIALYSIS CENTER	5820 YORK RD	STE 10	BALTIMORE	MD	21212-3620	4105329311	4105325833	In-Center Hemo, Home Hemo, In-Center Hemo Self Care	16	21-2543
GREENSPRING DIALYSIS CENTER	4701 MOUNT HOPE DR	STE C	BALTIMORE	MD	21215-3246	4105850467	4105850491	In-Center Hemo, In-Center Hemo Self Care	36	21-2551
DULANEY TOWSON DIALYSIS CENTER	113 WEST RD	STE 201	TOWSON	MD	21204-2318	4108253690	4108253697	In-Center Hemo, In-Center Hemo Self Care	14	21-2612
DOWNTOWN DIALYSIS CENTER	821 N EUTAW ST	STE 401	BALTIMORE	MD	21201-6304	4103833455	4103833468	In-Center Hemo, In-Center Hemo Self Care, PD Services	31	21-2522
EASTON DIALYSIS CENTER	500 CADMUS LN	STE 201	EASTON	MD	21601-4094	4108228659	4108225138	In-Center Hemo, PD Services	15	21-2512
BERLIN DIALYSIS CENTER	9952 NORTH MAIN ST	BLDG #3	BERLIN	MD	21811-1049	4106411321	4106411538	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD, PD Services	18	21-2520
ROCKVILLE DIALYSIS CENTER	15204 OMEGA DR	STE 110	ROCKVILLE	MD	20850-4813	3019472427	2406832440	In-Center Hemo	17	21-2511
CHESTERTOWN DIALYSIS CENTER	100 BROWN ST		CHESTERTOWN	MD	21620-1435	4107789555	4107789623	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD	9	21-2565
WHEATON DIALYSIS CENTER	11941 GEORGIA AVE		WHEATON	MD	20902-2001	3019499620	3019499783	In-Center Hemo, PD Services	24	21-2576
OWINGS MILLS DIALYSIS CENTER	11221 DOLFIELD BLVD	STE 118	OWINGS MILLS	MD	21117-3254	4103632019	4103632047	In-Center Hemo, In-Center Hemo Self Care	25	21-2574
KIDNEY CARE OF LARGO	1300 MERCANTILE LN	STE 194	MARLBORO	MD	20774-5339	3019254100	3019254810	In-Center Hemo, In-Center Hemo Self Care	29	21-2530
KIDNEY CARE OF LAUREL	14631 LAUREL BOWIE RD	UNITS 100-105	LAUREL	MD	20707-4403	3017253559	3017253599	In-Center Hemo, PD Services	18	21-2538
RENAL CARE OF BOWIE	4861 TESLA DR	STES G-H	BOWIE	MD	20715-4318	3018095342	3018095539	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	21-2626
TAKOMA PARK DIALYSIS	1502 UNIVERSITY BLVD E		HYATTSVILLE	MD	20783-4620	3014081202	3014349278	In-Center Hemo	21	21-2590
RENAL CARE OF LANHAM	4451 PARLIAMENT PL	STE R	LANHAM	MD	20706-1872	3014297300	3014592409	In-Center Hemo, PD Services	30	21-2552
RENAL CARE OF SEAT PLEASANT	6274 CENTRAL AVE		SEAT PLEASANT	MD	20743-6128	3013366274	3013363946	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	21-2640
KIDNEY HOME CENTER PD	2270 ROLLING RUN DR	STE 600	WINDSOR MILL	MD	21244-1864	4102650618	4102650614	PD Services	21	21-2659
PIKESVILLE DIALYSIS	6609 REISTERSTOWN RD	STE 100	BALTIMORE	MD	21215-2662	4103581745	4103581526	In-Center Hemo	22	21-2636
CAMBRIDGE DIALYSIS CENTER	704 CAMBRIDGE PLAZA		CAMBRIDGE	MD	21613-2531	4102282791	4102211298	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, PD Services	22	21-2639
GERMANTOWN DIALYSIS	20111 CENTURY BLVD	STE C	GERMANTOWN	MD	20874-9165	3015404601	3015402908	In-Center Hemo, Nocturnal Hemo, PD Services	22	21-2638
SETON DRIVE DIALYSIS	4800 SEASON DR		BALTIMORE	MD	21215-3210	4105850446	4105850448	In-Center Hemo	12	21-2653
NORTHWEST DIALYSIS CENTER	2245 ROLLING RUN DR	STE 1	WINDSOR MILL	MD	21244-1858	4102650158	4109444686	In-Center Hemo, Nocturnal Hemo	15	21-2655
ABERDEEN DIALYSIS	780 W BEL AIR AVE		ABERDEEN	MD	21001-2236	4102739333	4102739337	In-Center Hemo	15	21-2650

WASHINGTON COUNTY DIALYSIS	246 EASTERN BLVD N	STE 104	HAGERSTOWN	MD	21740-5965	3017977839	3013939046	PD Services	2	21-2667
CALVERTON DIALYSIS	4780 CORRIDOR PL	STE C	BELTSVILLE	MD	20705-1165	3015950231	3015953439	In-Center Hemo, PD Services	12	21-2663
CATONSVILLE NORTH DIALYSIS	5401 BALTIMORE NATIONAL PIKE		BALTIMORE	MD	21229-2102	4108694618	4108694704	In-Center Hemo, In-Center Hemo Self Care	25	21-2634
LAKESIDE DIALYSIS	10401 HOSPITAL DR	STE G02	CLINTON	MD	20735-3113	3018566550	3018565693	In-Center Hemo, In-Center Hemo Self Care, PD Services	15	21-2564
SILVER SPRING DIALYSIS	8040 GEORGIA AVE	STE 150	SILVER SPRING	MD	20910-4959	3016088961	3016088966	In-Center Hemo, PD Services	27	21-2593
FALLS ROAD DIALYSIS	1423 CLARKVIEW RD	STE 500	BALTIMORE	MD	21209-2189	4108284643	4108238305	In-Center Hemo	12	21-2588
WHITESQUARE DIALYSIS	1 NASHUA CT STE E		BALTIMORE	MD	21221-3131	4106875580	4106878559	In-Center Hemo, PD Services	18	21-2523
25TH STREET DIALYSIS	920 E 25TH ST		BALTIMORE	MD	21218-5503	4102351611	4102353721	In-Center Hemo	21	21-2595
BEL AIR DIALYSIS	2225 OLD EMMORTON RD	STE 105	BEL AIR	MD	21015-6122	4105152078	4105153425	In-Center Hemo, PD Services, Nocturnal Hemo	24	21-2594
PASADENA DIALYSIS	8037 GOVERNOR RITCHIE HWY	STE A	PASADENA	MD	21122-7121	4105904615	4107666718	In-Center Hemo, PD Services	30	21-2613
FREDERICK DIALYSIS	140 THOMAS JOHNSON DR	STE 100	FREDERICK	MD	21702-4475	3016950900	3016952808	In-Center Hemo, PD Services	27	21-2598
DUNDALK DIALYSIS	14 COMMERCE ST		DUNDALK	MD	21222-4307	4102849000	4102845584	In-Center Hemo	12	21-2616
CEDAR LANE DIALYSIS	6334 CEDAR LN	STE 101	COLUMBIA	MD	21044-3898	4105315390	4105317958	In-Center Hemo, In-Center Hemo Self Care	13	21-2628
GLEN BURNIE DIALYSIS	6934 AVIATION BLVD	STE J-M	GLEN BURNIE	MD	21061-2593	4105536951	4107660513	In-Center Hemo	30	21-2631
SOUTHERN MARYLAND DIALYSIS	9211 STUART LN	4TH FL	CLINTON	MD	20735-2712	3018566602	3018566623	In-Center Hemo, In-Center Hemo Self Care	13	21-2563
HOWARD COUNTY DIALYSIS	5999 HARPERS FARM RD	STE 110E	COLUMBIA	MD	21044-3023	4109974244	4107308235	In-Center Hemo, In-Center Hemo Self Care	24	21-2516
CATONSVILLE DIALYSIS	1581 SULPHUR SPRING RD	STE 112	BALTIMORE	MD	21227-2599	4102427766	4102425788	In-Center Hemo	30	21-2528
MERCY DIALYSIS	315 N CALVERT ST	STE 300	BALTIMORE	MD	21202-3611	4103321122	4103321151	In-Center Hemo	30	21-2542
HARBOR PARK DIALYSIS	111 CHERRY HILL RD		BALTIMORE	MD	21225-1392	4103543037	4103543095	In-Center Hemo	21	21-2556
LANDOVER DIALYSIS	1200 MERCANTILE LN	STE 105	UPPER MARLBORO	MD	20774-5389	3013222861	3013225829	In-Center Hemo, Nocturnal Hemo	22	21-2545
KIDNEY HOME CENTER (TCU)	2270 ROLLING RUN DR	STE 600	WINDSOR MILL	MD	21244-1864	4102650618	4102650614	In-Center Hemo	21	21-2659
MT. RAINIER DIALYSIS	2303 VARNUM ST		MT RAINIER	MD	20712-1459	3012775350	3019856875	In-Center Hemo, PD Services	16	21-2720
DISTRICT HEIGHTS DIALYSIS	5701 SILVER HILL RD		DISTRICT HEIGHTS	MD	20747-1102	3018170010	3018170019	In-Center Hemo, PD Services	18	21-2657
FOREST LANDING DIALYSIS	2220 COMMERCE RD	STE 1	FOREST HILL	MD	21050-2560	4106386020	4106387180	In-Center Hemo	24	21-2668
CHARLES COUNTY DIALYSIS	4475 REGENCY PL	STE 102 & 103	WHITE PLAINS	MD	20695-3072	3019329874	3016382846	In-Center Hemo, PD Services	15	21-2672
GLEN BURNIE HOME TRAINING	6934 AVIATION BLVD	STE H	GLEN BURNIE	MD	21061-2593	4107604976	4107611040	PD Services	6	21-2674
ANNAPOLIS DIALYSIS	1127 WEST ST	STE 100	ANNAPOLIS	MD	21401-3615	4102661639	4102681294	In-Center Hemo, PD Services	16	21-2682
ROCK CREEK DIALYSIS	5544 NORBECK RD		ROCKVILLE	MD	20853-2441	3014602090	3014602094	In-Center Hemo, PD Services	12	21-2678
PG COUNTY SOUTH DIALYSIS	5442 SAINT BARNABAS RD		OXON HILL	MD	20745-3622	3018940572	3016301389	In-Center Hemo, PD Services	22	21-2675
DEER CREEK HOME TRAINING	602 S ATWOOD RD	STE 106	BEL AIR	MD	21014-4198	4108384613	4108384924	PD Services	4	21-2673
CORAL HILLS DIALYSIS	4797 MARLBORO PIKE		CAPITOL HEIGHTS	MD	20743-5213	3014201513	3014203912	In-Center Hemo, PD Services	19	21-2683
FORESTVILLE DIALYSIS	3424 DONNELL DR		FORESTVILLE	MD	20747-3209	3015680381	3017361704	In-Center Hemo, PD Services	19	21-2695
MIDDLEBROOK DIALYSIS	12401 MIDDLEBROOK RD	STE 160	GERMANTOWN	MD	20874-1523	3015406020	3015406030	In-Center Hemo, PD Services	21	21-2625
BALLENGER CREEK DIALYSIS	5205 CHAIRMANS CT	STE 101	FREDERICK	MD	21703-2915	3016626572	3016440676	In-Center Hemo	28	21-2654
WINDSOR DIALYSIS	2707 N ROLLING RD	STE 104-105	WINDSOR MILL	MD	21244-2157	4109442649	4109442726	In-Center Hemo	18	21-2632
KIDNEY HOME DOWNTOWN AT HOME FRIENDLY FARMS HOME DIALYSIS (PD-HHD)	200 SAINT PAUL ST	STE 5	BALTIMORE	MD	21202-2025	4102445638	4102446405	Home Hemo	1	21-2702
	10905 FORT WASHINGTON RD	STE 307	FORT WASHINGTON	MD	20744-5843	3012920540	3012923493	Home Hemo, PD Services	4	21-2714
EASTERN BOULEVARD DIALYSIS	246 EASTERN BLVD N	STE 105	HAGERSTOWN	MD	21740-5965	3017454251	3017974637	In-Center Hemo	16	21-2691
KIDNEY HOME DOWNTOWN	200 SAINT PAUL ST	STE 5	BALTIMORE	MD	21202-2025	4102445638	4102446405	PD Services	4	21-2702
GREENBELT HOME TRAINING (PD ONLY)	10210 GREENBELT RD	STE 100	LANHAM	MD	20706-6223	3017940142	3017944857	PD Services	4	21-2710
QUEEN ANNE HOME TRAINING	125 SHOREWAY DR	STE 330	QUEENSTOWN	MD	21658-1683	4108274527	4108273148	PD Services	2	21-2689
ODENTON DIALYSIS	1360 BLAIR DR	STE L & M	ODENTON	MD	21113-1343	4106743918	4106728947	In-Center Hemo	19	21-2711
BRANDYWINE DIALYSIS	7651 MATAPEAKE BUSINESS DR	STE 206	BRANDYWINE	MD	20613-3038	3017827863	3017823731	In-Center Hemo, PD Services	22	21-2698
GLENARDEN DIALYSIS	9701 PHILADELPHIA CT	STE A	LANHAM	MD	20706-4431	3019183830	3013065129	In-Center Hemo	24	21-2699
LARGO TOWN CENTER DIALYSIS	1101 MERCANTILE LN	STE 104	LARGO	MD	20774-5360	3013417480	3017737206	In-Center Hemo, Nocturnal Hemo	22	21-2713
BRIGGS CHANEY DIALYSIS	13875 OUTLET DR		SILVER SPRING	MD	20904-4971	3018908976	3018901505	In-Center Hemo	18	21-2706
RIDGE ROAD DIALYSIS	530 E RIDGEVILLE BLVD		MOUNT AIRY	MD	21771-5252	3018295683	3018295254	In-Center Hemo	13	21-2725
LAUREL LAKES DIALYSIS	14500 LAUREL PL		LAUREL	MD	20707-4961	3014975454	3017762531	In-Center Hemo	13	21-2724
LA PLATA DIALYSIS	6700 CRAIN HWY	STE 103	LA PLATA	MD	20646-4950	3019342784	3019349094	In-Center Hemo	19	21-2732
EDGEWOOD DIALYSIS	1415 S MOUNTAIN RD	STE 105	JOPPA	MD	21085-3236	4106716059	4106129206	In-Center Hemo	16	21-2731
GAITHERSBURG DIALYSIS	202 PERRY PKWY	STE 3	GAITHERSBURG	MD	20877-2172	3019870912	3019476115	In-Center Hemo	16	21-2728
LOCH RAVEN DIALYSIS	5315 YORK RD		BALTIMORE	MD	21212-3830	4103238790	4103238795	In-Center Hemo	16	21-2735

GOLDEN MILE DIALYSIS	1306 W PATRICK ST	STE 5	FREDERICK	MD	21703-4869	3016961090	3016961095	In-Center Hemo	13	21-2733
GOOD SAMARITAN DIALYSIS	5601 LOCH RAVEN BLVD		BALTIMORE	MD	21239-2945	4434444095	4434444098	In-Center Hemo, PD Services	53	21-2722
UNION MEMORIAL DIALYSIS	201 E UNIVERSITY PKWY		BALTIMORE	MD	21218-2829	4105544535	4105544544	In-Center Hemo, PD Services	27	21-2721
GOOD SAMARITAN DIALYSIS (WALKER)	5601 LOCH RAVEN BLVD		BALTIMORE	MD	21239-2945	4434444955	4434444959	In-Center Hemo	53	21-2722
DEER CREEK HT AT HOME	602 S ATWOOD RD	STE 106	BEL AIR	MD	21014-4198	4108384613	4108384924	Home Hemo	1	21-2673
CAMBRIDGE AT HOME	704 CAMBRIDGE PLZ		CAMBRIDGE	MD	21613-2531	4102282791	4102211298	Home Hemo	22	21-2639
EASTERN MAINE DIALYSIS	11 SHORT ST		ELLSWORTH	ME	04605-1718	2076679294	2076679414	In-Center Hemo	12	20-2514
LINCOLN LAKES REGIONAL DIALYSIS	250 ENFIELD RD		LINCOLN	ME	04457-0367	2077946095	2077946190	In-Center Hemo	8	20-2513
BOYD DIALYSIS	925 UNION ST	STE 1	BANGOR	ME	04401-3051	2079411298	2079411304	In-Center Hemo, PD Services	21	20-2512
BREWER DIALYSIS	403 WILSON ST		BREWER	ME	04412-1521	2079890027	2079890306	In-Center Hemo, PD Services	13	20-2517
NEW CENTER DIALYSIS	7700 2ND AVE		DETROIT	MI	48202-2411	3138709473	3138711742	In-Center Hemo, In-Center Hemo Self Care	17	23-2529
CLARKSTON DIALYSIS	6770 DIXIE HWY	STE 205	CLARKSTON	MI	48346-2089	2486200958	2486201204	In-Center Hemo, In-Center Hemo Self Care, PD Services	22	23-2575
YPSILANTI DIALYSIS	2766 WASHTENAW RD		YPSILANTI	MI	48197-1506	7345289280	7345281139	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	16	23-2568
JACKSON DIALYSIS	234 W LOUIS GLICK HWY		JACKSON	MI	49201-1326	5178411712	5178411724	In-Center Hemo, PD Services	21	23-2571
GRAND BLANC DIALYSIS CENTER	3625 GENESYS PKWY		GRAND BLANC	MI	48439-8070	8109538800	8109538808	In-Center Hemo, In-Center Hemo Self Care	16	23-2569
SOUTHFIELD WEST DIALYSIS	21900 MELROSE AVE	STE 4	SOUTHFIELD	MI	48075-7967	2483568079	2483568151	In-Center Hemo	18	23-2604
DAVISON DIALYSIS	1011 S STATE RD		DAVISON WEST	MI	48423-1903	8106588224	8106588232	In-Center Hemo, In-Center Hemo Self Care	15	23-2605
WEST BLOOMFIELD DIALYSIS	6010 W MAPLE RD	STE 215	BLOOMFIELD	MI	48322-4406	2485391025	2485392986	In-Center Hemo, In-Center Hemo Self Care	8	23-2661
FLUSHING DIALYSIS	3469 PIERSON PL	STE A	FLUSHING	MI	48433-2704	8107335004	8107335384	In-Center Hemo, PD Services, In-Center Hemo Self Care	12	23-2601
BRIGHTON DIALYSIS	7960 GRAND RIVER RD	STE 210	BRIGHTON	MI	48114-7336	8102256288	8102256291	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	23-2551
MACOMB KIDNEY CENTER	28295 SCHOENHERR RD	STE A	WARREN	MI	48088-4300	5865588160	5865588159	In-Center Hemo, In-Center Hemo Self Care	20	23-2540
NORTH OAKLAND DIALYSIS	450 N TELEGRAPH RD	STE 600	PONTIAC	MI	48341-1037	2483332230	2483339589	In-Center Hemo, In-Center Hemo Self Care, PD Services	36	23-2511
NOVI DIALYSIS	27150 PROVIDENCE PKWY	STE A	NOVI	MI	48374-1272	2484496947	2484496995	In-Center Hemo, In-Center Hemo Self Care	21	23-2549
CORNERSTONE DIALYSIS	23857 GREENFIELD RD		SOUTHFIELD	MI	48075-3122	2485696111	2485691049	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	25	23-2512
OAK PARK DIALYSIS	13481 W 10 MILE RD		OAK PARK	MI	48237-4633	2485829750	2485829760	In-Center Hemo, In-Center Hemo Self Care	20	23-2613
SAGINAW DIALYSIS	311 HOYT AVE		SAGINAW	MI	48607-1105	9897715094	9897715053	In-Center Hemo, In-Center Hemo Self Care	13	23-2586
FLINT DIALYSIS CENTER	2 HURLEY PLZ	STE 115	FLINT	MI	48503-5904	8102399920	8102626676	In-Center Hemo, In-Center Hemo Self Care	20	23-2608
HALLWOOD DIALYSIS CENTER	4929 CLIO RD	STE B	FLINT	MI	48504-1897	8107874496	8107874602	In-Center Hemo, In-Center Hemo Self Care	16	23-2609
PARK PLAZA DIALYSIS	G1075 N BALLENGER HWY		FLINT	MI	48504-4431	8102358468	8102359144	In-Center Hemo, In-Center Hemo Self Care	15	23-2610
STATE FAIR DIALYSIS	19800 WOODWARD AVE		DETROIT	MI	48203-5102	3138938610	3138938865	In-Center Hemo	21	23-2578
BATTLE CREEK DIALYSIS	220 E GOODALE AVE		BATTLE CREEK	MI	49037-2728	2699688401	2699688410	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	23-2617
PDI-GRAND RAPIDS	801 CHERRY ST SE		GRAND RAPIDS	MI	49506-1440	6164585100	6164585200	In-Center Hemo, In-Center Hemo Self Care, PD Services	36	23-2565
PDI-GRAND RAPIDS EAST	1230 EKHART ST NE		GRAND RAPIDS	MI	49503-1372	6167428930	6167420456	In-Center Hemo, In-Center Hemo Self Care, Nocturnal Hemo	25	23-2588
PDI-GRAND HAVEN	16964 ROBBINS RD		GRAND HAVEN	MI	49417-2796	6168472825	6168474428	In-Center Hemo, In-Center Hemo Self Care	12	23-2563
PDI-HIGHLAND PARK	64 VICTOR ST		HIGHLAND PARK	MI	48203-3128	3138527700	3138527704	In-Center Hemo, In-Center Hemo Self Care	28	23-2570
PDI-CADIEUX	6150 CADIEUX ROAD		DETROIT	MI	48224-2006	3136409295	3136409314	In-Center Hemo, In-Center Hemo Self Care, PD Services	32	23-2584
DOWNRIVER KIDNEY CENTER	5600 ALLEN RD		ALLEN PARK	MI	48101-2604	3133825933	3133825942	In-Center Hemo, In-Center Hemo Self Care	24	23-2592
WESTLAND DIALYSIS	36588 FORD RD		WESTLAND	MI	48185-3769	7347211030	7347210833	In-Center Hemo, In-Center Hemo Self Care	16	23-2622
FASHION SQUARE DIALYSIS	5641 BAY RD		SAGINAW	MI	48604-2509	9892491350	9892491170	In-Center Hemo	13	23-2719
BALLENGER POINTE DIALYSIS	2262 S BALLENGER HWY		FLINT	MI	48503-3447	8102329004	8102358006	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	23-2624
ROCHESTER HILLS DIALYSIS	1886 W AUBURN RD	STE 100	ROCHESTER HILLS	MI	48309-3865	2482997901	2482997883	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	20	23-2628
COMMERCE TOWNSHIP DIALYSIS	120 W COMMERCE RD		COMMERCE TOWNSHIP	MI	48382-3915	2483634862	2483635238	In-Center Hemo	12	23-2637
CHELSEA DIALYSIS	1620 COMMERCE PARK DR	STE 200	CHELSEA	MI	48118-2136	7344759710	7344759720	In-Center Hemo, In-Center Hemo Self Care, PD Services	9	23-2632
EAST DEARBORN DIALYSIS	13200 W WARREN AVE		DEARBORN	MI	48126-2410	3135820131	3135820881	In-Center Hemo, Home Hemo, In-Center Hemo Self Care, PD Services	16	23-2631
CLINTON TOWNSHIP DIALYSIS	15918 19 MILE RD	STE 110	CLINTON TOWNSHIP	MI	48038-1101	5864129195	5864129196	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	23-2647
FENTON DIALYSIS	17420 SILVER PKWY		FENTON	MI	48430-4429	8107509200	8107509210	In-Center Hemo, In-Center Hemo Self Care	12	23-2635
WALKER DIALYSIS	2680 WALKER AVE NW	STE A	WALKER	MI	49544-1385	6167351172	6167351383	In-Center Hemo	17	23-2690
IONIA DIALYSIS	2622 HEARTLAND BLVD		IONIA	MI	48846-8757	6165220265	6165220298	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	23-2638
GROSSE POINTE DIALYSIS	18000 E WARREN AVE	STE 100	DETROIT	MI	48224-1336	3133435371	3133436015	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	24	23-2643
KALAMAZOO WEST DIALYSIS	1040 N 10TH ST	STE 100	KALAMAZOO	MI	49009-6149	2693534366	2693534793	In-Center Hemo	6	23-2641

KALAMAZOO CENTRAL DIALYSIS TAYLOR-MI	535 S BURDICK ST	STE 110	KALAMAZOO TAYLOR	MI MI	49007-5261 48180	2693430251	2693430266	In-Center Hemo, In-Center Hemo Self Care, PD Services In-Center Hemo	10 12	23-2639
ORCHARD SQUARE DIALYSIS RIVERWOOD DIALYSIS	1900 S TELEGRAPH RD 24467 W 10 MILE RD	STE 200	BLOOMFIELD SOUTHFIELD	MI MI	48302-0238 48033-2931	2484510954	2484510681 2483523137	In-Center Hemo In-Center Hemo	20 16	23-2656 23-2665
MUSKEGON DIALYSIS LUDINGTON DIALYSIS	1250 MERCY DR 7 N ATKINSON DR	STE 201	MUSKEGON	MI	49444-1830	2317370075	2317370606	In-Center Hemo, In-Center Hemo Self Care, PD Services In-Center Hemo, In-Center Hemo Self Care	28 17	23-2562 23-2572
SCHAEFFER DRIVE DIALYSIS REDFORD DIALYSIS	18100 SCHAEFER HWY 22711 GRAND RIVER AVE		DETROIT	MI	48235-2600	3138614354	3138614369	In-Center Hemo, In-Center Hemo Self Care In-Center Hemo, In-Center Hemo Self Care, PD Services	20 32	23-2583 23-2543
KRESGE DIALYSIS GREENVIEW DIALYSIS	4145 CASS AVE 18544 W 8 MILE RD		DETROIT SOUTHFIELD	MI	48201-1707	3138334330	3138334257	In-Center Hemo, In-Center Hemo Self Care In-Center Hemo, In-Center Hemo Self Care	32 24	23-2545 23-2600
ROMULUS DIALYSIS NEWAYGO COUNTY DIALYSIS	31470 E CORSE RD 1317 W MAIN ST		ROMULUS FREMONT	MI	48174-1963	7347225455	7347225682	In-Center Hemo, In-Center Hemo Self Care In-Center Hemo, In-Center Hemo Self Care	12 14	23-2596 23-2607
DEARBORN DIALYSIS GARDEN WEST DIALYSIS	1185 MONROE ST 5715 N VENOY RD		DEARBORN WESTLAND	MI	48124-2814	3132748100	3132748103	In-Center Hemo, In-Center Hemo Self Care In-Center Hemo, In-Center Hemo Self Care	25 24	23-2520 23-2550
SOUTHGATE DIALYSIS OAKWOOD RENAL SERVICES BURTON DIALYSIS	14752 NORTHLINE RD 18100 OAKWOOD BLVD 4015 DAVISON RD	STE 206	SOUTHGATE DEARBORN BURTON	MI	48195-2467	7342840005	7342840124	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, Acute Hemo 1:1 In-Center Hemo In-Center Hemo, PD Services	30 18 12	23-2535 23-2702 23-2663
MT MORRIS DIALYSIS TOWN CENTER DIALYSIS	6141 N SAGINAW RD 323 N MICHIGAN AVE		MOUNT MORRIS SAGINAW	MI	48458-2403	8107878134	8107878527	In-Center Hemo In-Center Hemo, PD Services	13 13	23-2672 23-2680
NORTON SHORES DIALYSIS APPLE AVENUE DIALYSIS ROSEVILLE COMMONS DIALYSIS	955 SEMINOLE RD 2480 E APPLE AVE 18001 E 10 MILE RD	UNIT E STE B	NORTON SHORES MUSKEGON ROSEVILLE	MI	49441-4341	2317800246	2317800261	In-Center Hemo In-Center Hemo, PD Services In-Center Hemo, PD Services	12 17 24	23-2689 23-2678 23-2736
ANN ARBOR DIALYSIS RIVERVIEW DIALYSIS	3147 OAK VALLEY DR 18236 FORT ST		ANN ARBOR RIVERVIEW	MI	48103-9248	7342135269	7342226073	In-Center Hemo In-Center Hemo	16 21	23-2687 23-2686
HARPER WOODS DIALYSIS SPARTAN DIALYSIS EAST CHINA DIALYSIS	19265 VERNIER RD 4530 S HAGADORN RD 4180 HOSPITAL DR	STE A	HARPER WOODS EAST LANSING EAST CHINA	MI	48225-1010	3136400271	3136407683	In-Center Hemo In-Center Hemo, Nocturnal Hemo In-Center Hemo, PD Services	24 12 13	23-2684 23-2706 23-2718
BAD AXE-MI BAY CITY DIALYSIS GLADWIN DIALYSIS MIDLAND DIALYSIS	897 N VAN DYKE RD 3170 S PROFESSIONAL DR 673 QUARTER ST 4901 JEFFERSON AVE		BAD AXE BAY CITY GLADWIN MIDLAND	MI	48413-7912	9892697657	9892697645	In-Center Hemo, PD Services In-Center Hemo In-Center Hemo, PD Services In-Center Hemo, PD Services	13 16 19 24	23-2698 23-2531 23-2649 23-2541
WEST BRANCH DIALYSIS GAYLORD DIALYSIS CASS CITY DIALYSIS	599 COURT ST 1989 WALDEN DR 6757 MAIN ST		WEST BRANCH GAYLORD CASS CITY	MI	48661-9310	9893458422	9893458431	In-Center Hemo, PD Services In-Center Hemo In-Center Hemo	14 12 16	23-2534 23-2556 23-2573
ALPENA DIALYSIS ALMA DIALYSIS GREENVILLE DIALYSIS MT PLEASANT DIALYSIS	301 OXBOW DR 1730 WRIGHT AVE 101 S GREENVILLE WEST DR 404 S CRAPO ST		ALPENA ALMA GREENVILLE MT PLEASANT	MI	49707-1447	9893563128	9893580072	In-Center Hemo, Acute Hemo 1:1, Acute PD, PD Services In-Center Hemo, PD Services In-Center Hemo In-Center Hemo	19 17 10 15	23-2553 23-2676 23-2677 23-2675
ROSCOMMON DIALYSIS RIVERBEND DIALYSIS ALGER HEIGHTS DIALYSIS STARRWOOD DIALYSIS	10450 N ROSCOMMON RD 415 S TELEGRAPH RD 705 28TH ST SE 3425 STARR RD		ROSCOMMON MONROE GRAND RAPIDS ROYAL OAK	MI	48653-9296	9892750362	9892750409	In-Center Hemo, PD Services In-Center Hemo, PD Services In-Center Hemo, PD Services In-Center Hemo	13 13 20 17	23-2705 23-2704 23-2714 23-2708
PARTRIDGE CREEK DIALYSIS BELLEVILLE DIALYSIS COLMARE DIALYSIS	46360 GRATIOT AVE 10850 BELLEVILLE RD 6302 DIXIE HWY	STE B	CHESTERFIELD BELLEVILLE BRIDGEPORT	MI	48051-2800	5869495417	5869495691	In-Center Hemo, PD Services In-Center Hemo In-Center Hemo	24 12 12	23-2713 23-2723 23-2724
TROY DIALYSIS WYOMING STREET DIALYSIS	2391 FIFTEEN MILE RD 13945 WYOMING ST		STERLING HEIGHTS DETROIT	MI	48310	5867952920	5867952708	In-Center Hemo In-Center Hemo, PD Services	13 13	23-2739 23-2738
ARDEN HILLS DIALYSIS UNIT BURNSVILLE DIALYSIS UNIT	3900 NORTHWOODS DR 501 E NICOLLET BLVD	STE 110	ARDEN HILLS BURNSVILLE	MN	55112-6911	6514833159	6514839156	In-Center Hemo, In-Center Hemo Self Care In-Center Hemo, In-Center Hemo Self Care	12 20	24-2518 24-2515
COON RAPIDS DIALYSIS UNIT EDINA DIALYSIS CENTER	3960 COON RAPIDS BLVD NW 6565 FRANCE AVE S	STE 309	COON RAPIDS EDINA	MN	55433-2598	7634218717	7634214789	In-Center Hemo, In-Center Hemo Self Care In-Center Hemo, In-Center Hemo Self Care	16 12	24-2514 24-2501
MAPLEWOOD DIALYSIS CENTER MINNEAPOLIS DIALYSIS UNIT	2785 WHITE BEAR AVE N 825 S 8TH ST	STE 201	MAPLEWOOD MINNEAPOLIS	MN	55109-1320	6517792222	6517799736	In-Center Hemo, In-Center Hemo Self Care In-Center Hemo, In-Center Hemo Self Care	16 32	24-2512 24-2503
MINNETONKA DIALYSIS UNIT ST PAUL DIALYSIS	17809 HUTCHINS DR 555 PARK ST	SLIP 42	MINNETONKA SAINT PAUL	MN	55404-1208	6123475972	6123475876	In-Center Hemo, In-Center Hemo Self Care In-Center Hemo, In-Center Hemo Self Care	10 16	24-2526 24-2513
UNIVERSITY DIALYSIS UNIT RIVERSIDE WEST ST PAUL DIALYSIS UNIT	1045 WESTGATE DR 1555 LIVINGSTON AVE	STE 180 STE 90	SAINT PAUL WEST ST PAUL	MN	55103-2192	6512918855	6512910514	In-Center Hemo, In-Center Hemo Self Care In-Center Hemo, In-Center Hemo Self Care	24 20	24-2539 24-2505

CASS LAKE DIALYSIS	602 3RD ST NW		CASS LAKE	MN	56633-3395	2183354095	2183354188	In-Center Hemo, In-Center Hemo Self Care, PD Services	8	24-2528
FARIBAULT DIALYSIS UNIT	201 LYNDALE AVE S	STE F	FARIBAULT	MN	55021-5758	5073340306	5073328935	In-Center Hemo, In-Center Hemo Self Care	10	24-2508
MARSHALL DIALYSIS CENTER	1420 E COLLEGE DR	STE 600	MARSHALL	MN	56258-2065	5075327393	5075325776	In-Center Hemo, In-Center Hemo Self Care	8	24-2502
MONTEVIDEO DIALYSIS CENTER	824 N 11TH ST	MONTE VIDEO HOSPITAL	MONTEVIDEO	MN	56265-1629	3202697451	3202696911	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD	6	24-2511
RED WING DIALYSIS UNIT	3028 N SERVICE DR		RED WING	MN	55066-1921	6513887711	6513884311	In-Center Hemo, In-Center Hemo Self Care	8	24-2520
REDWOOD FALLS DIALYSIS	1104 E BRIDGE ST		REDWOOD FALLS	MN	56283-1808	5076372076	5076379968	In-Center Hemo, In-Center Hemo Self Care	8	24-2522
ST PAUL CAPITOL DIALYSIS	555 PARK ST	STE 230	SAINT PAUL	MN	55103-2193	6512213318	6512244187	In-Center Hemo, In-Center Hemo Self Care	16	24-2533
RIVER CITY DIALYSIS	1970 NORTHWESTERN AVE S		STILLWATER	MN	55082-6567	6514300067	6514300140	In-Center Hemo, In-Center Hemo Self Care	12	24-2535
WOODBURY DIALYSIS	1850 WEIR DR	STE 3	WOODBURY	MN	55125-2260	6517304522	6517305089	In-Center Hemo, In-Center Hemo Self Care	12	24-2536
BLOOMINGTON DIALYSIS UNIT OF TRC	8591 LYNDALE AVE S		BLOOMINGTON	MN	55420-2237	9527035888	9527035889	In-Center Hemo, In-Center Hemo Self Care	20	24-2547
WYOMING DIALYSIS	5657 257TH ST		WYOMING	MN	55092-8072	6514088938	6514628176	In-Center Hemo, In-Center Hemo Self Care	12	24-2531
PIPESTONE DIALYSIS	916 4TH AVE SW		PIPESTONE	MN	56164-1890	5078256623	5078256627	In-Center Hemo, In-Center Hemo Self Care	7	24-2541
MINNEAPOLIS NE DIALYSIS	1049 10TH AVE SE		MINNEAPOLIS	MN	55414-1312	6123316088	6123316090	In-Center Hemo, In-Center Hemo Self Care	12	24-2553
ST LOUIS PARK DIALYSIS CENTER	3505 LOUISIANA AVE S		ST LOUIS PARK	MN	55426-4121	9522851400	9522851406	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	28	24-2554
ST PAUL CAPITAL DIALYSIS PD	555 PARK ST	STE 230 SUITE 300	SAINT PAUL	MN	55103-2193	6512213437	6512245012	PD Services	5	24-2565
EAGAN DIALYSIS UNIT	2750 BLUE WATER RD		EAGAN	MN	55121-1773	6516880132	6516880905	In-Center Hemo, In-Center Hemo Self Care	16	24-2557
EDEN PRAIRIE DIALYSIS	14852 SCENIC HEIGHTS RD	STE 255 BLDG B	EDEN PRAIRIE	MN	55344-2320	9529342411	9529343851	In-Center Hemo, In-Center Hemo Self Care	12	24-2556
RICHFIELD DIALYSIS	6601 LYNDALE AVE S	STE 150	RICHFIELD	MN	55423-2490	6128692118	6128692219	In-Center Hemo, In-Center Hemo Self Care	12	24-2563
NEW HOPE DIALYSIS CENTER	5640 INTERNATIONAL PKWY		NEW HOPE	MN	55428-3047	7635370300	7635370340	In-Center Hemo, In-Center Hemo Self Care	12	24-2564
SCOTT COUNTY DIALYSIS	7456 S PARK DR		SAVAGE	MN	55378-3635	9522264766	9522264770	In-Center Hemo, In-Center Hemo Self Care	12	24-2567
COTTAGE GROVE DIALYSIS	8800 E POINT DOUGLAS RD S	STE 100	COTTAGE GROVE	MN	55016-4160	6514595655	6514596696	In-Center Hemo, In-Center Hemo Self Care	12	24-2566
MINNEAPOLIS UPTOWN DIALYSIS	3601 LYNDALE AVE S		MINNEAPOLIS	MN	55409-1103	6128254583	6128254651	In-Center Hemo, In-Center Hemo Self Care	12	24-2568
HIGHLAND PARK DIALYSIS	1559 7TH ST W		SAINT PAUL	MN	55102-4243	6512227139	6512243655	In-Center Hemo, In-Center Hemo Self Care	12	24-2573
SUN RAY DIALYSIS UNIT	1744 OLD HUDSON RD		SAINT PAUL	MN	55106-6118	6517935191	6517746520	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	12	24-2574
WESTWOOD HILLS DIALYSIS	7525 WAYZATA BLVD		SAINT LOUIS PARK	MN	55426-1621	9525461401	9525440583	In-Center Hemo	12	24-2576
EAST RIVER ROAD DIALYSIS	5301 E RIVER RD	STE 117	FRIDLEY	MN	55421-3778	7635715556	7635717882	In-Center Hemo, In-Center Hemo Self Care	12	24-2569
MAPLE GROVE DIALYSIS UNIT	15655 GROVE CIR N		MAPLE GROVE	MN	55369-4489	7634202804	7634207162	In-Center Hemo, In-Center Hemo Self Care	12	24-2571
EAST VALLEY DIALYSIS	14050 PILOT KNOB RD	STE 100	APPLE VALLEY	MN	55124-6647	9524234062	9524236974	In-Center Hemo, PD Services	12	24-2589
ROBBINSDALE DIALYSIS	3461 W BROADWAY AVE		ROBBINSDALE	MN	55422-2955	7635214865	7635226754	In-Center Hemo, PD Services	16	24-2582
DIALYSIS AT MANKATO CLINIC	1400 MADISON AVE	STE 400	MANKATO	MN	56001-5476	5073850432	5073851584	In-Center Hemo, PD Services	12	24-2585
PARK RAPIDS DIALYSIS	110 7TH ST W		PARK RAPIDS	MN	56470-1872	2187321000	2187324598	In-Center Hemo, PD Services	8	24-2587
MOORHEAD DIALYSIS	1710 CENTER AVE W		DILWORTH	MN	56529-1309	2182333354	2182333482	In-Center Hemo, PD Services	12	24-2584
CENTRAL AVENUE DIALYSIS	10994 BALTIMORE ST NE		BLAINE	MN	55449-4601	7637865026	7637864138	In-Center Hemo, PD Services	12	24-2591
NORTHFIELD DIALYSIS	2004 JEFFERSON RD		NORTHFIELD	MN	55057-3253	5076456762	5076452372	In-Center Hemo, PD Services	8	24-2588
HISTORICAL HASTINGS DIALYSIS	1828 MARKET BLVD		HASTINGS	MN	55033-3494	6514382155	6514382164	In-Center Hemo, PD Services	8	24-2594
GLENCOE DIALYSIS	1123 HENNEPIN AVE N		GLENCOE	MN	55336-2234	3208641901	3208643361	In-Center Hemo, PD Services	8	24-2596
ROCHESTER DIALYSIS	2660 S BROADWAY	STE A	ROCHESTER	MN	55904-6264	5072881617	5072890672	In-Center Hemo, PD Services	12	24-2600
APOLLO DIALYSIS	30 25TH AVE S		ST CLOUD	MN	56301-6285	3202598592	3202598903	In-Center Hemo	12	24-2598
MILLE LACS DIALYSIS	245 ISLE ST W		ISLE	MN	56342	3206763593	3206763316	In-Center Hemo, PD Services	8	24-2597
LARPENITEUR AVE DIALYSIS	1739 LEXINGTON AVE N		ROSEVILLE	MN	55113-6522	6514899260	6514899119	In-Center Hemo, Home Hemo, PD Services	12	24-2603
MANKATO UPTOWN DIALYSIS	1802 COMMERCE DR		NORTH MANKATO	MN	56003-1800	5073879095	5073454947	In-Center Hemo, PD Services	16	24-2697
LAKEVILLE DIALYSIS	20184 HERITAGE DR		LAKEVILLE	MN	55044-6855	9529855438	9524699742	In-Center Hemo, PD Services	8	24-2605
NEW ULM DIALYSIS	701 N BROADWAY		NEW ULM	MN	56073-1201	5073541216	5073540416	In-Center Hemo	12	24-2606
PHALEN DIALYSIS	862 ARCADE ST		SAINT PAUL	MN	55106-3852	6517760466	6517767838	In-Center Hemo	12	24-2701
SOUTH COUNTY DIALYSIS	4145 UNION RD		SAINT LOUIS	MO	63129-1064	3148941851	3148943879	In-Center Hemo, PD Services	12	26-2574
ST LOUIS DIALYSIS CENTER	2610 CLARK AVE		SAINT LOUIS	MO	63103-2502	3145340909	3145340661	In-Center Hemo	25	26-2503
CRYSTAL CITY DIALYSIS CENTER	960 S TRUMAN BLVD		FESTUS	MO	63028-3714	6369375761	6369375774	In-Center Hemo, PD Services	12	26-2524
BLUFF CITY DIALYSIS CENTER	2400 LUCY LEE PKWY	STE E	POPLAR BLUFF	MO	63901-2429	5736862321	5736860847	In-Center Hemo, PD Services	12	26-2526
HOPE AGAIN DIALYSIS CENTER	1207 STATE ROUTE VV		KENNETT	MO	63857-3823	5738880222	5738880019	In-Center Hemo	16	26-2534
CRESTWOOD DIALYSIS	9560 WATSON RD	STE A	SAINT LOUIS	MO	63126-1541	3148420322	3148420351	In-Center Hemo, Nocturnal Hemo, PD Services	12	26-2591
HAMPTON AVENUE DIALYSIS	1425 HAMPTON AVE		SAINT LOUIS	MO	63139-3115	3147814022	3147814063	In-Center Hemo	12	26-2607



LAMPLIGHTER DIALYSIS	12654 LAMPLIGHTER SQUARE SHPG CTR		SAINT LOUIS	MO	63128-2746	3147297979	3147297958	In-Center Hemo, PD Services	16	26-2606
RTC-COLUMBIA DIALYSIS	1701 E BROADWAY	STE G102	COLUMBIA	MO	65201-8029	5734420573	5734423498	In-Center Hemo, Nocturnal Hemo	12	26-2611
NORTH ST LOUIS COUNTY DIALYSIS	13812 S US HIGHWAY 71		COLUMBIA	MO	64030-3685	8167631179	8167631390	In-Center Hemo, PD Services	12	26-2644
GRANDVIEW DIALYSIS			GRANDVIEW	MO						
FLORISSANT DIALYSIS	13119 NEW HALLS FERRY RD		FLORISSANT	MO	63033-3228	3148383252	3148382129	In-Center Hemo	14	26-2625
EASTLAND DIALYSIS	19101 E VALLEY VIEW PKWY	STE E	INDEPENDENCE	MO	64055-6907	8167956018	8167959572	In-Center Hemo, PD Services	20	26-2626
EUREKA DIALYSIS CENTER	419 MERAMEC BLVD		EUREKA	MO	63025-3906	6365872063	6365872778	In-Center Hemo, Home Hemo, PD Services	13	26-2628
ROLLA DIALYSIS	1503 E 10TH ST		ROLLA	MO	65401-3696	5733646475	5733649254	In-Center Hemo, PD Services	16	26-2536
HOSPITAL HILL DIALYSIS	900 E 21ST ST		KANSAS CITY	MO	64108-2703	8168429286	8162210169	In-Center Hemo	21	26-2551
WASHINGTON SQUARE DIALYSIS	1112 WASHINGTON SQ		WASHINGTON	MO	63090-5336	6363908233	6363902771	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	26-2562
FLORISSANT DIALYSIS	10887 W FLORISSANT AVE		SAINT LOUIS	MO	63136-2405	3145245737	3145245752	In-Center Hemo, Nocturnal Hemo, PD Services	20	26-2561
ST CHARLES DIALYSIS	2125 BLUESTONE DR		SAINT CHARLES	MO	63303-6704	6369408840	6369400797	In-Center Hemo	12	26-2568
SHREWSBURY DIALYSIS	7303 WATSON RD	STE 7	SAINT LOUIS	MO	63119-4405	3147525913	3148322527	In-Center Hemo, PD Services	12	26-2572
ST. LOUIS WEST DIALYSIS	400 N LINDBERGH BLVD		SAINT LOUIS	MO	63141-7814	3149890886	3149890596	In-Center Hemo, Nocturnal Hemo	21	26-2583
DE BALIVIERE DIALYSIS	324 DE BALIVIERE AVE		SAINT LOUIS	MO	63112-1804	3143679111	3143679248	In-Center Hemo, In-Center Hemo Self Care, Nocturnal Hemo	32	26-2527
HAZELWOOD DIALYSIS	637 DUNN RD	STE 125	HAZELWOOD	MO	63042-1757	3148954419	3148954578	In-Center Hemo	12	26-2589
LIBERTY	2525 GLENN HENDREN DR		LIBERTY	MO	64068-9625	8167814422	8167922101	In-Center Hemo, In-Center Hemo Self Care	14	26-2530
NORTHLAND DIALYSIS	2750 CLAY EDWARDS DR	STE 100	NORTH KANSAS CITY	MO	64116-3257	8168422056	8162216091	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	21	26-2504
LAKE ST. LOUIS DIALYSIS	200 BREVCO PLZ	STE 201	LAKE SAINT LOUIS	MO	63367-2950	6365614799	6365614533	In-Center Hemo, In-Center Hemo Self Care, PD Services	14	26-2541
CAMERON DIALYSIS	1003 W 4TH ST		CAMERON	MO	64429-1466	8166326056	8166326058	In-Center Hemo, In-Center Hemo Self Care	11	26-2578
CHILLICOTHE DIALYSIS	588 E BUSINESS 36		CHILLICOTHE	MO	64601-3721	6607071092	6607070491	In-Center Hemo, In-Center Hemo Self Care, PD Services	9	26-2580
ST. JOSEPH DIALYSIS	5514 CORPORATE DR	STE 100	SAINT JOSEPH	MO	64507-7754	8166711948	8166711909	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	25	26-2576
ST. PETERS DIALYSIS	300 FIRST EXECUTIVE AVE	STE A	SAINT PETERS	MO	63376-1655	6364416070	6364416367	In-Center Hemo, Nocturnal Hemo	12	26-2599
PLATTE WOODS DIALYSIS	7667 NW PRAIRIE VIEW RD		KANSAS CITY	MO	64151-1544	8167465542	8167465654	In-Center Hemo, In-Center Hemo Self Care	14	26-2596
DEXTER DIALYSIS	2010 N OUTER RD		DEXTER	MO	63841-8001	5736243452	5736243188	In-Center Hemo	8	26-2635
SWOPE DIALYSIS	4407 E 50TH TER		KANSAS CITY	MO	64130-2855	8169241201	8169241799	In-Center Hemo	19	26-2651
TIMBERLAKE DIALYSIS	12110 HOLMES RD		KANSAS CITY	MO	64145-1707	8169423827	8169423153	In-Center Hemo	12	26-2634
VILLA OF WATERBURY	929 WATERBURY FALLS DR		O FALLON	MO	63368-2202	6363290697	6363291089	In-Center Hemo	6	26-2636
VILLA OF ST JOHN	9030 SAINT CHARLES ROCK RD		SAINT LOUIS	MO	63114-4246	3144291724	3144276499	In-Center Hemo	6	26-2639
MAPLE VALLEY DIALYSIS	649 MAPLE VALLEY DR		FARMINGTON	MO	63640-1993	5737470946	5737470536	In-Center Hemo, PD Services	12	26-2640
BOWLES AVENUE DIALYSIS	1011 BOWLES AVE	STE 210	FENTON	MO	63026-2384	6363267130	6363268011	In-Center Hemo, PD Services	12	26-2649
TOWN AND COUNTRY WEST DIALYSIS	12855 N 40 DR	STE LL4	SAINT LOUIS	MO	63141-8657	3145420049	3145420057	In-Center Hemo, PD Services	12	26-2648
CHAMBERS DIALYSIS	10241 LEWIS AND CLARK BLVD		SAINT LOUIS	MO	63136-5505	3148685982	3148685918	In-Center Hemo, PD Services, Nocturnal Hemo	20	26-2646
ARNOLD DIALYSIS	102 RICHARDSON XING		ARNOLD	MO	63010-6023	6364675619	6364675997	In-Center Hemo, PD Services	8	26-2647
SPRINGFIELD NORTH DIALYSIS	1007 E KEARNEY ST		SPRINGFIELD	MO	65803-3433	4178739926	4178651602	In-Center Hemo, PD Services	12	26-2656
SOUTH CITY DIALYSIS	3740 S JEFFERSON AVE		SAINT LOUIS	MO	63118-3905	3146646687	3147721614	In-Center Hemo	12	26-2654
KANSAS AVENUE DIALYSIS	604 KANSAS AVE		CLINTON	MO	64735-3069	6608900830	6608900789	In-Center Hemo, PD Services	13	26-2663
HANNIBAL DIALYSIS	119 PROGRESS RD		HANNIBAL	MO	63401-6628	5734060165	5734060144	In-Center Hemo, PD Services	15	26-2637
SIKESTON JAYCEE REGIONAL DIALYSIS	135 PLAZA DR STE 101		SIKESTON	MO	63801-5148	5734727230	5734727214	In-Center Hemo, Acute Hemo 1:1, Acute PD, PD Services	18	26-2643
LAKE ST. LOUIS HOME AT HOME	200 BREVCO PLZ	STE 202	LAKE ST LOUIS	MO	63367-2950	6366254460	6366254463	Home Hemo	3	26-2641
KANSAS CITY RENAL CENTER	4333 MADISON AVE	STE 100	KANSAS CITY	MO	64111-3434	8167560645	8167561726	In-Center Hemo, PD Services	24	26-2564
BUTLER RENAL CENTER	601 W NURSERY ST		BUTLER	MO	64730-1872	6606796513	6606796517	In-Center Hemo	10	26-2588
HARRISONVILLE RENAL CENTER	308 GALAXIE AVE		HARRISONVILLE	MO	64701-2084	8163802004	8163807692	In-Center Hemo, PD Services	12	26-2523
MARSHALL RENAL CENTER	359 W MORGAN ST		MARSHALL	MO	65340-1929	6608869080	6608869033	In-Center Hemo	8	26-2581
LEES SUMMIT RENAL CENTER	100 NE MISSOURI RD	STE 100	LEES SUMMIT	MO	64086-4702	8165243312	8165243321	In-Center Hemo, Home Hemo, Nocturnal Hemo, PD Services	17	26-2617
WESTPORT RENAL CENTER	3947 BROADWAY ST		KANSAS CITY	MO	64111-2516	8165311181	8165311186	In-Center Hemo	24	26-2631
HARRISONVILLE RENAL AT HOME	308 GALAXIE AVE		HARRISONVILLE	MO	64701-2084	8163802004	8163807692	Home Hemo	1	26-2624
ARNOLD AT HOME	102 RICHARDSON XING		ARNOLD	MO	63010-6023	6364675619	6364675997	Home Hemo	1	26-2647
CHAMBERS AT HOME	10241 LEWIS AND CLARK BLVD		SAINT LOUIS	MO	63136-5505	3148685982	3148685918	Home Hemo	1	26-2646
BOWLES AVENUE AT HOME	1011 BOWLES AVE	STE 210	FENTON	MO	63026-2384	6363267130	6363268011	Home Hemo	1	26-2649
KANSAS AVENUE AT HOME	604 KANSAS AVE		CLINTON	MO	64735-3069	6608900830	6608900789	Home Hemo	1	26-2663
NORTH COUNTY KIDNEY CARE DIALYSIS	1554 SIERRA VISTA PLZ		SAINT LOUIS	MO	63138-2040	3144380864	3143551857	In-Center Hemo, PD Services	20	26-2673
EXCELSIOR SPRINGS DIALYSIS	1745 W JESSE JAMES RD		EXCELSIOR SPRINGS	MO	64024-1801	8166372685	8166372635	In-Center Hemo, PD Services	13	26-2662
TRENTON DIALYSIS	1709 E 9TH ST		TRENTON	MO	64683-2641	6603597342	6603597367	In-Center Hemo, PD Services	8	26-2668
SHOAL CREEK DIALYSIS	8260 N BOOTH AVE		KANSAS CITY	MO	64158-7201	8167922502	8167922635	In-Center Hemo	16	26-2676
NATURAL BRIDGE DIALYSIS	8980 NATURAL BRIDGE RD		SAINT LOUIS	MO	63121-3917	3144262064	3144262462	In-Center Hemo	20	26-2683
WESTFALL DIALYSIS	8029 WEST FLORISSANT AVE		JENNINGS	MO	63136-1400	3143822869	3143830795	In-Center Hemo, PD Services	20	26-2685
ROBIDOUX DIALYSIS	802 JULES ST		SAINT JOSEPH	MO	64501-1944	8162333340	8162333470	In-Center Hemo	16	26-2691
SILVER CREEK DIALYSIS	2011 E 32ND ST	STE 101	JOPLIN	MO	64804-3018	4176279490	4176279459	In-Center Hemo, PD Services	8	26-2687
CROSS KEYS DIALYSIS	14001 NEW HALLS FERRY RD	STE 133	FLORISSANT	MO	63033-2708	3148397416	3148397464	In-Center Hemo	16	26-2686

HOUSE SPRINGS DIALYSIS	40 WALTERS PL		HOUSE SPRINGS	MO	63051-1491	6363755270	6363755302	In-Center Hemo, PD Services	20	26-2693
BLUE RIDGE DIALYSIS	8608 E 63RD ST		KANSAS CITY	MO	64133-4725	8163536100	8163536106	In-Center Hemo	20	26-2694
SINGING RIVER DIALYSIS	4907 TELEPHONE RD		PASCAGOULA	MS	39567-1823	2287620701	2286962955	In-Center Hemo, In-Center Hemo Self Care, PD Services	28	25-2516
OCEAN SPRINGS DIALYSIS	13150 PONCE DE LEON DR		OCEAN SPRINGS	MS	39564-2460	2288183201	2288186468	In-Center Hemo, Nocturnal Hemo, PD Services	16	25-2519
LUCEDALE DIALYSIS	652 MANILA ST		LUCEDALE	MS	39452-5962	6019478701	6019478980	In-Center Hemo, In-Center Hemo Self Care	16	25-2556
CANTON RENAL CENTER	620 E PEACE ST		CANTON	MS	39046-4729	6018593382	6018598591	In-Center Hemo	22	25-2521
HAZLEHURST DIALYSIS	201 N HALEY ST		HAZLEHURST	MS	39083-3111	6018945509	6018945514	In-Center Hemo, PD Services	17	25-2551
JACKSON NORTH DIALYSIS	571 E BEASLEY RD	SUITE A	JACKSON	MS	39206-3042	6019571999	6019563165	In-Center Hemo, PD Services	46	25-2501
JACKSON SOUTH DIALYSIS	1015 I 20 FRONTAGE RD		JACKSON	MS	39204-5807	6013739154	6019600749	In-Center Hemo	35	25-2535
JACKSON SOUTHWEST DIALYSIS	1828 RAYMOND RD		JACKSON	MS	39204-4126	6013737897	6013737899	In-Center Hemo	18	25-2533
RENAL CARE OF LEXINGTON	22579 DEPOT ST		LEXINGTON	MS	39095-7339	6628343355	6628343587	In-Center Hemo, PD Services	22	25-2539
BRANDON RENAL CENTER	101 CHRISTIAN DR		BRANDON	MS	39042-2678	6018249764	6018249761	In-Center Hemo, PD Services	24	25-2549
RENAL CARE OF CARTHAGE	312 ELLIS ST		CARTHAGE	MS	39051-3809	6012676856	6012676859	In-Center Hemo	15	25-2562
GREAT FALLS DIALYSIS	3400 10TH AVE S	STE 1	GREAT FALLS	MT	59405-3473	4067270411	4064530080	In-Center Hemo, PD Services, Acute Hemo 1:1, Acute PD	17	27-2509
ASHEVILLE KIDNEY CENTER	1600 CENTRE PARK DR		ASHEVILLE	NC	28805-6206	8282511224	8282514695	In-Center Hemo, In-Center Hemo Self Care, Nocturnal Hemo	52	34-2506
HENDERSONVILLE DIALYSIS CENTER	1250 7TH AVE E		HENDERSONVILLE	NC	28792-2610	8286971602	8286930127	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	34-2564
SYLVA DIALYSIS CENTER	655 ASHEVILLE HWY		SYLVA	NC	28779-2747	8285863340	8285863350	In-Center Hemo, Home Hemo, In-Center Hemo Self Care, PD Services	16	34-2556
WEAVERVILLE DIALYSIS	329 MERRIMON AVE		WEAVERVILLE	NC	28787-9253	8286581441	8286581563	In-Center Hemo, Home Hemo, In-Center Hemo Self Care	20	34-2604
DIALYSIS CARE OF ANSON COUNTY	923 E CASWELL ST		WADESBORO	NC	28170-2305	7046945545	7046949139	In-Center Hemo, In-Center Hemo Self Care	15	34-2560
DIALYSIS CARE OF EDGEcombe COUNTY	3206 WESTERN BLVD		TARBORO	NC	27886-1828	2526419004	2526419007	In-Center Hemo, PD Services	35	34-2577
DIALYSIS CARE OF FRANKLIN COUNTY	1706 NC HWY 39 N		LOUISBURG	NC	27549-8329	9194960300	9194960188	In-Center Hemo, In-Center Hemo Self Care, PD Services	27	34-2571
DIALYSIS CARE OF HOKE COUNTY	403 S MAIN ST		RAEFORD	NC	28376-3222	9108756561	9108756652	In-Center Hemo, In-Center Hemo Self Care	24	34-2579
DIALYSIS CARE OF MARTIN COUNTY	100 MEDICAL DR		WILLIAMSTON	NC	27892-2156	2527922386	2527924832	In-Center Hemo, In-Center Hemo Self Care, PD Services	23	34-2584
DIALYSIS CARE OF MONTGOMERY COUNTY	323 W MAIN ST		BISCOE	NC	27209-9528	9104284052	9104284535	In-Center Hemo, In-Center Hemo Self Care	20	34-2583
DIALYSIS CARE OF MOORE COUNTY	16 REGIONAL DR		PINEHURST	NC	28374-8850	9102952124	9102952336	In-Center Hemo, In-Center Hemo Self Care	25	34-2555
DIALYSIS CARE OF RICHMOND COUNTY	771 CHERAW RD		HAMLET	NC	28345-7158	9105825822	9105821320	In-Center Hemo, Home Hemo, In-Center Hemo Self Care, PD Services	30	34-2539
DIALYSIS CARE OF ROCKINGHAM COUNTY	251 W KINGS HWY		EDEN	NC	27288-5009	3366237906	3366237428	In-Center Hemo, PD Services	25	34-2536
DIALYSIS CARE OF ROWAN COUNTY	111 DORSETT DR		SALISBURY	NC	28144-2278	7046372107	7046399272	In-Center Hemo, Home Hemo, In-Center Hemo Self Care, PD Services	33	34-2546
DIALYSIS CARE OF RUTHERFORD COUNTY	226 COMMERCIAL ST		FOREST CITY	NC	28043-2851	8282483660	8282483825	In-Center Hemo, PD Services	30	34-2566
DIALYSIS CARE OF KANNAPOLIS	1607 N MAIN ST		KANNAPOLIS	NC	28081-2317	7049330809	7049326964	In-Center Hemo, In-Center Hemo Self Care, PD Services	30	34-2592
SEDC BURGAW DIALYSIS CENTER	704 S DICKERSON ST		BURGAW	NC	28425-4904	9102599925	9102597067	In-Center Hemo, Home Hemo, In-Center Hemo Self Care	18	34-2558
SEDC ELIZABETHTOWN DIALYSIS CENTER	101 DIALYSIS DR		ELIZABETHTOWN	NC	28337-9048	9108627022	9108626312	In-Center Hemo, In-Center Hemo Self Care, PD Services	26	34-2578
SEDC JACKSONVILLE DIALYSIS CENTER	14 OFFICE PARK DR		JACKSONVILLE	NC	28546-7325	9103536888	9103536839	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD, PD Services	33	34-2532
SEDC KENANSVILLE DIALYSIS CENTER	305 BEASLEY ST		KENANSVILLE	NC	28349-8798	9102960748	9102961658	In-Center Hemo, Home Hemo, In-Center Hemo Self Care	17	34-2535
SEDC SHALLOTTE DIALYSIS CENTER	4770 SHALLOTTE AVE		SHALLOTTE	NC	28470-6596	9107545563	9107545569	In-Center Hemo, Home Hemo, In-Center Hemo Self Care, PD Services	14	34-2582
SEDC WHITEVILLE DIALYSIS CENTER	608 PECAN LN		WHITEVILLE	NC	28472-2949	9106420233	9106426239	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD, PD Services	26	34-2521
SEDC WILMINGTON DIALYSIS CENTER	2215 YAUPON DR		WILMINGTON	NC	28401-7334	9103430664	9103430674	In-Center Hemo, In-Center Hemo Self Care, PD Services, Nocturnal Hemo	34	34-2511
CHEROKEE DIALYSIS CENTER	53 ECHOTA CHURCH RD		CHEROKEE	NC	28719-9702	8284976866	8284972598	In-Center Hemo, In-Center Hemo Self Care	20	34-2602
BURLINGTON DIALYSIS	873 HEATHER RD		BURLINGTON	NC	27215-6288	3365703494	3362278615	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	34-2567
WAYNESVILLE DIALYSIS CENTER	11 PARK TERRACE DR		CLYDE	NC	28721-7445	8286272907	8286272924	In-Center Hemo, In-Center Hemo Self Care	19	34-2629
COPPERFIELD DIALYSIS	1030 VINEHAVEN DR NE		CONCORD	NC	28025-2438	7047957552	7047957569	In-Center Hemo, In-Center Hemo Self Care	27	34-2631
CHADBOURN DIALYSIS CENTER	210 STRAWBERRY BLVD		CHADBOURN	NC	28431-1418	9106543190	9106545747	In-Center Hemo, In-Center Hemo Self Care	17	34-2628
REIDSVILLE DIALYSIS	1307 FREEWAY DR		REIDSVILLE	NC	27320-7104	3363486857	3363486861	In-Center Hemo, In-Center Hemo Self Care, PD Services	27	34-2640
SOUTHERN PINES DIALYSIS CENTER	209 WINDSTAR PL		SOUTHERN PINES	NC	28387-7086	9106926218	9106929473	In-Center Hemo, In-Center Hemo Self Care	17	34-2638
MAXTON DIALYSIS	202 E DR MARTIN LUTHER KING JR DR		MAXTON	NC	28364-1861	9108442693	9108442696	In-Center Hemo, In-Center Hemo Self Care, PD Services	14	34-2651
MCDOWELL COUNTY DIALYSIS	100 SPAULDING RD	STE 2	MARION	NC	28752-5116	8286599790	8286599794	In-Center Hemo, PD Services	13	34-2645
SMOKEY MOUNTAIN DIALYSIS	1611 ANDREWS RD		MURPHY	NC	28906-5100	8288354910	8288357394	In-Center Hemo	13	34-2649
GREENE COUNTY DIALYSIS CENTER	1025 KINGOLD BLVD		SNOW HILL	NC	28580-1616	2527479987	2527479990	In-Center Hemo, In-Center Hemo Self Care	21	34-2650
MAYLAND DIALYSIS CENTER	575 ALTPASS HWY		SPRUCE PINE	NC	28777-3012	8287668122	8287656946	In-Center Hemo	9	34-2660

WALLACE DIALYSIS	5650 S NC 41 HWY		WALLACE	NC	28466-6094	9102856424	9102856928	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	34-2659
ELIZABETH CITY DIALYSIS	1840 W CITY DR		ELIZABETH CITY	NC	27909-9632	2523382217	2523384051	In-Center Hemo, In-Center Hemo Self Care, PD Services	28	34-2515
DURHAM DIALYSIS	201 HOOD ST		DURHAM	NC	27701-3715	9196800002	9196800012	In-Center Hemo, In-Center Hemo Self Care	25	34-2550
WILSON DIALYSIS	2833 WOOTEN BLVD SW		WILSON	NC	27893-8625	2522061471	2522067157	In-Center Hemo, In-Center Hemo Self Care, PD Services	40	34-2507
GOLDSBORO DIALYSIS	2609 HOSPITAL RD		GOLDSBORO	NC	27534-9424	9197341410	9197317346	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	34-2531
ROXBORO DIALYSIS	1005 RIDGE RD		ROXBORO	NC	27573-4513	3365985196	3365985054	In-Center Hemo, In-Center Hemo Self Care	37	34-2562
MT OLIVE DIALYSIS	105 MICHAEL MARTIN RD		MOUNT OLIVE	NC	28365-1112	9196580878	9196580873	In-Center Hemo, In-Center Hemo Self Care	17	34-2573
GOLDSBORO SOUTH DIALYSIS	1704 WAYNE MEMORIAL DR		GOLDSBORO	NC	27534-2240	9197396505	9197396506	In-Center Hemo, In-Center Hemo Self Care	25	34-2587
DURHAM WEST DIALYSIS	4307 WESTERN PARK PL		DURHAM	NC	27705-1204	9193840712	9193840853	In-Center Hemo, Home Hemo, Nocturnal Hemo, In-Center Hemo Self Care	27	34-2616
CHARLOTTE EAST DIALYSIS	5627 ALBEMARLE RD		CHARLOTTE	NC	28212-3611	7045353962	7045314878	In-Center Hemo, PD Services	34	34-2627
FOREST HILLS DIALYSIS	1605 MEDICAL PARK DR W		WILSON	NC	27893-2799	2522650020	2522650645	In-Center Hemo	31	34-2637
VANCE COUNTY DIALYSIS	854 S BECKFORD DR		HENDERSON	NC	27536-3487	2524924239	2524925713	In-Center Hemo, In-Center Hemo Self Care	35	34-2543
EDENTON DIALYSIS	312 MEDICAL ARTS DR		EDENTON	NC	27932-8607	2524820763	2524820863	In-Center Hemo, In-Center Hemo Self Care	17	34-2541
AHOSKIE DIALYSIS	129 HERTFORD COUNTY HIGH RD		AHOSKIE	NC	27910-8131	2523323896	2523323971	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	34-2570
UNION COUNTY DIALYSIS	615 COMFORT LN		MONROE	NC	28112-5599	7042250944	7042259233	In-Center Hemo, Home Hemo, In-Center Hemo Self Care, PD Services	33	34-2526
SOUTH CHARLOTTE DIALYSIS	6450 BANNINGTON RD		CHARLOTTE	NC	28226-1327	7045429499	7045428234	In-Center Hemo, In-Center Hemo Self Care	23	34-2523
NORTH CHARLOTTE DIALYSIS CENTER	6620 OLD STATESVILLE RD		CHARLOTTE	NC	28269-6768	7045991355	7045991511	In-Center Hemo	36	34-2663
MARSHVILLE DIALYSIS CENTER	7260 E MARSHVILLE BLVD		MARSHVILLE	NC	28103-1191	7046245000	7046245040	In-Center Hemo	12	34-2666
CHARLOTTE DIALYSIS	2321 W MOREHEAD ST	STE 102	CHARLOTTE	NC	28208-5145	7043335535	7043333862	In-Center Hemo, In-Center Hemo Self Care	34	34-2548
WAKE FOREST DIALYSIS CENTER	11001 INGLESIDE PL		RALEIGH	NC	27614-8577	9195560968	9195567497	In-Center Hemo, PD Services	22	34-2675
HARRISBURG DIALYSIS CENTER	3310 PERRY ST		CONCORD	NC	28027-3901	7047921144	7047921164	In-Center Hemo, PD Services	25	34-2670
CAPE FEAR DIALYSIS	3005 ENTERPRISE DR		WILMINGTON	NC	28405-2181	9107968684	9107997758	In-Center Hemo	32	34-2685
SOUTHPORT DIALYSIS CENTER	1513 N HOWE ST	STE 15	SOUTHPORT	NC	28461-2770	9104540272	9104540277	In-Center Hemo, In-Center Hemo Self Care	11	34-2669
BREVARD DIALYSIS	102 COLLEGE STATION DR	STE 10	BREVARD	NC	28712-3355	8288844075	8288844073	In-Center Hemo, PD Services	11	34-2693
CARTHAGE DIALYSIS	165 SAVANNAH GARDEN DR		CARTHAGE	NC	28327-6161	9109471052	9109471060	In-Center Hemo	12	34-2679
MINT HILL DIALYSIS	11308 HAWTHORNE DR		MINT HILL	NC	28227-9300	7045732549	7045453747	In-Center Hemo	22	34-2692
SOUTHPOINT DIALYSIS	415 W NC HWY 54		DURHAM	NC	27713-7516	9195445536	9195445667	In-Center Hemo	16	34-2683
SANDHILLS DIALYSIS	809 S LONG DR	STE B	ROCKINGHAM	NC	28379-4375	9108959924	9109975042	In-Center Hemo	16	34-2690
NORTH BURLINGTON DIALYSIS	2019 N CHURCH ST		BURLINGTON	NC	27217-2928	3362273450	3362272084	In-Center Hemo, PD Services	18	34-2686
LUMBEE RIVER DIALYSIS	11016 RED SPRINGS RD		RED SPRINGS	NC	28377-8060	9108433205	9108431694	In-Center Hemo	15	34-2698
BILTMORE HOME TRAINING (PD ONLY)	10 MCDOWELL ST	STE 110	ASHEVILLE	NC	28801-4104	8282552839	8282518366	PD Services	10	34-2695
FRANKLIN TOWNSHIP DIALYSIS	80 WESTGATE PLZ		FRANKLIN	NC	28734-1422	8283691957	8285246576	In-Center Hemo, PD Services	11	34-2696
BULL CITY DIALYSIS	1306 MORRENE RD		DURHAM	NC	27705-4509	9193814865	9193816033	In-Center Hemo, PD Services	16	34-2732
SURF CITY DIALYSIS	22807 US HIGHWAY 17 N		HAMPSTEAD	NC	28443-3178	9103290706	9103290841	In-Center Hemo	10	34-2703
MEBANE DIALYSIS	616 N FIRST ST		MEBANE	NC	27302-2106	9195631052	9195631484	In-Center Hemo	10	34-2739
SAMPSON COUNTY HOME TRAINING	331 NORTH BLVD		CLINTON	NC	28328-1911	9105902777	9105921646	PD Services	5	34-2712
NEW RIVER DIALYSIS	111 YOPP RD		JACKSONVILLE	NC	28540-3509	9109890157	9109890328	In-Center Hemo, PD Services	25	34-2700
KERR LAKE DIALYSIS	1274 RUIN CREEK RD		HENDERSON	NC	27537-4168	2524310233	2524310252	In-Center Hemo, PD Services	16	34-2704
ALAMANCE COUNTY DIALYSIS	829 S MAIN ST		GRAHAM	NC	27253-4706	3362299169	3362296378	In-Center Hemo, PD Services	10	34-2709
HUNTERSVILLE DIALYSIS	9622 KINCEY AVE		HUNTERSVILLE	NC	28078-9140	7049123890	7049481177	In-Center Hemo	18	34-2707
LELAND DIALYSIS	1220 MAGNOLIA VILLAGE WAY		LELAND	NC	28451-9464	9103710391	9103713304	In-Center Hemo	11	34-2716
NEW HANOVER DIALYSIS	3147 S 17TH ST		WILMINGTON	NC	28412-1030	9107946110	9107944288	In-Center Hemo	12	34-2717
ALBEMARLE DIALYSIS	101 DAVITA LANE		ELIZABETH CITY	NC	27909-3314	2523380151	2523380567	In-Center Hemo, PD Services	14	34-2708
RESEARCH TRIANGLE PARK DIALYSIS	4021 STIRRUP CREEK DR	STE 400	DURHAM	NC	27703-9352	9192064606	9192241449	In-Center Hemo, PD Services	10	34-2718
BROOKSHIRE DIALYSIS	5601 TUCKASEEGEE RD		CHARLOTTE	NC	28208-2525	7043956091	7043954963	In-Center Hemo	10	34-2731
COASTAL PLAINS DIALYSIS	209 NC HWY 111 S		GOLDSBORO	NC	27534-9253	9197785766	9197517672	In-Center Hemo, PD Services	12	34-2723
SUGAR CREEK DIALYSIS	5100 REAGAN DR	STE 10	CHARLOTTE	NC	28206-1353	7049219823	7045972902	In-Center Hemo	10	34-2736
FAYETTEVILLE ROAD DIALYSIS	285 PARACLETE DR		RAEFORD	NC	28376-9493	9108780052	9108752902	In-Center Hemo, PD Services	10	34-2727
SPENCER DIALYSIS	1287 N SALISBURY AVE		SPENCER	NC	28159-1834	7046363545	7046363275	In-Center Hemo, PD Services	10	34-2730
NASH COUNTY DIALYSIS	110 ENTERPRISE DR		ROCKY MOUNT	NC	27804-9503	2524510661	2524510665	In-Center Hemo, PD Services, Nocturnal Hemo	12	34-2728
DURHAM REGIONAL DIALYSIS	3901 N ROXBORO ST	STE 108	DURHAM	NC	27704-2181	9194712523	9194718699	In-Center Hemo	10	34-2734
SHARPSBURG DIALYSIS	191 SE RAILROAD ST		SHARPSBURG	NC	27878-9500	2524461791	2524461796	In-Center Hemo, PD Services	10	34-2725
GLEN RAVEN DIALYSIS	2210 W WEBB AVE		BURLINGTON	NC	27217-1068	3365389820	3365389826	In-Center Hemo	10	34-2726
CATAWBA COUNTY DIALYSIS	1900 3RD AVE LN SE		HICKORY	NC	28602-2959	8283040102	8283224570	In-Center Hemo, PD Services	10	34-2729
ROANOKE-CHOWAN DIALYSIS	626 W MAIN ST		MURFREESBORO	NC	27855-1510	2523960572	2523960368	In-Center Hemo, PD Services	10	34-2740
FARGO DIALYSIS CENTER	4474 23RD AVE S	STE M	FARGO	ND	58104-8795	7012813900	7012822635	In-Center Hemo, PD Services	12	35-2502
OAKES DIALYSIS	413 S 7TH ST		OAKES	ND	58474-1920	7017422110	7017422177	In-Center Hemo, PD Services	8	35-2504
SCOTTSBLUFF DIALYSIS CENTER	820 W 42ND ST	STE 1600	SCOTTSBLUFF	NE	69361-5017	3082203572	3082203592	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD, PD Services	20	28-2502
GRAND ISLAND DIALYSIS	203 E STOLLEY PARK RD	STE G	GRAND ISLAND	NE	68801-8256	3083844067	3083820461	In-Center Hemo	12	28-2522
MCCOOK DIALYSIS CENTER	801 W C ST	STE 4	MC COOK	NE	69001-3592	3083451916	3083451928	In-Center Hemo, PD Services	8	28-2517

HASTINGS DIALYSIS CENTER	1900 N SAINT JOSEPH AVE		HASTINGS	NE	68901-2652	4024634893	4024637049	In-Center Hemo, PD Services	12	28-2501
CAPITAL CITY DIALYSIS	307 N 46TH ST		LINCOLN	NE	68503-3714	4024665123	4024668351	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	28-2503
SOUTH LINCOLN DIALYSIS	3401 PLANTATION DR	STE 140	LINCOLN	NE	68516-4712	4024216011	4024216052	In-Center Hemo, In-Center Hemo Self Care	8	28-2526
OMAHA WEST DIALYSIS	13014 W DODGE RD		OMAHA	NE	68154-2148	4024458950	4024458955	In-Center Hemo	21	28-2506
OMAHA CENTRAL DIALYSIS	144 S 40TH ST		OMAHA	NE	68131-3004	4025580818	4025582286	In-Center Hemo	17	28-2516
DODGE COUNTY DIALYSIS	1949 E 23RD AVE S		FREMONT	NE	68025-2452	4027217005	4027217480	In-Center Hemo	12	28-2512
SORENSEN PARK DIALYSIS	6212 N 73RD PLAZA	STE 100	OMAHA	NE	68134-1801	4025714147	4025739208	In-Center Hemo	12	28-2514
OMAHA SOUTH DIALYSIS	3339 L ST		OMAHA	NE	68107-2500	4027340772	4027340891	In-Center Hemo	20	28-2511
CORNHUSKER DIALYSIS	505 CORNHUSKER RD	STE 107	BELLEVUE	NE	68005-7911	4022922813	4022922823	In-Center Hemo	12	28-2518
OMAHA FLORENCE DIALYSIS	7454 N 30TH ST		OMAHA	NE	68112-2722	4024510723	4024530228	In-Center Hemo	12	28-2531
OMAHA HARRISON DIALYSIS	6610 S 168TH ST	STE 8	OMAHA	NE	68135-5412	4028964609	4028961439	In-Center Hemo	12	28-2529
OMAHA HOME TRAINING (PD)	8021 CASS ST		OMAHA	NE	68114-3525	4023932346	4023911185	PD Services	6	28-2533
N.E. NEBRASKA DIALYSIS	1603 W PROSPECT AVE		NORFOLK	NE	68701-3683	4023792913	4023792952	In-Center Hemo, Acute Hemo 1:1	12	28-2530
BEATRICE AT HOME	5200 HOSPITAL PKWY		BEATRICE	NE	68310-6909	4022237848	4022281760	Home Hemo	1	
BEATRICE DIALYSIS	5200 HOSPITAL PKWY		BEATRICE	NE	68310-6909	4022237848	4022281760	In-Center Hemo, PD Services	8	28-2534
NASHUA DIALYSIS	38 TYLER ST	STE 100	NASHUA	NH	03060-2912	6035981665	6035981174	In-Center Hemo, Nocturnal Hemo, PD Services	22	30-2507
DERRY DIALYSIS	1 ACTION BLVD	UNIT 2	LONDONDERRY	NH	03053-3428	6034219724	6034219731	In-Center Hemo, PD Services	13	30-2511
BEDFORD DIALYSIS	15 CONSTITUTION DR	STE 1C	BEDFORD	NH	03110-6002	6034711904	6034711907	In-Center Hemo, PD Services	13	30-2513
ROCKINGHAM COUNTY DIALYSIS	18 PELHAM RD	STE 1	SALEM	NH	03079-4818	6038709487	6038709498	In-Center Hemo	10	30-2517
MANCHESTER DIALYSIS	903 HANOVER ST		MANCHESTER	NH	03104-5420	6036214903	6036214906	In-Center Hemo	10	30-2519
ATLANTIC ARTIFICIAL KIDNEY CENTER	6 INDUSTRIAL WAY W	STE B	EATONTOWN	NJ	07724-2258	7324601414	7324600080	In-Center Hemo, PD Services	27	31-2537
SOMERSET DIALYSIS CENTER	240 CHURCHILL AVE		SOMERSET	NJ	08873-3451	7329375000	7329375872	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	31-2574
NEPTUNE DIALYSIS CENTER	2180 BRADLEY AVE		NEPTUNE	NJ	07753-4427	7327752725	7327750500	In-Center Hemo, In-Center Hemo Self Care	18	31-2567
MIDDLETOWN DIALYSIS CENTER	500 STATE ROUTE 35	UNION SQUARE PLAZA	RED BANK	NJ	07701-5038	7325769900	7325769908	In-Center Hemo, In-Center Hemo Self Care	15	31-2569
BRICKTOWN DIALYSIS CENTER	525 JACK MARTIN BLVD	FL 2	BRICK	NJ	08724-7737	7328369669	7328369709	In-Center Hemo, In-Center Hemo Self Care	18	31-2562
BRIDGEWATER DIALYSIS CENTER	2121 US HIGHWAY 22		BOUND BROOK	NJ	08805-1546	7324697202	7324697078	In-Center Hemo, In-Center Hemo Self Care	15	31-2530
PENNSAUKEN DIALYSIS CENTER	7024 KAIGHNS AVE		PENNSAUKEN	NJ	08109-4417	8564861145	8564864338	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	31-2593
HOLMDEL DIALYSIS	3053 STATE ROUTE 35		HAZLET	NJ	07730-1526	7322030321	7322030279	In-Center Hemo, In-Center Hemo Self Care	18	31-2510
DELTRAN DIALYSIS	8008 ROUTE 130		DELTRAN	NJ	08075-1869	8567640800	8567640917	In-Center Hemo, In-Center Hemo Self Care	13	31-2521
CHERRY HILL DIALYSIS	1030 KINGS HWY N	STE 100	CHERRY HILL	NJ	08034-1907	8563210111	8564820263	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	31-2513
SUMMIT DIALYSIS	1139 SPRUCE DR		MOUNTAINSIDE	NJ	07092-2221	9082327800	9082329188	In-Center Hemo, In-Center Hemo Self Care, PD Services	22	31-2528
FREEHOLD DIALYSIS	300 CRAIG RD		MANALAPAN	NJ	07726-8742	7323031589	7323031895	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	31-2517
SHORE DIALYSIS	300 W SYLVANIA AVE	STE 1	NEPTUNE	NJ	07753-6017	7329883684	7329882054	In-Center Hemo, PD Services	16	31-2520
EAST ORANGE DIALYSIS	14-20 PROSPECT ST		EAST ORANGE	NJ	07017-2238	9736722025	9736751381	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	31-2522
PERTH AMBOY DIALYSIS	271 KING ST		PERTH AMBOY	NJ	08861-4488	7324423836	7328262428	In-Center Hemo, In-Center Hemo Self Care	21	31-2540
OLD BRIDGE DIALYSIS	262 TEXAS RD		OLD BRIDGE	NJ	08857-4008	7325914931	7325613448	In-Center Hemo, In-Center Hemo Self Care	9	31-2541
EDISON DIALYSIS	29 MERIDIAN RD		EDISON	NJ	08820-2823	7322059883	7322059890	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	31-2559
PLAINFIELD DIALYSIS	1200 RANDOLPH RD	MUHLENBURG CAMPUS	PLAINFIELD	NJ	07060-3361	9087576030	9087576282	In-Center Hemo, In-Center Hemo Self Care	20	31-2558
WILLINGBORO DIALYSIS	230 VAN SCIVER PKWY		WILLINGBORO	NJ	08046-1131	6098713431	6098714122	In-Center Hemo, In-Center Hemo Self Care	18	31-2584
BURLINGTON NORTH DIALYSIS	1164 E ROUTE 130		BURLINGTON	NJ	08016-2954	6097479840	6097479846	In-Center Hemo, In-Center Hemo Self Care	13	31-2548
LUMBERTON DIALYSIS	1261 ROUTE 38	STE B	HAINESPORT	NJ	08036-2702	6099144420	6098453099	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	31-2508
WOODBRIE DIALYSIS	541 MAIN ST	ATTN DAVITA DIALYSIS	WOODBRIE	NJ	07095-1104	7327500639	7327500612	In-Center Hemo, PD Services	19	31-2629
NEW BRUNSWICK DIALYSIS	303 GEORGE ST	STE G-8	NEW BRUNSWICK	NJ	08901-2020	7329374791	7329374795	In-Center Hemo, PD Services	18	31-2621
DURHAM CORNERS DIALYSIS	241 DURHAM AVE		SOUTH PLAINFIELD	NJ	07080-2504	9082222971	9087530783	In-Center Hemo, PD Services	18	31-2607
PRINCETON JUNCTION DIALYSIS	88 PRINCETON HIGHTSTOWN RD	STE 102	PRINCETON JUNCTION	NJ	08550-1100	6097990084	6092757441	In-Center Hemo, PD Services	13	31-2610
MATAWAN DIALYSIS	764 HIGHWAY 34	STE A	MATAWAN	NJ	07747-6614	7325831085	7325663632	In-Center Hemo, PD Services	19	31-2649
DIALYSIS AT DEBORAH	107 TRENTON RD		BROWNS MILLS	NJ	08015-3203	6098933950	6098933704	In-Center Hemo, PD Services	16	31-2648
MILLBURN DIALYSIS	25 E WILLOW ST	STE 2	MILLBURN	NJ	07041-1416	9733797309	9733795175	In-Center Hemo, PD Services	18	31-2645
EAST BRUNSWICK DIALYSIS	629 CRANBURY RD	STE 101	EAST BRUNSWICK	NJ	08816-4096	7322381909	7329678173	In-Center Hemo, PD Services	19	31-2638

WEST ORANGE DIALYSIS	375 MOUNT PLEASANT AVE	STE 340	WEST ORANGE	NJ	07052-2750	9732437069	9737311348	In-Center Hemo, PD Services	19	31-2636
RADBURN DIALYSIS	15-00 POLLITT DR		FAIR LAWN	NJ	07410-2732	2017961385	2017940150	In-Center Hemo, PD Services	21	31-2637
TETERBORO DIALYSIS	502 RT 46 W		TETERBORO	NJ	07608-1118	2012880249	2012882640	In-Center Hemo, PD Services	18	31-2632
NORTH HALEDON DIALYSIS	953 BELMONT AVE		NORTH HALEDON	NJ	07508-2548	9734274675	9734230906	In-Center Hemo, PD Services	19	31-2633
EAST PATERSON DIALYSIS	680 BROADWAY	STE 103	PATERSON	NJ	07514-1526	9733578079	9732791825	In-Center Hemo	18	31-2643
DIALYSIS AT PALISADES MEDICAL CENTER	7650 RIVER RD	STE 150	NORTH BERGEN	NJ	07047-6528	2018611031	2017582794	In-Center Hemo, PD Services	19	31-2652
RAHWAY DIALYSIS	800 HARRISON ST		RAHWAY	NJ	07065-3512	7326800373	7326800376	In-Center Hemo, PD Services	18	31-2669
ST JOSEPH'S PATERSON DIALYSIS	11 GETTY AVE	275 HOSPITAL PLAZA	PATERSON	NJ	7503	9736843490	9732472740	In-Center Hemo, PD Services	60	31-2614
ST JOSEPH'S SJRMC DIALYSIS	703 MAIN ST		PATERSON	NJ	07503-2621	9737543570	9737542882	In-Center Hemo	8	31-2613
ST JOSEPH'S WAYNE DIALYSIS	57 WILLOWBROOK BLVD	2ND FLOOR	WAYNE	NJ	07470-7045	9738902792	9738902796	In-Center Hemo	20	31-2597
HACKENSACK DIALYSIS	113 W ESSEX ST		MAYWOOD	NJ	07607-1020	2018433875	2018430632	In-Center Hemo, Nocturnal Hemo, PD Services	36	31-2615
HILLSIDE DIALYSIS	1529 N BROAD ST		HILLSIDE	NJ	07205-1603	9734741199	9734741198	In-Center Hemo, PD Services	20	31-2587
JERSEY CITY DIALYSIS	1310 5TH ST		NORTH BERGEN	NJ	07047-1710	2017709220	2017709225	In-Center Hemo, PD Services	18	31-2545
PARKSIDE DIALYSIS	580 FRELINGHUYSEN AVE		NEWARK	NJ	07114-1361	9736242226	9736245547	In-Center Hemo	18	31-2581
LOURDES CAMDEN DIALYSIS	1601 HADDON AVE		CAMDEN	NJ	08103-3109	8565410647	8565412698	In-Center Hemo, PD Services	22	31-2622
LOURDES MT. LAUREL DIALYSIS	130 GAITHER DR	STE 172	MOUNT LAUREL	NJ	08054-1715	8562224195	8562354842	In-Center Hemo	20	31-2617
LOURDES INNOVA DIALYSIS	3716 CHURCH RD		MOUNT LAUREL	NJ	08054-1104	8562220386	8562350592	In-Center Hemo	24	31-2594
FAIR LAWN DIALYSIS	18-01 POLLITT DR		FAIR LAWN	NJ	07410-2813	2017963873	2017033543	In-Center Hemo	20	31-2616
MARLTON DIALYSIS	769 ROUTE 70 E	STE C100	MARLTON	NJ	08053-2361	8567977044	8567977049	In-Center Hemo, PD Services	15	31-2590
HACKENSACK AT HOME	113 W ESSEX ST		MAYWOOD	NJ	07607-1020	2013680610	2018430632	Home Hemo	1	31-2615
VINELAND AT HOME	1318 S MAIN RD	STE 3B	VINELAND	NJ	08360-6516	8566910875	8566920306	Home Hemo	1	31-2566
JERSEY CITY SUMMIT DIALYSIS	414 SUMMIT AVE		JERSEY CITY	NJ	07306-3101	2014208431	2014590967	In-Center Hemo, PD Services	21	31-2671
METUCHEN DIALYSIS	319 LAKE AVE		METUCHEN	NJ	08840-1804	7329065714	7329062373	In-Center Hemo, PD Services	10	31-2654
ATLANTIC COUNTY DIALYSIS	400 W BLACK HORSE PIKE	STE 3	PLEASANTVILLE	NJ	08232-2636	6096467202	6096467962	In-Center Hemo, PD Services	13	31-2651
MAIN STREET DIALYSIS	668 MAIN ST		LUMBERTON	NJ	08048-5016	6092657865	6092676876	In-Center Hemo, Nocturnal Hemo	10	31-2644
HILLSBOROUGH DIALYSIS	220 TRIANGLE RD		HILLSBOROUGH	NJ	08844-8102	9083690398	9083692151	In-Center Hemo, PD Services	10	31-2672
OCEAN COUNTY DIALYSIS	635 BAY AVE	STE 215	TOMS RIVER	NJ	08753-3349	7323412730	7325574186	In-Center Hemo, PD Services, Home Hemo	10	31-2661
BROOKLAWN DIALYSIS	700 CRESCENT BLVD	STE 10B	BROOKLAWN	NJ	08030-2797	8564561230	8567427094	In-Center Hemo, PD Services	18	31-2675
MONROE TOWNSHIP DIALYSIS	298 APPLEGARTH RD		MONROE TOWNSHIP	NJ	08831-3754	6094094259	6093957697	In-Center Hemo, PD Services	10	31-2655
HAMILTON STREET DIALYSIS	920 HAMILTON ST	STE C-3	SOMERSET	NJ	08873-3600	7322201593	7324480567	In-Center Hemo, PD Services	10	31-2680
LYNDHURST DIALYSIS	554-A NEW YORK AVE		LYNDHURST	NJ	07071-1532	2019334782	2018047545	In-Center Hemo, PD Services	19	31-2670
JACKSON TOWNSHIP DIALYSIS	260 N COUNTY LINE RD	STE 120	JACKSON	NJ	08527-4473	7323642055	7329011905	In-Center Hemo, PD Services	10	31-2679
MERCHANTVILLE DIALYSIS	5000 N CRESCENT BLVD	STE 1A	PENNSAUKEN	NJ	08109-2151	8569108798	8569108794	In-Center Hemo, PD Services	19	31-2685
IRVINGTON DIALYSIS	468 CHANCELLOR AVE	STE WS-3	IRVINGTON	NJ	07111-4001	9733730294	9733711595	In-Center Hemo, PD Services	19	31-2683
FRANKLIN PARK DIALYSIS	3079 STATE ROUTE 27	UNIT H	FRANKLIN PARK	NJ	08823-1364	7323057855	7328213986	In-Center Hemo, PD Services	19	31-2684
PARSIPPANY DIALYSIS	900 LANIDEX PLZ	STE 120	PARSIPPANY	NJ	07054-2707	9737397080	9737397085	In-Center Hemo, PD Services	10	
MILLVILLE DIALYSIS	3 ELIZABETH ST		MILLVILLE	NJ	08332-2509	8563274580	8563274584	In-Center Hemo	18	31-2599
VINELAND DIALYSIS	1318 S MAIN RD	STE 3B	VINELAND	NJ	08360-6516	8566910875	8566920306	In-Center Hemo, PD Services	18	31-2566
BRIDGETON DIALYSIS	333 IRVING AVE		BRIDGETON	NJ	08302-2123	8565754200	8564530174	In-Center Hemo	17	31-2673
PLAINSBORO DIALYSIS	100 PLAINSBORO RD	STE 1A	PLAINSBORO	NJ	08536-1914	6092755550	6092755568	In-Center Hemo	9	31-2667
BAYONNE RENAL CENTER	434-436 BROADWAY		BAYONNE	NJ	07002-3628	2014361664	2014365133	In-Center Hemo, PD Services	21	31-2561
RENAL CENTER OF NEWARK	571 CENTRAL AVE		NEWARK	NJ	07107-1463	9734844994	9734844434	In-Center Hemo, PD Services	18	31-2570
RENAL CENTER OF MORRISTOWN	100 MADISON AVE		MORRISTOWN	NJ	07960-6136	9735388201	9735388203	In-Center Hemo, PD Services	11	31-2624
RENAL CENTER OF SUCCASUNNA	175 RIGHTER RD		SUCCASUNNA	NJ	07876-1324	9735843294	9735843298	In-Center Hemo	12	31-2623
RENAL CENTER OF NEWTON	7 EAST CLINTON ST		NEWTON	NJ	07860-1801	9739400965	9739400969	In-Center Hemo, PD Services	21	31-2572
RENAL CENTER OF SEWELL	660 WOODBURY-GLASSBORO RD	STE 29 TIMBER LINE SHOPPING CENTER	SEWELL	NJ	08090-3738	8564641172	8564645281	In-Center Hemo, PD Services	21	31-2565
RENAL CENTER OF TRENTON	601 HAMILTON AVE		TRENTON	NJ	08629-1915	6093932388	6093937927	In-Center Hemo, PD Services	18	31-2571
RENAL CENTER OF WESTWOOD	363 OLD HOOK RD		WESTWOOD	NJ	07675-3201	2016646649	2016645542	In-Center Hemo, PD Services	16	31-2523
RENAL CENTER OF HAMILTON	1013 WHITE HORSE AVE		HAMILTON TOWNSHIP	NJ	08610-1424	6094383002	6094383011	In-Center Hemo, PD Services	19	31-2657
RENAL CENTER OF MONROE	300 OVERLOOK DR	PONDVIEW PLAZA, BLDG C	MONROE TOWNSHIP	NJ	08831-5589	6096428124	6096428128	In-Center Hemo, PD Services	18	31-2681
FOUR CORNERS DIALYSIS CENTER	801 W BROADWAY		FARMINGTON	NM	87401-5650	5053252827	5053267425	In-Center Hemo, PD Services	36	32-2503
SHIPROCK DIALYSIS CENTER	US HWY 491 N	PO BOX 2156	SHIPROCK	NM	87420-2156	5053684125	5053684235	In-Center Hemo	20	32-2515
MESILLA VALLEY DIALYSIS	2550 S TESHOR BLVD		LAS CRUCES	NM	88011-4907	5755223519	5755225481	In-Center Hemo, PD Services, Disaster Related Expenditures	13	32-2544
ARTESIA DIALYSIS	1903 W MAIN ST		ARTESIA	NM	88210-3718	5757468818	5757469229	In-Center Hemo, PD Services	12	32-2537

LAS CRUCES RENAL CENTER	3961 E LOHMAN AVE	STE 29	LAS CRUCES	NM	88011-8272	5755329437	5755217348	In-Center Hemo, PD Services	20	32-2527
LOS ALAMOS DIALYSIS	3917 WEST RD	STE G-02	LOS ALAMOS	NM	87544-2275	5056620629	5056619033	In-Center Hemo, PD Services	4	32-2555
DEL NORTE DIALYSIS	5201 SAN MATEO BLVD NE		ALBUQUERQUE	NM	87109-2414	5058844820	5058889407	In-Center Hemo, PD Services	19	322549
SANDIA PEAK DIALYSIS	10410 COPPER POINT WAY NE		ALBUQUERQUE	NM	87123-1158	5052990657	5052996686	In-Center Hemo, PD Services	12	32-2556
SPARKS DIALYSIS CENTER	4860 VISTA BLVD	STE 100	SPARKS	NV	89436-2817	7753595432	7753592885	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	29-2505
SOUTH MEADOWS DIALYSIS CENTER	10085 DOUBLE R BLVD	STE 160	RENO	NV	89521-4867	7758524200	7758524263	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	24	29-2526
RENO DIALYSIS CENTER	1500 E 2ND ST	STE 101	RENO	NV	89502-1189	7753292479	7753292106	In-Center Hemo, In-Center Hemo Self Care, PD Services	25	29-2518
CARSON CITY DIALYSIS CENTER	3246 N CARSON ST	STE 110	CARSON CITY	NV	89706-0248	7758866450	7758866452	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	29-2539
SIERRA ROSE DIALYSIS CENTER	685 SIERRA ROSE DR		RENO	NV	89511-2060	7758296580	7758296581	In-Center Hemo, In-Center Hemo Self Care	18	29-2520
FALLON DIALYSIS	1103 NEW RIVER PKWY		FALLON	NV	89406-6899	7754282077	7754282184	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	29-2528
WINNEMUCCA DIALYSIS	830 FAIRGROUNDS RD		WINNEMUCCA	NV	89445-2011	7756233234	7756231361	In-Center Hemo, PD Services	12	29-2546
DYKER HEIGHTS DIALYSIS CENTER	1435 86TH ST		BROOKLYN	NY	11228-3435	7182565800	7182564835	In-Center Hemo, In-Center Hemo Self Care	20	33-2596
PORT CHESTER DIALYSIS AND RENAL CENTER	3020 WESTCHESTER AVE	STE 100	PURCHASE	NY	10577-2510	9147015232	9142538495	In-Center Hemo, In-Center Hemo Self Care	12	33-2559
WHITE PLAINS DIALYSIS CENTER	200 HAMILTON AVE	STE 138	WHITE PLAINS	NY	10601-1859	9143284900	9143281425	In-Center Hemo, In-Center Hemo Self Care	15	33-2599
SOUTH BROOKLYN NEPHROLOGY CENTER	3915 AVENUE V	STE 104	BROOKLYN	NY	11234-5156	7182528440	7182526490	In-Center Hemo, In-Center Hemo Self Care, PD Services	29	33-2516
CLEVE HILL DIALYSIS CENTER	1461 KENSINGTON AVE		BUFFALO	NY	14215-1436	7168318892	7168318890	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	33-2649
RENAL CARE OF BUFFALO	550 ORCHARD PARK RD	BLDG B, STE 104	WEST SENECA	NY	14224-2646	7166770089	7166770096	In-Center Hemo, In-Center Hemo Self Care	24	33-2548
BRONX DIALYSIS CENTER	1615 EASTCHESTER RD		BRONX	NY	10461-2603	7188927700	7188927207	In-Center Hemo, In-Center Hemo Self Care	25	33-2563
CATSKILL DIALYSIS CENTER	139 FORESTBURGH RD		MONTICELLO	NY	12701-2348	8457963300	8457963303	In-Center Hemo, In-Center Hemo Self Care, PD Services	14	33-2546
RIVERDALE DIALYSIS CENTER	170 W 233RD ST		BRONX	NY	10463-5639	7188844300	7188849695	In-Center Hemo, In-Center Hemo Self Care	24	33-2565
SOUTH BRONX DIALYSIS CENTER	1940 WEBSTER AVE	STE 100	BRONX	NY	10457-4261	7187163999	7185837335	In-Center Hemo, In-Center Hemo Self Care	21	33-2506
RICHMOND KIDNEY CENTER	1366 VICTORY BLVD		STATEN ISLAND	NY	10301-3907	7188166200	7188166235	In-Center Hemo, In-Center Hemo Self Care, PD Services	23	33-2525
BOSTON POST ROAD DIALYSIS CENTER	4026 BOSTON RD		BRONX	NY	10475-1122	7188629245	7188629238	In-Center Hemo, In-Center Hemo Self Care, PD Services	25	33-2588
PEEKSKILL CORTLANDT DIALYSIS CENTER	2050 E MAIN ST	STE 15	CORTLANDT MANOR	NY	10567-2502	9147889326	9147889330	In-Center Hemo, In-Center Hemo Self Care	19	33-2574
QUEENS DIALYSIS CENTER	11801 GUY R BREWER BLVD		JAMAICA	NY	11434-2101	7183416711	7185258611	In-Center Hemo, In-Center Hemo Self Care	22	33-2583
LYNBROOK DIALYSIS CENTER	147 SCRANTON AVE		LYNBROOK	NY	11563-2808	5165964101	5165964290	In-Center Hemo, In-Center Hemo Self Care	18	33-2592
PORT WASHINGTON DIALYSIS CENTER	50 SEAVIEW BLVD		PORT WASHINGTON	NY	11050-4615	5164843460	5164847949	In-Center Hemo, In-Center Hemo Self Care	18	33-2591
SOUNDVIEW DIALYSIS CENTER	1622 BRUCKNER BLVD	STE 24	BRONX	NY	10473-4553	7188612334	7188614323	In-Center Hemo, In-Center Hemo Self Care	18	33-2590
YONKERS DIALYSIS CENTER	575 YONKERS AVE		YONKERS	NY	10704-2601	9143772370	9143772970	In-Center Hemo, In-Center Hemo Self Care, PD Services, Nocturnal Hemo	21	33-2602
CELIA DILL DIALYSIS CENTER	667 STONELEIGH AVE	STE 123, BARNES OFFICE CENTER	CARMEL	NY	10512-2455	8452784150	8452796902	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	33-2651
GARDEN CITY DIALYSIS CENTER	1100 STEWART AVE	STE 2	GARDEN CITY	NY	11530-4839	5163570004	5163577377	In-Center Hemo, In-Center Hemo Self Care	31	33-2605
HUDSON VALLEY DIALYSIS CENTER	155 WHITE PLAINS RD		TARRYTOWN	NY	10591-5523	9143327599	9143327571	In-Center Hemo, In-Center Hemo Self Care	20	33-2571
SHEEPSHEAD BAY RENAL CARE CENTER	26 BRIGHTON 11TH ST		BROOKLYN	NY	11235-5304	7187435955	7187435939	In-Center Hemo, In-Center Hemo Self Care	16	33-2604
QUEENS VILLAGE DIALYSIS CENTER	22202 HEMPSTEAD AVE	STE 170	QUEENS VILLAGE	NY	11429-2123	7182176200	7182174191	In-Center Hemo, In-Center Hemo Self Care, PD Services	25	33-2603
EASTCHESTER ROAD DIALYSIS CENTER	1515 JARRETT PL		BRONX	NY	10461-2606	7188224940	7188223083	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	33-2656
BEDFORD PARK DIALYSIS CENTER	3117 WEBSTER AVE	1ST FLR	BRONX	NY	10467-4905	7189201530	7189201520	In-Center Hemo, PD Services, Nocturnal Hemo	21	33-2662
YONKERS EAST DIALYSIS CENTER	5 ODELL PLZ	STE 131	YONKERS	NY	10701-1406	9143760296	9143763510	In-Center Hemo, PD Services	21	33-2669
HAVEN DIALYSIS (FKA COLUMBIA UNIVERSITY)	60 HAVEN AVE	B3	NEW YORK	NY	10032-2604	2129289071	2129272645	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	33-2621
UTICA AVENUE DIALYSIS CENTER	1305 UTICA AVE		BROOKLYN	NY	11203-5911	7186293900	7186296315	In-Center Hemo, In-Center Hemo Self Care, PD Services	30	33-2556
OYSTER BAY DIALYSIS	17 E OLD COUNTRY RD		HICKSVILLE	NY	11801-4270	5166812786	5169337836	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	33-2552
FREEPORT KIDNEY CENTER	351 S MAIN ST		FREEPORT	NY	11520-5114	5166231786	5165465074	In-Center Hemo, In-Center Hemo Self Care	21	33-2529
HUNTINGTON ON BROADWAY DIALYSIS	256 BROADWAY		HUNTINGTON STATION	NY	11746-1403	6314234320	6314232832	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	33-2513

MEDFORD KIDNEY CENTER	1725 N OCEAN AVE		MEDFORD	NY	11763-2649	6312898000	6312898079	In-Center Hemo, In-Center Hemo Self Care, PD Services	10	33-2555
ITHACA DIALYSIS CENTER	201 DATES DR	STE 206	ITHACA	NY	14850-1345	6072721693	6072735580	In-Center Hemo, Acute Hemo 1:1, Acute PD, PD Services	12	33-2536
IVY DIALYSIS	602 IVY ST		ELMIRA	NY	14905-1646	6077374186	6077374446	In-Center Hemo, PD Services	20	33-2735
CORNING DIALYSIS	8 WEST PULTENEY ST	STE 101	CORNING	NY	14830-2267	6079622790	6079622991	In-Center Hemo	10	33-2732
SCHUYLER DIALYSIS	220 STEUBEN ST		MONTOUR FALLS	NY	14865-9740	6072101997	6072101996	In-Center Hemo	4	33-2733
NIAGARA DIALYSIS CENTER	2932 MILITARY RD		NIAGARA FALLS	NY	14304-1252	7162974059	7162974969	In-Center Hemo, PD Services	13	33-2720
SOUTHTOWNS DIALYSIS	4910 CAMP RD	STE 100	HAMBURG	NY	14075-2617	7166494072	7166491937	In-Center Hemo, PD Services	25	33-2679
WATERS PLACE DIALYSIS CENTER	1733 EASTCHESTER RD		BRONX	NY	10461-2315	7188221968	7188226030	In-Center Hemo, PD Services	24	33-2708
CLINTON HILL DIALYSIS	1275 BEDFORD AVE		BROOKLYN	NY	11216-2711	7187832313	7186230638	In-Center Hemo, Home Hemo, PD Services	28	33-2749
STATEN ISLAND DIALYSIS CENTER	1139 HYLAN BLVD		STATEN ISLAND	NY	10305-2061	7188164913	7188166340	In-Center Hemo, PD Services	18	33-2711
WILLIAMSBRIDGE DIALYSIS CENTER	3525 WHITE PLAINS RD	STE B	BRONX	NY	10467-5705	7185474562	7182312350	In-Center Hemo	25	33-2728
NEWARK WAYNE DIALYSIS	1120 S MAIN ST		NEWARK	NY	14513-2171	3153316958	3153316521	In-Center Hemo, PD Services	14	33-2701
ORANGE DIALYSIS CENTER	100 CRYSTAL RUN RD	STE 102	MIDDLETOWN	NY	10941-4042	8456928220	8456928655	In-Center Hemo, PD Services	20	33-2707
LOWVILLE DIALYSIS CENTER	7785 N STATE ST	STE 1	LOWVILLE	NY	13367-1229	3153773090	3153769983	In-Center Hemo, PD Services	8	33-2709
EAST ROCHESTER DIALYSIS	445 W COMMERCIAL ST		EAST ROCHESTER	NY	14445-2277	5852180517	5852184204	In-Center Hemo	17	33-2730
ATLAS PARK DIALYSIS	8000 COOPER AVE		GLENDALE	NY	11385-7739	7183262789	7184164269	In-Center Hemo	25	33-2769
NIAGARA FALLS KIDNEY CARE CENTER	621 10TH ST		NIAGARA FALLS	NY	14301-1813	7162784639	7162784637	In-Center Hemo, Acute Hemo 1:1	17	33-2682
LONG ISLAND RENAL CARE	3460 GREAT NECK RD		AMITYVILLE	NY	11701-1915	6315326969	6315326968	In-Center Hemo, PD Services	24	33-2670
CENTRAL NEW YORK DIALYSIS CENTER	910 ERIE BLVD E		SYRACUSE	NY	13210-1048	3154108040	3154108030	In-Center Hemo, PD Services	30	33-2615
SUBURBAN DIALYSIS	705 MAPLE RD		WILLIAMSVILLE	NY	14221-3291	7166306640	7166306647	In-Center Hemo, PD Services	22	33-2600
NORTHTOWNS DIALYSIS CENTER	4041 DELAWARE AVE	STE 150	TONAWANDA	NY	14150-6828	7168718103	7168718107	In-Center Hemo, PD Services	18	33-2597
ORCHARD PARK DIALYSIS	3801 TAYLOR RD		ORCHARD PARK	NY	14127-2232	7162097200	7162097206	In-Center Hemo, PD Services, Nocturnal Hemo	24	33-2608
MIDWOOD DIALYSIS	1915 OCEAN AVE		BROOKLYN	NY	11230-6801	7182587700	7182589273	In-Center Hemo, PD Services	34	33-2598
MILLENNIUM DIALYSIS	1408 OCEAN AVE	2ND FLR	BROOKLYN	NY	11230-3814	7186777600	7186773265	In-Center Hemo	20	33-2635
BOROUGH PARK DIALYSIS	4102 13TH AVE		BROOKLYN	NY	11219-1333	7184352112	7184350354	In-Center Hemo	32	33-2678
JAMESTOWN DIALYSIS CENTER	207 FOOTE AVE		JAMESTOWN	NY	14701-7077	7166648226	7166648349	In-Center Hemo, PD Services	18	33-2703
BRONX RIVER DIALYSIS	1616 BRONXDALE AVE		BRONX	NY	10462-3302	7184309800	7184306854	In-Center Hemo	30	33-2576
WATERS PLACE AT HOME	1733 EASTCHESTER RD		BRONX	NY	10461-2315	7188221968	7188226030	Home Hemo	1	33-2708
CELIA DILL AT HOME	667 STONELEIGH AVE	STE 123, BARN'S OFFICE CENTER	CARMEL	NY	10512-2455	8452784150	8452796902	Home Hemo	1	
BUFFALO DOWNTOWN DIALYSIS	520 ELLICOTT ST	STE 100	BUFFALO	NY	14203-1517	7168455101	7168455106	In-Center Hemo, PD Services	13	33-2768
EAST ISLIP DIALYSIS	200 CARLETON AVE		EAST ISLIP	NY	11730-1222	6315810897	6312243355	In-Center Hemo, PD Services	21	33-2752
MELROSE DIALYSIS	459 E 149TH ST		BRONX	NY	10455-1314	7185854951	7182929823	In-Center Hemo, PD Services	24	33-2761
JAMAICA HILLSIDE DIALYSIS	171-19 HILLSIDE AVE		JAMAICA	NY	11432-4548	7185262051	7187393303	In-Center Hemo	25	33-2766
MOUNT HOPE DIALYSIS	1940 WEBSTER AVE	2ND FL, STE 200	BRONX	NY	10457-4261	7189019122	7189019116	In-Center Hemo, PD Services	16	33-2784
CLEARVIEW DIALYSIS	45-60 FRANCIS LEWIS BLVD		BAYSIDE	NY	11361-3047	7182242398	7186316710	In-Center Hemo, PD Services	25	33-2787
HUTCHINSON RIVER DIALYSIS	2331 EASTCHESTER RD		BRONX	NY	10469-5910	7185470612	7186530294	In-Center Hemo, PD Services	19	33-2785
GREENPOINT DIALYSIS	146 MESEROLE ST		BROOKLYN	NY	11206-2582	7183886039	7189630941	In-Center Hemo, PD Services	24	
OZONE PARK DIALYSIS	100-02 ROCKAWAY BLVD		OZONE PARK	NY	11417-2217	7188430694	7183232438	In-Center Hemo, PD Services	25	33-2771
CROSSWAYS PARK DIALYSIS	113 CROSSWAYS PARK DR	STE 102	WOODBURY	NY	11797-2044	5169210914	5163640164	In-Center Hemo, PD Services	17	33-2773
LACONIA DIALYSIS	3440 BOSTON RD		BRONX	NY	10469-2512	7187980538	7186522495	In-Center Hemo, PD Services	24	
BROOKLYN COMMUNITY DIALYSIS	730 64TH ST		BROOKLYN	NY	11220-4714	7187590129	7187590191	In-Center Hemo, PD Services	24	33-2764
DUNKIRK DIALYSIS	3958 VINEYARD DR		DUNKIRK	NY	14048-3522	7163661931	7163662105	In-Center Hemo, PD Services	14	33-2767
SEAWAY DIALYSIS	999 E RIDGE RD	STE 11	ROCHESTER	NY	14621-1936	5852667348	5852664685	In-Center Hemo, PD Services	24	33-2759
SANDFORD BOULEVARD DIALYSIS	120 E SANDFORD BLVD		MOUNT VERNON	NY	10550-4512	9146652035	9146675126	In-Center Hemo	8	
HERTEL AVENUE DIALYSIS	699 HERTEL AVE	STE 380	BUFFALO	NY	14207-2355	7168714172	7164470230	In-Center Hemo	17	33-2757
MOUNT EDEN DIALYSIS	1490 MACCOMBS RD		BRONX	NY	10452-2101	7185882347	7182938906	In-Center Hemo	21	
ALLERTON DIALYSIS	2554 WHITE PLAINS RD		BRONX	NY	10467-8141	7182311285	7182313461	In-Center Hemo	25	
LOCK CITY DIALYSIS	475 S TRANSIT ST	STE 900	LOCKPORT	NY	14094-5562	7164390590	7164390595	In-Center Hemo, PD Services	9	
JULIA AND ISRAEL WALDBAUM DIALYSIS	100 COMMUNITY DR	WALDBAUM DIALYSIS CENTER	GREAT NECK	NY	11021-5501	5164873058	5164874918	In-Center Hemo, PD Services	34	33-2754
NEOMY DIALYSIS CENTER	1122 CONEY ISLAND AVE		BROOKLYN	NY	11230-2345	7184341444	7184341445	In-Center Hemo	31	33-2671
SENECA DIALYSIS	10 ST LAWRENCE DR		TIFFIN	OH	44883-8310	4194431051	4194431142	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	36-2622
SOUTHWEST OHIO DIALYSIS	215 S ALLISON AVE		XENIA	OH	45385-3694	9373761453	9373742930	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	36-2594

PARMA DIALYSIS CENTER	6735 AMES RD		PARMA	OH	44129-5601	4407430690	4407430685	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	36-2620
MIDDLEBURG HEIGHTS DIALYSIS	7360 ENGLE RD		MIDDLEBURG HEIGHTS	OH	44130-3429	4408915645	4408915655	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	24	36-2572
ROCKY RIVER DIALYSIS	20220 CENTER RIDGE RD	STE 50	ROCKY RIVER	OH	44116-3567	4403565744	4408952680	In-Center Hemo, In-Center Hemo Self Care	20	36-2610
WILLOW DIALYSIS CENTER	1675 ALEX DR		WILMINGTON	OH	45177-2446	9373833338	9373833631	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	36-2551
ALLIANCE COMMUNITY DIALYSIS	270 E STATE ST	STE 110	ALLIANCE	OH	44601-4309	3308211657	3308211735	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, PD Services	19	36-2669
BELDEN COMMUNITY DIALYSIS	4685 FULTON DR NW		CANTON	OH	44718-2379	3306499300	3304914881	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, PD Services	42	36-2600
MERCY CANTON DIALYSIS	1320 MERCY DR NW		CANTON	OH	44708-2614	3305804001	3305804595	In-Center Hemo, In-Center Hemo Self Care	18	36-2640
SPRINGBORO DIALYSIS	90 COMMERCIAL WAY		SPRINGBORO	OH	45066-3080	9377040589	9377049118	In-Center Hemo	10	36-2672
DAYTON NORTH DIALYSIS	455 TURNER RD	STE A	DAYTON	OH	45415-3630	9372787861	9372788336	In-Center Hemo	44	36-2595
WRIGHT FIELD DIALYSIS	1431 BUSINESS CENTER CT		DAYTON	OH	45410-3300	9372521867	9372522256	In-Center Hemo	15	36-2524
SHAKER SQUARE DIALYSIS	12800 SHAKER BLVD	STE 1	CLEVELAND	OH	44120-2000	2164914867	2164914925	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	36-2560
STRONGSVILLE DIALYSIS	17792 PEARL RD		STRONGSVILLE	OH	44136-6909	4402389270	4402389275	In-Center Hemo, In-Center Hemo Self Care	18	36-2684
ROCKSIDE DIALYSIS	4801 ACORN DR		INDEPENDENCE	OH	44131-2566	2165250990	2165253106	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	36-2731
FAIRBORN DIALYSIS	3070 PRESIDENTIAL DR	STE A	BEAVERCREEK	OH	45324-6273	9374266475	9374262436	In-Center Hemo, In-Center Hemo Self Care	12	36-2683
UPPER SANDUSKY DIALYSIS	111 TARHE TRL		UPPER SANDUSKY	OH	43351-8706	4192090799	4192090921	PD Services, In-Center Hemo	8	36-2864
PARK SIDE DIALYSIS	241 W SCHROCK RD		WESTERVILLE	OH	43081-2874	6148821734	6148824529	In-Center Hemo, PD Services	17	36-2783
ANDOVER DIALYSIS	488 S MAIN ST		ANDOVER	OH	44003-9602	4402936028	4402936219	In-Center Hemo, In-Center Hemo Self Care, PD Services	14	36-2694
PATASKALA DIALYSIS CENTER	642 E BROAD ST		PATASKALA	OH	43062-7627	7409641306	7409642698	In-Center Hemo, In-Center Hemo Self Care	8	36-2709
WAUSEON DIALYSIS CENTER	721 S SHOOP AVE		WAUSEON	OH	43567-1729	4193350695	4193350812	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	36-2706
AMHERST DIALYSIS	3200 COOPER FOSTER PRK RD W		LORAIN	OH	44053-3654	4409891410	4409891417	In-Center Hemo, PD Services	17	36-2766
KETTERING DIALYSIS	5721 BIGGER RD		KETTERING	OH	45440-2752	9374354030	9374354140	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	36-2690
SANDUSKY DIALYSIS CENTER	211 LAKESIDE PARK		SANDUSKY	OH	44870-8639	4196263809	4196265107	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	36-2700
POINT PLACE DIALYSIS	4747 SUDER AVE	STE 107	TOLEDO	OH	43611-2869	4197279692	4197279743	In-Center Hemo, In-Center Hemo Self Care	12	36-2712
EATON DIALYSIS	105 E WASHINGTON JACKSON RD		EATON	OH	45320-9789	9374561174	9374561945	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	36-2703
COLUMBUS WEST DIALYSIS	1395 GEORGESVILLE RD		COLUMBUS	OH	43228-3611	6142798495	6142798715	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	36-2705
GROVE CITY DIALYSIS	4155 KELNOR DR		GROVE CITY	OH	43123-2960	6148010323	6148010539	In-Center Hemo, In-Center Hemo Self Care	8	36-2716
DUBLIN DIALYSIS	6770 PERIMETER DR		DUBLIN	OH	43016-8063	6147988359	6147988442	In-Center Hemo, In-Center Hemo Self Care	12	36-2728
LOGAN DIALYSIS	12880 GREY ST		LOGAN	OH	43138-9638	7403806049	7403806280	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	36-2732
WADSWORTH DIALYSIS	195 WADSWORTH RD	STE 302	WADSWORTH	OH	44281-9504	3303352300	3303356411	In-Center Hemo	14	36-2730
CHERRY VALLEY DIALYSIS	1627 W MAIN ST		NEWARK	OH	43055-1345	7405221699	7405221555	In-Center Hemo, Home Hemo, In-Center Hemo Self Care, PD Services	25	36-2744
NORTH RIDGE DIALYSIS	6830 N RIDGE RD		MADISON	OH	44057-2637	4404288377	4404280615	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	36-2614
MARIETTA DIALYSIS	1019 PIKE ST		MARIETTA	OH	45750-3500	7403762622	7403762633	In-Center Hemo, In-Center Hemo Self Care	12	36-2563
ZANESVILLE DIALYSIS	3120 NEWARK RD		ZANESVILLE	OH	43701-9659	7404542911	7404520847	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	22	36-2518
COLUMBUS DIALYSIS	226 GRACELAND BLVD	STE 3-09A	COLUMBUS	OH	43214-1532	6149851732	6147810906	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	36-2543
COLUMBUS EAST DIALYSIS	299 OUTERBELT ST		COLUMBUS	OH	43213-1529	6145017224	6145015197	In-Center Hemo, In-Center Hemo Self Care	25	36-2629
ASHTABULA DIALYSIS	1614 W 19TH ST		ASHTABULA	OH	44004-3036	4409649777	4409648914	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD, PD Services	17	36-2554
SWAN CREEK DIALYSIS	5201 AIRPORT HWY		TOLEDO	OH	43615-6800	4192140540	4192140546	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	36-2587
COLUMBUS DOWNTOWN DIALYSIS	415 E MOUND ST		COLUMBUS	OH	43215-5512	6142281773	6142281881	In-Center Hemo	24	36-2650
BELPRE DIALYSIS	2906 WASHINGTON BLVD		BELPRE	OH	45714-1848	7404010607	7404010691	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	36-2671
NORTHWOOD DIALYSIS	611 LEMOYNE RD		NORTHWOOD	OH	43619-1811	4196983423	4196985165	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	36-2680
DARKE COUNTY DIALYSIS	1111 SWEITZER ST	STE B	GREENVILLE	OH	45331-1189	9375487019	9375486519	In-Center Hemo	10	36-2659
UPPER VALLEY KIDNEY CENTER	3190 N COUNTY RD 25A		TROY	OH	45373-1337	9373323733	9373323794	In-Center Hemo, PD Services	22	36-2796
VILLA OF LAKEWOOD	14050 MADISON AVE		LAKEWOOD	OH	44107-4530	2162213717	2162213742	In-Center Hemo	6	36-2769
VILLA OF GREAT NORTHERN	22710 FAIRVIEW CENTER DR	STE 100	FAIRVIEW PARK	OH	44126-3607	4407344630	4407344659	In-Center Hemo, In-Center Hemo Self Care	8	36-2749
BEACHWOOD PEPPER PIKE	23600 COMMERCE PARK		BEACHWOOD	OH	44122-5817			In-Center Hemo, Home Hemo, PD Services	13	
RIVERS EDGE DIALYSIS	1006 E STATE ST	STE B	ATHENS	OH	45701-2158	7405921364	7405933876	In-Center Hemo, In-Center Hemo Self Care	12	36-2748
MIAMISBURG DIALYSIS	290 ALEXANDERSVILLE RD		MIAMISBURG	OH	45342-3611	9378650633	9378650735	In-Center Hemo, PD Services	11	36-2785



HIGHLAND COUNTY DIALYSIS (01-MAR-2019)	120 ROBERTS LN	STE 4	HILLSBORO	OH	45133-7643	9373933852	9373933950	In-Center Hemo, PD Services	9	36-2750
DOVER COMMUNITY DIALYSIS	899 E IRON AVE		DOVER	OH	44622-2097	3303646309	3303646490	In-Center Hemo, PD Services	16	36-2765
HEART OF MARION DIALYSIS	1221 DELAWARE AVE		MARION	OH	43302-6419	7403750849	7403750869	In-Center Hemo, PD Services	13	36-2823
MASSILLON COMMUNITY DIALYSIS	2112 LINCOLN WAY E		MASSILLON	OH	44646-7034	3308377730	3308377753	In-Center Hemo	12	36-2789
NATIONAL TRAIL DIALYSIS	171 S TUTTLE RD		SPRINGFIELD	OH	45505-1560	9373287399	9373287513	In-Center Hemo, Nocturnal Hemo	17	36-2780
ADENA DIALYSIS	1180 N BRIDGE ST		CHILlicothe	OH	45601-1793	7407733733	7407733741	In-Center Hemo, PD Services	17	36-2777
TROTWOOD DIALYSIS	5680 SALEM BEND DR		DAYTON	OH	45426-1462	9378328432	9378379510	In-Center Hemo	12	36-2861
FREMONT REGIONAL DIALYSIS	100 PINNACLE DR		FREMONT	OH	43420-7400	4193320310	4193320296	In-Center Hemo, PD Services	13	36-2791
TWINSBURG DIALYSIS	2592 E AURORA RD	STE 100	TWINSBURG	OH	44087-2148	3304053030	3304258969	In-Center Hemo, PD Services	13	36-2837
LUCAS COUNTY HOME TRAINING	2702 NAVARRE AVE	STE 203	OREGON	OH	43616-3224	4196911514	4196911594	PD Services	2	36-2794
KENTON DIALYSIS	1207 E COLUMBUS ST	KENTON N RIDGE CTR	KENTON	OH	43326-1760	4196754075	4196751108	In-Center Hemo, PD Services	10	36-2805
AUBURN ROAD DIALYSIS	7611 AUBURN RD		PAINESVILLE	OH	44077-9608	4403572927	4403572976	In-Center Hemo, PD Services	13	36-2799
HUBER HEIGHTS DIALYSIS	7769 OLD COUNTRY COURT		HUBER HEIGHTS	OH	45424-2097	9372370769	9372371981	In-Center Hemo, PD Services	15	36-2833
KINGSVILLE DIALYSIS	5740 DIBBLE RD		KINGSVILLE	OH	44048-9809	4402241338	4402242601	In-Center Hemo	6	36-2793
COVENTRY DIALYSIS	3235 MANCHESTER RD	STE 9	AKRON	OH	44319-1458	3306459453	3306459484	In-Center Hemo	13	36-2820
FIVE RIVERS DIALYSIS	4750 N MAIN ST		DAYTON	OH	45405-5021	9372785139	9372785722	In-Center Hemo	17	36-2803
BUCKEYE DIALYSIS	3050 S DIXIE DR		KETTERING	OH	45409-1516	9376432337	9376432487	In-Center Hemo	17	36-2792
GALION DIALYSIS	865 HARDING WAY W		GALION	OH	44833-1637	4194620897	4194620927	In-Center Hemo, PD Services	17	36-2816
MID OHIO DIALYSIS	2148 W 4TH ST		ONTARIO	OH	44906-1200	4197474039	4197474046	In-Center Hemo, PD Services	14	36-2804
MEADOWHAWK DIALYSIS	491 COLEMANS XING	COLEMAN'S CROSSING CENTER	MARYSVILLE	OH	43040-7068	9376420676	9376420412	In-Center Hemo	9	36-2807
APPLE VALLEY DIALYSIS	1485 COSHOCTON AVE		MOUNT VERNON	OH	43050-1544	7403923436	7403923843	In-Center Hemo, PD Services	9	36-2802
HILLIARD STATION DIALYSIS	2447 HILLIARD ROME RD		HILLIARD	OH	43026-8194	6148763610	6148763144	In-Center Hemo	13	36-2808
CANAL WINCHESTER DIALYSIS	3568 GENDER RD		CANAL WINCHESTER	OH	43110-8007	6148343564	6148343597	In-Center Hemo, PD Services	13	36-2815
KIDNEY CENTER OF BRUNSWICK	3812 CENTER RD	STE 101	BRUNSWICK	OH	44212-3025	3302204502	3302204481	In-Center Hemo, PD Services	16	36-2809
DETROIT ROAD DIALYSIS	7901 DETROIT AVE		CLEVELAND	OH	44102-2828	2169616498	2169616802	In-Center Hemo	24	36-2754
ST V QUADRANGLE DIALYSIS	2302 COMMUNITY COLLEGE AVE		CLEVELAND	OH	44115-3117	2165744805	2165744901	In-Center Hemo	13	36-2756
MIDWEST SPRINGFIELD DIALYSIS	2200 N LIMESTONE ST STE 104		SPRINGFIELD	OH	45503-2692	9373903125	9373906022	In-Center Hemo, PD Services	16	36-2592
MIDWEST FAIRBORN DIALYSIS	1266 N BROAD ST		FAIRBORN	OH	45324-5549	9378790433	9378790589	In-Center Hemo, PD Services	19	36-2645
MIDWEST URBANA DIALYSIS	1430 E US HIGHWAY 36		URBANA	OH	43078-9112	9374844600	9374844407	In-Center Hemo, PD Services	12	36-2729
HOME DIALYSIS OF DAYTON-SOUTH	3030 S DIXIE DR		KETTERING	OH	45409-1516	9372961171	9372961476	PD Services	3	36-2541
PARMA HEIGHTS DIALYSIS	9050 N CHURCH DR		PARMA HEIGHTS	OH	44130-4701	4408420895	4402920234	In-Center Hemo, PD Services	16	36-2704
HILLIARD DIALYSIS	19133 HILLIARD BLVD		ROCKY RIVER	OH	44116-2907	2167124700	2167124704	In-Center Hemo, PD Services	18	36-2699
CENTER RIDGE DIALYSIS	38630 CENTER RIDGE RD		NORTH RIDGEVILLE	OH	44039-2837	4403272070	4403271563	In-Center Hemo	14	36-2776
STUEBENVILLE DIALYSIS	1799 SINCLAIR AVE	STE 1	STUEBENVILLE	OH	43953-3373	7403462840	7403462846	In-Center Hemo	21	36-2772
PREMIERE KIDNEY CENTER OF NEWARK	65 S TERRACE AVE		NEWARK	OH	43055-1355	7405222955	7405222975	In-Center Hemo, PD Services	21	36-2644
HILLSBORO REGIONAL DIALYSIS	1487 N HIGH ST	STE 1A	HILLSBORO	OH	45133-8496	9373939020	9373939095	In-Center Hemo, PD Services	14	36-2741
MCCARTY LANE DIALYSIS	500 MCCARTY LN		JACKSON	OH	45640-7019	7402861600	7402861615	In-Center Hemo	12	36-2701
LINDEN HOME DIALYSIS	1431 BUSINESS CENTER CT		DAYTON	OH	45410-3300	9372521867	9372522256	Home Hemo	2	36-2753
COLUMBUS WEST HOME TRAINING AT HOME	1391 GEORGESVILLE RD		COLUMBUS	OH	43228-3611	6142798495	6142798715	Home Hemo	3	36-2727
MUNROE FALLS DIALYSIS	265 N MAIN ST		MUNROE FALLS	OH	44262-1090	3306891400	3306891408	In-Center Hemo	13	36-2651
SUMMIT RENAL CENTER	73 MASSILLON RD		AKRON	OH	44312-1028	3307331861	3307334696	In-Center Hemo, PD Services	19	36-2613
WHITE PONDS DIALYSIS	791 WHITE POND DR		AKRON	OH	44320-4202	3308359083	3308359353	In-Center Hemo, PD Services	22	36-2623
AKRON RENAL CENTER	525 E MARKET ST	BLDG 50	AKRON	OH	44304-1619	3303756848	3303753421	In-Center Hemo	16	36-2719
SOUTHLAND DIALYSIS	3401 GLENDALE AVE	STE 110	TOLEDO	OH	43614-2490	4193899681	4193899196	In-Center Hemo, PD Services	28	36-2509
MAUMEE BAY DIALYSIS	3310 DUSTIN RD		OREGON	OH	43616-3302	4196972191	4196972177	In-Center Hemo, PD Services	18	36-2547
FLOWER DIALYSIS	5308 HARROUN RD	STE 60	SYLVANIA	OH	43560-2114	4198246074	4198823830	In-Center Hemo, PD Services	12	36-2775
UPPER VALLEY KIDNEY CENTER AT HOME	3190 N COUNTY RD 25A		TROY	OH	45373-1337	9373323733	9373323794	Home Hemo	2	36-2796
PIKE COUNTY AT HOME	609 W EMMITT AVE		WAVERLY	OH	45690-1013	7409411688	7409411713	Home Hemo	1	36-2817
WEST TOLEDO DIALYSIS	2900 CARSKADDON AVE		TOLEDO	OH	43606-1601	4195310755	4195310957	In-Center Hemo	17	36-2818
MILLERSBURG DIALYSIS	1649 S WASHINGTON ST		MILLERSBURG	OH	44654-8902	3306740476	3306741295	In-Center Hemo, PD Services	9	36-2825
PIKE COUNTY DIALYSIS	609 W EMMITT AVE		WAVERLY	OH	45690-1013	7409411688	7409411713	In-Center Hemo, PD Services	9	36-2817
RIDGE PARK DIALYSIS	4805 PEARL RD		CLEVELAND	OH	44109-5145	2163986029	2163986053	In-Center Hemo, PD Services	14	36-2828
RAVENNA DIALYSIS	600 ENTERPRISE PKWY		RAVENNA	OH	44266-8054	3302975846	3302976357	In-Center Hemo, PD Services	9	36-2838
WOOSTER DIALYSIS	4190 BURBANK RD		WOOSTER	OH	44691-9077	3303451130	3303451336	In-Center Hemo, PD Services	12	36-2840
DAYTON SOUTH DIALYSIS	4700 SPRINGBORO PIKE	STE A	MORAIN	OH	45439-1964	9372947188	9372947370	In-Center Hemo, Nocturnal Hemo	17	36-2821
FALLEN TIMBERS DIALYSIS	4330 KEYSTONE DR		MAUMEE	OH	43537-8795	4198870762	4198870773	In-Center Hemo, PD Services	12	36-2855
MIRACLE MILE DIALYSIS	4925 JACKMAN RD	UNIT# 59	TOLEDO	OH	43613-3574	4194744989	4194745112	In-Center Hemo, PD Services	12	36-2859
HEART OF NEW ALBANY DIALYSIS	6530 W CAMPUS OVAL	STE 100	NEW ALBANY	OH	43054-8726	6148553445	6148559695	In-Center Hemo, PD Services	8	36-2854
BOETTLER DIALYSIS	1587 BOETTLER RD	STE 130	UNIONTOWN	OH	44685-7823	3308990035	3308964975	In-Center Hemo, PD Services	12	36-2867

MEDINA SQUARE DIALYSIS	740 N COURT ST		MEDINA	OH	44256-1748	3307217824	3307219540	In-Center Hemo	8	36-2873
MALLORY PARK DIALYSIS	2808 GERMANTOWN ST		DAYTON	OH	45417-4134	9372628427	9372628016	In-Center Hemo	24	36-2860
LAWRENCE COUNTY DIALYSIS	367 COUNTY RD 406	UNIT 11	SOUTH POINT	OH	45680-8766	7408940830	8772881208	In-Center Hemo, PD Services	9	36-2863
BELMONT DIALYSIS	68639 BANNOCK RD		ST CLAIRSVILLE	OH	43950-9736	7406990220	7406990703	In-Center Hemo, PD Services	10	36-2561
CANTON DIALYSIS	2912 W TUSCARAWAS ST		CANTON	OH	44708-4643	3304580150	3304580164	In-Center Hemo, PD Services	27	36-2866
NAVARRE DIALYSIS	517 PARK ST NW	STE A	NAVARRE	OH	44662-9267	3308795270	3308795294	In-Center Hemo	7	
WHITE PONDS AT HOME	791 WHITE POND DR		AKRON	OH	44320-4202	3308359083	3308359353	Home Hemo	1	
EASTGATE DIALYSIS	4435 AICHOLTZ RD		CINCINNATI	OH	45245-1690	5137525544	5137525736	In-Center Hemo, In-Center Hemo Self Care	16	36-2522
ANDERSON DIALYSIS CENTER	7502 STATE RD	STE 1160	CINCINNATI	OH	45255-2800	5136240400	5136240182	In-Center Hemo, In-Center Hemo Self Care	16	36-2715
BATAVIA DIALYSIS	4000 GOLDEN AGE DR		BATAVIA	OH	45103-1913	5137350700	5137350087	In-Center Hemo	12	36-2736
EAST GALBRAITH DIALYSIS	3877 E GALBRAITH RD	BLDG C	CINCINNATI	OH	45236-1500	5137915900	5137914738	In-Center Hemo	10	36-2740
LEBANON DIALYSIS CENTER	918B COLUMBUS AVE		LEBANON	OH	45036-1402	5139340272	5139343410	In-Center Hemo, In-Center Hemo Self Care	16	36-2707
EASTGATE HOME TRAINING	4435 AICHOLTZ RD	STE 800B	CINCINNATI	OH	45245-1692	5137528301	5137528483	PD Services	4	36-2702
DELHI DIALYSIS	5040 DELHI AVE		CINCINNATI	OH	45238-5388	5139225900	5139225909	In-Center Hemo	16	36-2708
US GRANT DIALYSIS	458 HOME ST		GEORGETOWN	OH	45121-1408	9373781323	9373785130	In-Center Hemo	12	36-2735
FOREST FAIR DIALYSIS	1145 KEMPER MEADOW DR		CINCINNATI	OH	45240-4118	5136741691	5136741697	In-Center Hemo	16	36-2734
BLUE ASH DIALYSIS	10600 MCKINLEY RD		CINCINNATI	OH	45242-3716	5137338215	5137338293	In-Center Hemo, In-Center Hemo Self Care	18	36-2519
MT AUBURN DIALYSIS	2109 READING RD		CINCINNATI	OH	45202-1417	5137841800	5137232355	In-Center Hemo, In-Center Hemo Self Care	28	36-2502
FAIRFIELD DIALYSIS	1210 HICKS BLVD		FAIRFIELD	OH	45014-1921	5139391110	5139391202	In-Center Hemo, In-Center Hemo Self Care	14	36-2602
FAIRFIELD HOME TRAINING DIALYSIS	1210 HICKS BLVD		FAIRFIELD	OH	45014-1921	5139391120	5139391150	PD Services	1	36-2608
WESTERN HILLS DIALYSIS	3267 WESTBOURNE DR		CINCINNATI	OH	45248-5110	5133470444	5133470150	In-Center Hemo	17	36-2628
WINTON ROAD DIALYSIS	6550 WINTON RD		CINCINNATI	OH	45224-1327	5135912900	5135910208	In-Center Hemo, In-Center Hemo Self Care	24	36-2611
SILVERTON DIALYSIS	6929 SILVERTON AVE		CINCINNATI	OH	45236-3701	5137930555	5137934183	In-Center Hemo, In-Center Hemo Self Care	16	36-2633
SILVERTON HOME TRAINING DIALYSIS	6929 SILVERTON AVE		CINCINNATI	OH	45236-3701	5137934376	5137934183	PD Services	4	36-2634
BUTLER COUNTY DIALYSIS	3497 S DIXIE HWY		FRANKLIN	OH	45005-5717	5134221467	5134221634	In-Center Hemo, In-Center Hemo Self Care	20	36-2647
WHITE OAK DIALYSIS	5520 CHEVIOT RD	STE B	CINCINNATI	OH	45247-7069	5137411062	5137412819	In-Center Hemo, In-Center Hemo Self Care	20	36-2688
WHITE OAK HOME TRAINING DIALYSIS	5520 CHEVIOT RD	STE B	CINCINNATI	OH	45247-7069	5133853580	5133854589	PD Services	8	36-2687
BUTLER COUNTY HOME TRAINING DIALYSIS	7335 YANKEE RD	STE 101	LIBERTY TOWNSHIP	OH	45044-0008	5137552524	5137553268	PD Services	4	36-2689
ATRIUM DIALYSIS	4421 ROOSEVELT BLVD	STE D	MIDDLETOWN	OH	45044-9024	5134226879	5134226911	In-Center Hemo	16	36-2795
OHIO PIKE DIALYSIS	1761 STATE ROUTE 125		AMELIA	OH	45102-2007	5137970713	5137970617	In-Center Hemo	12	36-2739
WEST HAMILTON HOME TRAINING	1532 MAIN ST		HAMILTON	OH	45013-1078	5137370934	5137371138	Home Hemo, PD Services	4	
NORWOOD DIALYSIS	2300 WALL ST	STE O	CINCINNATI	OH	45212-2789	5135312111	5135310236	In-Center Hemo	25	36-2742
REDBANK VILLAGE DIALYSIS	3960 RED BANK RD	STE 160	CINCINNATI	OH	45227-3421	5132715420	5132715437	In-Center Hemo	12	36-2743
CLERMONT COUNTY DIALYSIS	5901 MONTCLAIR BLVD	STE 100	MILFORD	OH	45150-2547	5132480593	5132481853	In-Center Hemo	12	36-2751
HARRISON DIALYSIS	10475 HARRISON AVE		HARRISON	OH	45030-1941	5132020373	5132020819	In-Center Hemo	13	36-2806
AFFINITY PLACE DIALYSIS	7700 AFFINITY PL		CINCINNATI	OH	45231-3566	5135210981	5135211566	In-Center Hemo	17	36-2834
THE CHRIST HOSPITAL DIALYSIS	2139 AUBURN AVE	1 WEST	CINCINNATI	OH	45219-2906	5135850314	5135853942	In-Center Hemo	15	36-2822
ROSS DIALYSIS	3825 KRAUS LN	STE 5	FAIRFIELD	OH	45014-5867	5137380276	5137380305	In-Center Hemo	13	36-2819
WEST HAMILTON DIALYSIS	1532 MAIN ST		HAMILTON	OH	45013-1078	5137370158	5137373102	In-Center Hemo	17	36-2826
WEST CHESTER DIALYSIS	7760 W VOICE OF AMERICA PARK DR	STE E	WEST CHESTER	OH	45069-3371	5137551510	5137551461	In-Center Hemo	17	36-2824
LOVELAND DIALYSIS	8944 COLUMBIA RD	STE 6	LOVELAND	OH	45140-1121	5135835326	5135835134	In-Center Hemo	13	36-2872
WESTERN RIDGE DIALYSIS	6909 GOOD SAMARITAN DR	STE C	CINCINNATI	OH	45247-5209	5133530237	5133530230	In-Center Hemo	15	36-2849
DURANT DIALYSIS CENTER	411 WESTSIDE DR		DURANT	OK	74701-2932	5809200808	5809200828	In-Center Hemo, Acute Hemo 1:1, Acute PD	16	37-2565
IDABEL DIALYSIS	1319 S LYNN LN		IDABEL	OK	74745-6845	5802861108	5802865064	In-Center Hemo, PD Services	13	37-2602
SAPULPA DIALYSIS	9647 RIDGEVIEW ST		TULSA	OK	74131-6205	9182249996	9182249997	In-Center Hemo	16	37-2560
TULSA DIALYSIS CENTER	5636 E SKELLY DR		TULSA	OK	74135-6473	9186600571	9186600562	In-Center Hemo	20	37-2504
BROKEN ARROW DIALYSIS CENTER	1710 N 9TH ST		BROKEN ARROW	OK	74012-8283	9183550657	9183552800	In-Center Hemo	16	37-2516
CLAREMORE DIALYSIS CENTER	202 E BLUE STARR DR		CLAREMORE	OK	74017-4223	9183421119	9183422644	In-Center Hemo, In-Center Hemo Self Care	16	37-2514
TAHLEQUAH DIALYSIS CENTER	1373 E BOONE ST		TAHLEQUAH	OK	74464-3330	9184310665	9184310623	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	20	37-2512
ALTUS DIALYSIS CENTER	205 S PARK LN	STE 130	ALTUS	OK	73521-5756	5804821197	5804821198	In-Center Hemo, PD Services	10	37-2524
DUNCAN DIALYSIS CENTER	2845 W ELK AVE	BLDG 400	DUNCAN	OK	73533-1981	5804708542	5804708891	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	37-2522
NORMAN DIALYSIS CENTER	1818 W LINDSEY ST	STE B104	NORMAN	OK	73069-4184	4053609815	4053609715	In-Center Hemo	12	37-2527
SHAWNEE DIALYSIS CENTER	4409 N KICKAPOO AVE	STE 113	SHAWNEE	OK	74804-1224	4058786762	4058780063	In-Center Hemo, PD Services	16	37-2513
STILLWATER DIALYSIS CENTER	406 E HALL OF FAME AVE	STE 300	STILLWATER	OK	74075-5447	4057070408	4056246405	In-Center Hemo, In-Center Hemo Self Care	12	37-2505
ELK CITY DIALYSIS CENTER	1601 W 2ND ST		ELK CITY	OK	73644-4427	5802252700	5802252701	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	37-2531

NORTHWEST BETHANY DIALYSIS CENTER	7800 NW 23RD ST	STE A	BETHANY	OK	73008-4948	4054958606	4054954356	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	37-2515
EDMOND DIALYSIS CENTER	50 S BAUMANN AVE		EDMOND	OK	73034-5676	4053306646	4053306221	In-Center Hemo, In-Center Hemo Self Care	12	37-2541
MIDWEST CITY DIALYSIS CENTER	7221 E RENO AVE		MIDWEST CITY	OK	73110-4474	4058699600	4058699605	In-Center Hemo	16	37-2511
CENTRAL TULSA DIALYSIS CENTER	1124 S SAINT LOUIS AVE		TULSA	OK	74120-5413	9185855557	9185853536	In-Center Hemo, Home Hemo	26	37-2546
OKMULGEE DIALYSIS CENTER	201 S DELAWARE AVE		OKMULGEE	OK	74447-5528	9187563526	9187561760	In-Center Hemo	16	37-2548
MUSKOGEE COMMUNITY DIALYSIS CENTER	2316 W SHAWNEE ST		MUSKOGEE	OK	74401-2228	9186870016	9186871858	In-Center Hemo	16	37-2549
TRI-STATE DIALYSIS	2510 N MAIN ST		MIAMI	OK	74354-1602	9185401827	9185421282	In-Center Hemo	18	37-2547
STILWELL DIALYSIS CENTER	80851 HWY 59		STILWELL	OK	74960-1636	9186965072	9186965074	In-Center Hemo	20	37-2545
CLINTON DIALYSIS CENTER	150 S 31ST ST		CLINTON	OK	73601-9118	5803234349	5803232793	In-Center Hemo, In-Center Hemo Self Care	16	37-2561
SOUTHCREST DIALYSIS	10921 E 81ST ST		TULSA	OK	74133-4227	9182498402	9184598794	In-Center Hemo, Nocturnal Hemo	16	37-2567
GREENWOOD DIALYSIS CENTER	1345 N LANSING AVE		TULSA	OK	74106-5911	9185858811	9185855506	In-Center Hemo	12	37-2569
CHICKASHA DIALYSIS	228 S 29TH ST		CHICKASHA	OK	73018-2502	4052249901	4052249909	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	8	37-2572
LAKE HEFNER DIALYSIS	6917 N MAY AVE		OKLAHOMA CITY	OK	73116-3238	4058109533	4058109632	In-Center Hemo	16	37-2611
ANADARKO DIALYSIS CENTER	414 SE 11TH ST		ANADARKO	OK	73005-4442	4052472299	4052474888	In-Center Hemo, In-Center Hemo Self Care	10	37-2575
OWASSO DIALYSIS	9521 N OWASSO EXPY		OWASSO	OK	74055-5414	9183769479	9183762781	In-Center Hemo	16	37-2585
PRYOR DIALYSIS	309 E GRAHAM AVE		PRYOR	OK	74361-2434	9188253100	9188253183	In-Center Hemo	14	37-2529
OKLAHOMA CITY SOUTH DIALYSIS	319 SW 59TH ST		OKLAHOMA CITY	OK	73109-8301	4056343708	4056361211	In-Center Hemo	21	37-2518
HEARTLAND DIALYSIS	925 NE 8TH ST		OKLAHOMA CITY	OK	73104-5800	4052363043	4052392390	In-Center Hemo, PD Services	32	37-2530
ARDMORE DIALYSIS RANCH	2617 CROSSROADS DR		ARDMORE	OK	73401-2574	5804909844	5804909831	In-Center Hemo, PD Services	28	37-2582
ROSE ROCK DIALYSIS	9913 E RENO AVE		MIDWEST CITY	OK	73130-3505	4057321576	4057321062	In-Center Hemo, PD Services, Nocturnal Hemo	12	37-2586
REDBIRD SMITH DIALYSIS	305 S J T STITES ST		SALLISAW	OK	74955-9302	9182350290	9182350351	In-Center Hemo, PD Services	12	37-2592
YUKON DIALYSIS	12801 NW 10TH ST	STE 400	YUKON	OK	73099-4179	4053503017	4053500023	In-Center Hemo	13	37-2601
MID-DEL HOME TRAINING PD	9230 E RENO AVE	STE A	MIDWEST CITY	OK	73130-3320	4057320744	4057320651	PD Services	6	37-2588
GROVE DIALYSIS	1111 NEO LOOP		GROVE	OK	74344-6046	9187864840	9187864931	In-Center Hemo	16	37-2590
BERKSHIRE HOME TRAINING PD	4800 W SAN ANTONIO ST	STE 201	BROKEN ARROW	OK	74012-6127	9182499716	9182544173	PD Services	11	37-2591
SOONER DIALYSIS	1561 N PORTER AVE		NORMAN	OK	73071-6621	4053293830	4053293791	In-Center Hemo	20	37-2562
CLEVELAND PD	1059 SE 82ND ST		OKLAHOMA CITY	OK	73149-2999	4055126912	4055126918	PD Services	2	37-2579
LAWTON DIALYSIS	1110 SW B AVE		LAWTON	OK	73501-4229	5805954987	5805957296	In-Center Hemo, PD Services	12	37-2604
MOORE DIALYSIS	620 S SANTA FE AVE	STE C	MOORE	OK	73160-2476	4057992439	4057992409	In-Center Hemo	12	37-2603
WAGONER DIALYSIS	402 S WALL ST		WAGONER	OK	74467-5003	9184854363	9184853043	In-Center Hemo, PD Services	12	37-2606
GARFIELD COUNTY DIALYSIS	204 S VAN BUREN ST	STE A	ENID	OK	73703-5812	5802371264	5802371463	In-Center Hemo, PD Services	13	37-2608
DT4 DIALYSIS	4800 W SAN ANTONIO ST	STE 103	BROKEN ARROW	OK	74012-6127	9183071320	9182529032	In-Center Hemo	4	37-2607
PAULS VALLEY DIALYSIS	2410 W GRANT AVE		PAULS VALLEY	OK	73075-9229	4052079274	4052079407	In-Center Hemo, PD Services	12	37-2605
MCALISTER DIALYSIS	2 E CLARK BASS BLVD	STE 101	MCALISTER	OK	74501-4210	9184218373	9184218668	In-Center Hemo, PD Services	12	
MCINTOSH COUNTY DIALYSIS	480 EUINCE BURNS RD		EUFAULA	OK	74432-4000	9186897919	9186897981	In-Center Hemo	11	
HERMISTON COMMUNITY DIALYSIS CENTER	1155 W LINDA AVE		HERMISTON	OR	97838-9601	5412891122	5412891150	In-Center Hemo, PD Services	12	38-2544
FOUR RIVERS DIALYSIS CENTER	515 EAST LN		ONTARIO	OR	97914-3953	5418899557	5418894649	In-Center Hemo	13	38-2519
KLAMATH FALLS DIALYSIS	2421 WASHBURN WAY	STE B	KLAMATH FALLS	OR	97603-4531	5418823401	5412737431	In-Center Hemo	17	38-2557
GRANTS PASS II DIALYSIS	1055 REDWOOD AVE		GRANTS PASS	OR	97527-5525	5414790545	5414794271	In-Center Hemo	12	38-2565
SHERWOOD DIALYSIS CENTER	21035 SW PACIFIC HWY		SHERWOOD	OR	97140-8062	5039250105	5039251734	In-Center Hemo, PD Services	13	38-2546
HILLSBORO DIALYSIS CENTER	2500 NE CENTURY BLVD	BLDG E, STE 300	HILLSBORO	OR	97124-7516	5036819460	5036158453	In-Center Hemo, PD Services	13	38-2550
MERIDIAN PARK DIALYSIS CENTER	19255 SW 65TH AVE	STE 100	TUALATIN	OR	97062-9712	5036928159	5036921896	In-Center Hemo, Nocturnal Hemo, PD Services	16	38-2549
WEST LINN DIALYSIS CENTER	19056 WILLAMETTE DR		WEST LINN	OR	97068-1715	5036360244	5036364246	In-Center Hemo	13	38-2553
BLUE MOUNTAIN KIDNEY CENTER	72556 COYOTE RD		PENDLETON	OR	97801-1002	5419668563	5419668573	In-Center Hemo, Home Hemo, PD Services	12	38-2554
GRESHAM STATION DIALYSIS	878 NW BURNSIDE RD		GRESHAM	OR	97030-3718	5034651068	5034919229	In-Center Hemo, PD Services	17	38-2578
ROSEBURG MERCY DIALYSIS	2410 NW EDENBOWER BLVD	STE 178	ROSEBURG	OR	97471-8830	5416724608	5416724817	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	38-2514
SALEM DIALYSIS	3550 LIBERTY RD S	STE 100	SALEM	OR	97302-5700	5033718047	5033717455	In-Center Hemo, In-Center Hemo Self Care, PD Services	25	38-2502
SALEM NORTH DIALYSIS	1220 LIBERTY ST NE		SALEM	OR	97301-7330	5033152212	5033152199	In-Center Hemo	12	38-2530
WOODBURN DIALYSIS	1840 NEWBERG HWY	STE 140	WOODBURN	OR	97071-3187	5039822005	5039822561	In-Center Hemo, In-Center Hemo Self Care	20	38-2516
MCMINNVILLE DIALYSIS	200 NE NORTON LN		MCMINNVILLE	OR	97128-8470	5034350597	5034350862	In-Center Hemo, PD Services	12	38-2558
PORTLAND GATEWAY DIALYSIS	9932 NE HALSEY ST		PORTLAND	OR	97220-4495	5032538170	5032538573	In-Center Hemo, PD Services	16	38-2571
NE SALEM DIALYSIS	4792 PORTLAND RD NE		SALEM	OR	97305-3920	5033932142	5033932521	In-Center Hemo	13	38-2566
LINCOLN CITY DIALYSIS	2817 NE WEST DEVILS LAKE RD		LINCOLN CITY	OR	97367-5128	5419962008	5419962055	In-Center Hemo	8	38-2580
ROGUE VALLEY DIALYSIS	760 GOLF VIEW DR	UNIT 100	MEDFORD	OR	97504-9685	5417764805	5417736016	In-Center Hemo, PD Services	39	38-2505
REDWOOD DIALYSIS	201 SW L ST		GRANTS PASS	OR	97526-2913	5414740776	5414740122	In-Center Hemo	12	38-2513
CORNELL ROAD DIALYSIS	1700 NW 167TH PL	STE 230	BEAVERTON	OR	97006-4872	5034398829	5034399942	In-Center Hemo	16	38-2559
NORTHEAST PORTLAND RENAL CENTER	703 NE HANCOCK ST		PORTLAND	OR	97212-3955	5034933322	5032879434	In-Center Hemo, Nocturnal Hemo, PD Services	15	38-2540
OREGON KIDNEY CENTER	3524 NE SANDY BLVD		PORTLAND	OR	97232-1961	5032367097	5032368110	In-Center Hemo	21	38-2500
LAKE ROAD DIALYSIS	6902 SE LAKE RD	STE 100	MILWAUKIE	OR	97267-2148	5037941288	5037945916	In-Center Hemo, Nocturnal Hemo	21	38-2534

WILLAMETTE VALLEY RENAL CENTER	1510 DIVISION ST	SUITE 90	OREGON CITY	OR	97045-1572	5035571373	5035571087	In-Center Hemo	13	38-2520
MCMINNVILLE AT HOME	200 NE NORTON LN		MCMINNVILLE	OR	97128-8470	5034350597	5034350862	Home Hemo	1	38-2558
PORTLAND GATEWAY AT HOME	9932 NE HALSEY ST		PORTLAND	OR	97220-4495	5032538170	5032538573	Home Hemo	1	38-2571
PORTLAND MLK DIALYSIS	2737 NE MARTIN LUTHER KING JR BLVD		PORTLAND	OR	97212-3037	5032821253	5035288420	In-Center Hemo, PD Services	20	38-2572
LANCASTER DRIVE DIALYSIS	421 LANCASTER DR NE		SALEM	OR	97301-4729	5035816236	5033630490	In-Center Hemo, PD Services	25	38-2577
FOSTER POWELL DIALYSIS	6828 SE FOSTER RD		PORTLAND	OR	97206-4546	5037775780	5037743141	In-Center Hemo, PD Services	17	
PALMER DIALYSIS CENTER	30 COMMUNITY DR		EASTON	PA	18045-2658	6102588855	6102583322	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	20	39-2619
HONESDALE DIALYSIS CENTER	600 MAPLE AVE	STE 8	HONESDALE	PA	18431-1460	5702530952	5702530954	In-Center Hemo, In-Center Hemo Self Care	12	39-2582
DELAWARE VALLEY DIALYSIS CENTER	102 DAVITA DR		MILFORD	PA	18337-9390	5704919210	5704919220	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	39-2600
FRANKLIN DIALYSIS CENTER	150 S INDEPENDENCE MALL W	STE 101	PHILADELPHIA	PA	19106-3400	2159222801	2159222817	In-Center Hemo, In-Center Hemo Self Care	28	39-2531
NEWTOWN DIALYSIS CENTER	60 BLACKSMITH RD		NEWTOWN	PA	18940-1847	2677578060	2677578066	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	18	39-2616
DIALYSIS CENTER AT OXFORD COURT	930 TOWN CENTER DR	STE G100	LANGHORNE	PA	19047-4260	2157509831	2157509837	In-Center Hemo, In-Center Hemo Self Care	14	39-2644
NE PHILADELPHIA DIALYSIS CENTER	518 KNORR ST		PHILADELPHIA	PA	19111-4604	2157454859	2157459145	In-Center Hemo, In-Center Hemo Self Care	16	39-2555
SOUTH PHILADELPHIA DIALYSIS CENTER	109 DICKINSON ST		PHILADELPHIA	PA	19147-6107	2154686616	2152711180	In-Center Hemo, In-Center Hemo Self Care	20	39-2556
WEST SHORE DIALYSIS	550 N 12TH ST	STE 110	LEMOYNE	PA	17043-1242	7177373272	7177307139	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	39-2534
UPLAND DIALYSIS CENTER	1 MEDICAL CENTER BLVD	STE 120	CHESTER	PA	19013-3902	6104472825	6104900945	In-Center Hemo, In-Center Hemo Self Care	36	39-2508
THORNDALE DIALYSIS	3243 LINCOLN HWY		THORNDALE	PA	19372-1012	6103843902	6103801246	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	39-2522
LEWISTOWN DIALYSIS CENTER	611 ELECTRIC AVE		LEWISTOWN	PA	17044-1128	7172482344	7172483240	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD, PD Services	23	39-2598
JENNERSVILLE DIALYSIS CENTER	1011 W BALTIMORE PIKE	STE 107	WEST GROVE	PA	19390-9400	6103450188	6103450245	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD	18	39-2631
PALMERTON DIALYSIS CENTER	185 DELAWARE AVE	STE C	PALMERTON	PA	18071-1716	6108265929	6108264552	In-Center Hemo, In-Center Hemo Self Care, PD Services	10	39-2584
POCONO DIALYSIS CENTER	100 PLAZA CT	STE B	EAST STROUDSBURG	PA	18301-8258	5704765630	5704765634	In-Center Hemo, In-Center Hemo Self Care	16	39-2606
MT POCONO DIALYSIS	100 COMMUNITY DR	STE 106	TOBYHANNA	PA	18466-8986	5708390900	5708391065	In-Center Hemo, In-Center Hemo Self Care	12	39-2705
PDI-JOHNSTOWN	344 BUDFIELD ST		JOHNSTOWN	PA	15904-3214	8142664949	8142664948	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	21	39-2687
PDI-EBENSBURG	429 MANOR DR	STE 650	EBENSBURG	PA	15931-4917	8144722642	8144722138	In-Center Hemo, In-Center Hemo Self Care, PD Services	9	39-2686
PDI-WALNUT TOWER	834 WALNUT ST		PHILADELPHIA	PA	19107-5109	2156291490	2156295728	In-Center Hemo, In-Center Hemo Self Care, PD Services	19	39-2702
PDI-LANCASTER	1412 E KING ST		LANCASTER	PA	17602-3240	7173921552	7173924413	In-Center Hemo, In-Center Hemo Self Care	20	39-2609
PDI-EPHRATA	67 W CHURCH ST		STEVENS	PA	17578-9203	7173357399	7173350488	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	39-2706
CHILDS DIALYSIS	101 MAIN ST		CHILDS	PA	18407-2905	5702819201	5702819185	In-Center Hemo, In-Center Hemo Self Care	8	39-2724
DUNMORE DIALYSIS	1212 ONEILL HWY		DUNMORE	PA	18512-1717	5705580190	5705580195	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	12	39-2723
QUINCY AVE DIALYSIS	700 QUINCY AVE		SCRANTON	PA	18510-1724	5707705380	5707705394	In-Center Hemo	12	39-2819
OLD FORGE DIALYSIS	325 S MAIN ST		OLD FORGE	PA	18518-1677	5704573174	5704573313	In-Center Hemo, In-Center Hemo Self Care	12	39-2726
SCRANTON DIALYSIS	475 MORGAN HWY		SCRANTON	PA	18508-2605	5703418270	5703418299	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1, Acute PD	14	39-2729
TUNKHANNOCK DIALYSIS	5950 SR 6		TUNKHANNOCK	PA	18657-7905	5708366139	5705870882	In-Center Hemo, In-Center Hemo Self Care	12	39-2725
DIALYSIS CENTER OF ERIE	1641 SASSAFRAS ST		ERIE	PA	16502-1858	8144556455	8144561188	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	28	39-2528
WARREN DIALYSIS	2 W CRESCENT PARK		WARREN	PA	16365-2111	8147285570	8147285574	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	39-2666
RIDDLE DIALYSIS CENTER	100 GRANITE DR	STE 106	MEDIA	PA	19063-5134	6108924701	6108922769	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	39-2739
SOUTH BROAD STREET DIALYSIS	1172 S BROAD ST		PHILADELPHIA	PA	19146-3142	2158756720	2158756721	In-Center Hemo, In-Center Hemo Self Care	24	39-2753
PITTSBURGH DIALYSIS	4312 PENN AVE		PITTSBURGH	PA	15224-1310	4126818556	4126818537	In-Center Hemo, In-Center Hemo Self Care	12	39-2699
ELIZABETH DIALYSIS	201 MCKEESPORT RD		ELIZABETH	PA	15037-1623	4123841822	4123841828	In-Center Hemo, In-Center Hemo Self Care	12	39-2710
NORTHUMBERLAND DIALYSIS	103 W STATE ROUTE 61		MOUNT CARMEL	PA	17851-2539	5703395558	5703395997	In-Center Hemo, In-Center Hemo Self Care	13	39-2613
ABINGTON DIALYSIS	3940A COMMERCE AVE		WILLOW GROVE	PA	19090-1705	2158301115	2156572674	In-Center Hemo, In-Center Hemo Self Care, PD Services	22	39-2614
ROXBOROUGH DIALYSIS	5003 UMBRIA ST		PHILADELPHIA	PA	19128-4301	2154871869	2154871062	In-Center Hemo, In-Center Hemo Self Care	16	39-2516
WAVERLY DIALYSIS	407 BALTIMORE PIKE		MORTON	PA	19070-1042	6106901100	6106903618	In-Center Hemo, PD Services, Nocturnal Hemo	20	39-2502
PHILADELPHIA PMC DIALYSIS	3823 MARKET ST		PHILADELPHIA	PA	19104-3145	2152220671	2158236949	In-Center Hemo, In-Center Hemo Self Care	27	39-2538
PHILADELPHIA 42ND STREET DIALYSIS	4126 WALNUT ST		PHILADELPHIA	PA	19104-3511	2153870500	2153876414	In-Center Hemo, In-Center Hemo Self Care	36	39-2521
RADNOR DIALYSIS	250 KING OF PRUSSIA RD		RADNOR	PA	19087-5235	6102540070	6102540077	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	39-2630

WYNCOTE DIALYSIS	1000 EASTON RD	STE 250	WYNCOTE HUNTINGDON VALLEY	PA	19095-2934	2158843398	2158843424	In-Center Hemo, In-Center Hemo Self Care	24	39-2635
HUNTINGDON VALLEY DIALYSIS	769 HUNTINGDON PIKE	STE 18	HUNTINGDON VALLEY	PA	19006-8362	2153791788	2153796779	In-Center Hemo	23	39-2682
MCKEESPORT WEST DIALYSIS	101 9TH ST		MCKEESPORT	PA	15132-3953	4126723720	4126723724	In-Center Hemo, In-Center Hemo Self Care	16	39-2700
CLEARFIELD DIALYSIS	8866 CLEARFIELD CURWENSVILLE HWY		CLEARFIELD	PA	16830-3519	8147652543	8147683594	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	39-2704
MARKET STREET DIALYSIS	3701 MARKET ST	STE 100	PHILADELPHIA	PA	19104-5503	2153872658	2153874134	In-Center Hemo, In-Center Hemo Self Care	16	39-2718
ERIE DIALYSIS	350 E BAYFRONT PKWY	STE A	ERIE	PA	16507-2410	8144540480	8144540682	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	30	39-2543
HOMESTEAD DIALYSIS	207 W 7TH AVE		WEST HOMESTEAD	PA	15120-1002	4124768700	4124768805	In-Center Hemo, In-Center Hemo Self Care	16	39-2662
MCKEESPORT DIALYSIS	2001 LINCOLN WAY		WHITE OAK	PA	15131-2419	4126780183	4126788417	In-Center Hemo, In-Center Hemo Self Care, PD Services, Nocturnal Hemo	13	39-2532
PHILADELPHIA WEST DIALYSIS	7609 LINDBERGH BLVD		PHILADELPHIA	PA	19153-2301	2159371103	2159370770	In-Center Hemo, In-Center Hemo Self Care	24	39-2513
JEFFERSON DIALYSIS	14 CLAIRTON BLVD		PITTSBURGH	PA	15236-3911	4126536007	4126535915	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	39-2573
PARIS DIALYSIS	32 STEUBENVILLE PIKE		PARIS	PA	15021-8529	7247293350	7247293353	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	39-2595
CORRY DIALYSIS	300 YORK ST		CORRY	PA	16407-1420	8146647520	8146630295	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	39-2580
ELIZABETHTOWN DIALYSIS	844 N HANOVER ST		ELIZABETHTOWN	PA	17022-1303	7173610151	7173618875	In-Center Hemo, In-Center Hemo Self Care	13	39-2604
COBBS CREEK DIALYSIS	1700 S 60TH ST		PHILADELPHIA	PA	19142-1404	2157300500	2157300600	In-Center Hemo, In-Center Hemo Self Care	25	39-2536
MEADVILLE DIALYSIS	19050 PARK AVENUE PLZ		MEADVILLE	PA	16335-4012	8143366044	8143372294	In-Center Hemo, In-Center Hemo Self Care, PD Services, Nocturnal Hemo	17	39-2537
BRADFORD DIALYSIS	665 E MAIN ST		BRADFORD	PA	16701-1816	8143627417	8143626327	In-Center Hemo, Acute Hemo 1:1, Acute PD, PD Services	13	39-2523
WAYNESBURG DIALYSIS	248 ELM DR		WAYNESBURG	PA	15370-8269	7246273997	7246275305	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	39-2641
SELINGSGROVE DIALYSIS	1030 N SUSQUEHANNA TRAIL		SELINGSGROVE	PA	17870-7767	5703741160	5703743439	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	13	39-2628
LEBANON COUNTY DIALYSIS	440 OAK ST		LEBANON	PA	17042-6243	7172723050	7172723963	In-Center Hemo, PD Services	16	39-2557
CALLOWHILL DIALYSIS CENTER	313 CALLOWHILL ST		PHILADELPHIA	PA	19123-4103	2156293580	2156293588	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	20	39-2749
BLOOMFIELD-PITTSBURGH DIALYSIS	5171 LIBERTY AVE	STE C	PITTSBURGH	PA	15224-2254	4126833212	4126833216	In-Center Hemo, In-Center Hemo Self Care	24	39-2751
MONROEVILLE DIALYSIS	2690 MONROEVILLE BLVD		MONROEVILLE	PA	15146-2302	4128565950	4128565940	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	39-2752
EAST END-PITTSBURGH DIALYSIS	7714 PENN AVE		PITTSBURGH	PA	15221-2116	4122416790	4122416794	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	16	39-2748
PAXTON DIALYSIS	479 PORT VIEW DR	STE B21	HARRISBURG	PA	17111-1229	7175580290	7175615167	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	17	39-2797
FRACKVILLE DIALYSIS	950 MALL RD		FRACKVILLE	PA	17931-2505	5708741238	5708741863	In-Center Hemo, PD Services	12	39-2776
WILLOW GROVE DIALYSIS	1849 DAVISVILLE RD		WILLOW GROVE	PA	19090-4111	2156593426	2156593547	In-Center Hemo, Nocturnal Hemo	24	39-2764
UNIVERSITY CITY DIALYSIS	3020 MARKET ST	STE 100	PHILADELPHIA	PA	19104-2999	2153822439	2153860307	In-Center Hemo, Nocturnal Hemo, PD Services	20	39-2787
FRANKLIN COMMONS DIALYSIS	720 JOHNSTOWN BLVD	STE 800	WARMINSTER	PA	18974-3546	2156827691	2156827695	In-Center Hemo	16	39-2771
COTTMAN KIDNEY CENTER	7198 CASTOR AVE		PHILADELPHIA	PA	19149-1105	2157454060	2157450139	In-Center Hemo, PD Services	24	39-2766
BUTTONWOOD DIALYSIS	449 N BROAD ST		PHILADELPHIA	PA	19123-3628	2152381201	2155745065	In-Center Hemo, PD Services	24	39-2788
COMMONWEALTH DIALYSIS	920 S WASHINGTON AVE		SCRANTON	PA	18505-3810	5703445267	5709632125	In-Center Hemo	13	39-2761
STATE COLLEGE DIALYSIS	500 SCIENCE PARK RD	STE 2	STATE COLLEGE	PA	16803-2218	8142373082	8142373653	In-Center Hemo, PD Services	12	39-2789
PENN HILLS DIALYSIS	202 RODI RD		PENN HILLS	PA	15235-3337	4123711102	4122414705	In-Center Hemo, Nocturnal Hemo	25	39-2798
GRANT ONE DIALYSIS	9475 ROOSEVELT BLVD	STE 9	PHILADELPHIA	PA	19114-2212	2156730490	2156773152	In-Center Hemo, Nocturnal Hemo	17	39-2792
HARMARVILLE DIALYSIS	791 FREPORT RD		CHESWICK	PA	15024-1201	7242749281	7242749412	In-Center Hemo, PD Services	13	39-2800
CHELLENHAM DIALYSIS	133 CHELTENHAM AVE		CHELTENHAM	PA	19012-1301	2156351870	2156351857	In-Center Hemo, PD Services	21	39-2810
CARLISLE REGIONAL DIALYSIS	419 VILLAGE DR	STE 10	CARLISLE	PA	17015-6943	7172185104	7172410019	In-Center Hemo, PD Services, In-Center Hemo Self Care	12	39-2801
ROOSEVELT AVENUE DIALYSIS	1695 ROOSEVELT AVE	STE A	YORK	PA	17408-8521	7177670189	7177670194	In-Center Hemo	12	
WESTTOWN DIALYSIS	105 WESTTOWN RD		WEST CHESTER	PA	19382-8902	6107012492	6104295478	In-Center Hemo, PD Services	24	39-2791
MANHEIM PIKE DIALYSIS	1650 MANHEIM PIKE		LANCASTER	PA	17601-3056	7175196978	7175810924	In-Center Hemo, In-Center Hemo Self Care	12	39-2785
BETHEL PARK DIALYSIS	6000 ALICIA DR		BETHEL PARK	PA	15102-1850	4128332612	4128352527	In-Center Hemo, Home Hemo, PD Services	4	39-2808
MILLCREEK DIALYSIS	2042 EDINBORO RD		ERIE	PA	16509-3404	8148661930	8148682693	In-Center Hemo	17	39-2822
CITY LINE DIALYSIS	4508 CITY LINE AVE		PHILADELPHIA	PA	19131-1509	2154733071	2158798305	In-Center Hemo	17	39-2809
WOODLYN DIALYSIS	1310 MACDADE BLVD		WOODLYN	PA	19094-1501	6108331713	6108335103	In-Center Hemo	16	39-2826
ELLWOOD CITY DIALYSIS	807 LAWRENCE AVE		ELLWOOD CITY	PA	16117-1941	7247521081	7247529419	In-Center Hemo, PD Services	5	39-2855
EAGLE VALLEY DIALYSIS	166 EAGLES GLEN PLZ		EAST STROUDSBURG	PA	18301-1349	5704245307	5704212561	In-Center Hemo	13	39-2821
TYRONE DIALYSIS	175 HOSPITAL DR		TYRONE	PA	16686-1808	8146844390	8146842402	In-Center Hemo, PD Services	8	39-2825
BROOMALL DIALYSIS	2835 W CHESTER PIKE	STE 2	BROOMALL	PA	19008-1833	6103562719	6103563647	In-Center Hemo	16	39-2794
THORN RUN DIALYSIS	1136 THORN RUN RD	STE J1	MOON TOWNSHIP	PA	15108-4301	4122692304	4122692840	In-Center Hemo, PD Services	15	39-2779
ALLEGHENY VALLEY DIALYSIS	1620 PACIFIC AVE	HEIGHT S PLAZA SHOPPING CENTER	NATRONA HEIGHTS	PA	15065-2101	7242244382	7242247298	In-Center Hemo, Acute Hemo 1:1, PD Services	11	39-2768
NORTHSIDE DIALYSIS	930 MADISON AVE		PITTSBURGH	PA	15212-4937	4123222520	4123211283	In-Center Hemo, Acute Hemo 1:1, PD Services	21	39-2769

SOMERSET COUNTY DIALYSIS	229 S KIMBERLY AVE	STE 100	SOMERSET	PA	15501-2022	8144456127	8144455627	In-Center Hemo, PD Services, In-Center Hemo Self Care	8	39-2778
LINCOLN WAY DIALYSIS	1303 LINCOLN WAY STE A		WHITE OAK	PA	15131-1603	4126731191	4126781746	In-Center Hemo, Acute Hemo 1:1	14	39-2719
OAK SPRINGS DIALYSIS	764 LOCUST AVE		WASHINGTON	PA	15301-2756	7242297377	7242250490	In-Center Hemo, PD Services	13	39-2692
SUBURBAN CAMPUS DIALYSIS	2100 HARRISBURG PIKE	3RD FLR	LANCASTER	PA	17601-2644	7173974019	7173973758	In-Center Hemo, PD Services, Nocturnal Hemo, In-Center Hemo Self Care	30	39-2803
PDI - LANCASTER AT HOME	1412 E KING ST		LANCASTER	PA	17602-3240	7173921552	7173924413	Home Hemo	1	39-2609
MEMPHIS STREET RENAL CENTER	3310 MEMPHIS ST		PHILADELPHIA	PA	19134-4510	2157399558	2157399586	In-Center Hemo	18	39-2601
NORTHERN PHILADELPHIA DIALYSIS	5933 N BROAD ST		PHILADELPHIA	PA	19141-1801	2155495000	2155499558	In-Center Hemo	24	39-2509
ST LUKE'S BETHLEHEM DIALYSIS	1425 8TH AVE		BETHLEHEM	PA	18018-2256	4844034304	6108661739	In-Center Hemo, PD Services, Nocturnal Hemo	36	39-2817
ST LUKE'S QUAKERTOWN DIALYSIS	1021 PARK AVE		QUAKERTOWN	PA	18951-1573	2155368184	2155382090	In-Center Hemo	12	39-2815
ST LUKE'S ALLENTOWN DIALYSIS	1901 HAMILTON ST	STE 100	ALLENTOWN	PA	18104-6460	6104352590	6104331386	In-Center Hemo	13	39-2818
FAYETTE COUNTY DIALYSIS	201 MARY HIGGINSON LN	STE A	UNIONTOWN	PA	15401-2658	7244379480	7244379646	In-Center Hemo, Nocturnal Hemo	17	39-2767
SAINT CHARLES WAY AT HOME	308 ST CHARLES WAY		YORK	PA	17402-4647	7174305454	7177413956	Home Hemo	1	39-2838
POINT BREEZE DIALYSIS	2501 REED ST	STE A	PHILADELPHIA	PA	19146-3900	2153340250	2152714584	In-Center Hemo	16	39-2861
EYNON DIALYSIS	260 SCRANTON CARBONDALE HWY		EYNON	PA	18403-1029	5708761874	5708766894	In-Center Hemo	13	39-2836
QUENTIN CIRCLE DIALYSIS	966 ISABEL DR		LEBANON	PA	17042-7482	7172731026	7172777204	In-Center Hemo, PD Services	8	39-2834
LEOLA DIALYSIS	345 WEST MAIN ST	STE 202	LEOLA	PA	17540-2108	7175560080	7175560085	In-Center Hemo	13	39-2833
ST LUKE'S WHITEHALL DIALYSIS	1220 3RD ST		WHITEHALL	PA	18052-4905	6102661706	6102661574	In-Center Hemo	13	39-2845
NEW KENSINGTON DIALYSIS	1 KENSINGTON SQ		NEW KENSINGTON	PA	15068-6451	7243352876	7243396916	In-Center Hemo	8	39-2852
WISSAHICKON DIALYSIS	235 W CHELTEN AVE		PHILADELPHIA	PA	19144-3802	2158440637	2158445685	In-Center Hemo	26	39-2867
CONCORD TOWNSHIP DIALYSIS	265 WILMINGTON W CHESTER PIKE		CHADDS FORD	PA	19317-9039	6105586965	6105587806	In-Center Hemo	13	39-2862
NORRISTOWN DIALYSIS	1700 MARKLEY ST	STE 122	NORRISTOWN	PA	19401-2902	6103138760	6103138766	In-Center Hemo, PD Services	13	
PROGRESS AVENUE DIALYSIS	4390 STURBRIDGE DR		HARRISBURG	PA	17110-3668	7175452805	7175453987	In-Center Hemo	13	39-2858
COATESVILLE DIALYSIS	1129 W LINCOLN HWY		COATESVILLE	PA	19320-1836	6103833866	6103845270	In-Center Hemo, PD Services	13	39-2859
FAIRMOUNT DIALYSIS	1236 N 26TH ST		PHILADELPHIA	PA	19121-4602	2157633974	2157651494	In-Center Hemo, PD Services	17	39-2873
ROARING SPRING DIALYSIS	96 JUNE DR		ROARING SPRING	PA	16673-2316	8142246290	8142247525	In-Center Hemo	8	39-2864
PENN TRAFFORD DIALYSIS	4044 ROUTE 130	STE 100	IRWIN	PA	15642-7808	7247440713	7247445004	In-Center Hemo, PD Services	8	39-2860
HERITAGE LAKE DIALYSIS	20 EXPEDITION TRL	STE 202	GETTYSBURG	PA	17325-8599	7173371012	7173373834	In-Center Hemo	9	39-2869
NORTH WALES DIALYSIS	1551 S VALLEY FORGE RD		LANSDALE	PA	19446-5461	2153616192	2153612032	In-Center Hemo, Home Hemo, PD Services	13	39-2871
ROSSMOYNE DIALYSIS	5072 RITTER RD	STE 104	MECHANICSBURG	PA	17055-4823	7177909039	7177909752	In-Center Hemo	12	
PAOLI PARK DIALYSIS	4 INDUSTRIAL BLVD	STE 155	PAOLI	PA	19301-1614	6106443084	6104072805	In-Center Hemo	9	39-2865
AVONWORTH DIALYSIS	259 MOUNT NEBO POINTE RD		PITTSBURGH	PA	15237-1313	4123643238	4123640523	In-Center Hemo, PD Services	9	
NESHAMINY DIALYSIS	2 NESHAMINY INTERPLEX	STE 110	FEASTERVILLE	PA	19053-6963	2152456590	2152456595	In-Center Hemo, Home Hemo, PD Services	16	39-2879
HARBISON DIALYSIS	6501 ROOSEVELT BLVD	STE 6581	PHILADELPHIA	PA	19149-2918	2152884671	2155334501	In-Center Hemo	17	39-2881
CEDAR GROVE DIALYSIS	4952 PARKSIDE AVE		PHILADELPHIA	PA	19131	2158710810	2158710817	In-Center Hemo	25	
NAPOLEON PLACE DIALYSIS	420 NAPOLEON PL		JOHNSTOWN	PA	15901-2502	8145358205	8145357515	In-Center Hemo	12	39-2875
DUKE ST DIALYSIS	901 E MAIN ST	STE 12	PALMYRA	PA	17078-1923	7178321390	7178321395	In-Center Hemo	13	
FRENCH CREEK DIALYSIS	991 PARK AVE		MEADVILLE	PA	16335-3344	8143362531	8143377137	In-Center Hemo	12	
SAINT CHARLES WAY DIALYSIS	308 SAINT CHARLES WAY		YORK	PA	17402-4647	7174305454	7177413956	In-Center Hemo, PD Services	47	39-2838
HANOVER DIALYSIS	1155 CARLISLE ST	STE 610	HANOVER	PA	17331-1200	7176321681	7176320625	In-Center Hemo, PD Services	18	39-2839
ST LUKE'S TAMAQUA DIALYSIS	1215 E BROAD ST	STE 20	TAMAQUA	PA	18252-2229	5706683480	5706683483	In-Center Hemo, PD Services	8	
RENAL CENTER OF PHILADELPHIA	5630 CHESTNUT ST	2ND FLR	PHILADELPHIA	PA	19139-3232	2154768301	2154768393	In-Center Hemo	24	39-2665
NORTH PROVIDENCE RENAL CENTER	1635 MINERAL SPRING AVE		NORTH PROVIDENCE	RI	02904-4025	4013545340	4013537020	In-Center Hemo, Acute Hemo 1:1, PD Services	19	41-2506
FORT MILL DIALYSIS	1975 CAROLINA PLACE DR		FORT MILL	SC	29708-6922	8038023027	8038020319	In-Center Hemo, In-Center Hemo Self Care	22	42-2609
PAGELAND DIALYSIS	505A S PEARL ST		PAGELAND	SC	29728-2222	8436723491	8436723504	In-Center Hemo	16	42-2592
LANCASTER SC DIALYSIS	1100 W MEETING ST		LANCASTER	SC	29720-2251	8033136600	8033136608	In-Center Hemo, In-Center Hemo Self Care, PD Services	29	42-2549
MCCOLL DIALYSIS	3595 US HWY 15-401 E		MCCOLL	SC	29570-5918	8435236274	8435235418	In-Center Hemo, PD Services	16	42-2640
UPSTATE DIALYSIS CENTER	308 MILLS AVE		GREENVILLE	SC	29605-4022	8642713700	8642717929	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	34	42-2540
GREER KIDNEY CENTER	14152 E WADE HAMPTON BLVD		GREER	SC	29651-1554	8648774432	8648774662	In-Center Hemo, In-Center Hemo Self Care	21	42-2539
NORTH CHARLESTON DIALYSIS	5900 RIVERS AVE	STE E	NORTH CHARLESTON	SC	29406-6054	8437473447	8437473911	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	42-2585
FABER PLACE DIALYSIS	3801 FABER PLACE DR		NORTH CHARLESTON	SC	29405-8533	8433771566	8433771573	In-Center Hemo, In-Center Hemo Self Care	16	42-2598
GOOSE CREEK DIALYSIS	109 GREENLAND DR		GOOSE CREEK	SC	29445-5354	8433771199	8433771262	In-Center Hemo, In-Center Hemo Self Care	17	42-2596
PENDLETON DIALYSIS	7703 HIGHWAY 76		PENDLETON	SC	29670-1818	8646467715	8646467423	In-Center Hemo, In-Center Hemo Self Care	10	42-2597
MYRTLE BEACH DIALYSIS	3919 MAYFAIR ST		MYRTLE BEACH	SC	29577-5773	8434484920	8434484930	In-Center Hemo, In-Center Hemo Self Care	16	42-2610
JEDBURG DIALYSIS	2897 W 5TH NORTH ST		SUMMERVILLE	SC	29483-9674	8438733955	8438730266	In-Center Hemo, In-Center Hemo Self Care	18	42-2620

LONGS DIALYSIS	90 CLOVERLEAF DR	STE 306	LONGS	SC	29568-9262	8433995275	8433995314	In-Center Hemo, In-Center Hemo Self Care	10	42-2622
RIDGELAND DIALYSIS	112 WEATHERSBY ST		RIDGELAND	SC	29936-9514	8437179379	8437179384	In-Center Hemo	10	42-2626
WALTERBORO DIALYSIS	302 RUBY ST		WALTERBORO	SC	29488-2758	8435496743	8435495228	In-Center Hemo, In-Center Hemo Self Care, PD Services	25	42-2528
AIKEN DIALYSIS	775 MEDICAL PARK DR		AIKEN	SC	29801-6306	8036414222	8036414224	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	21	42-2512
SANTEE DIALYSIS	228 BRADFORD BLVD		SANTEE	SC	29142-8677	8038543133	8038543135	In-Center Hemo, In-Center Hemo Self Care	24	42-2547
ALLEDALE COUNTY DIALYSIS	1241 BOUNDARY ST W		FAIRFAX	SC	29827-3611	8036321587	8036321611	In-Center Hemo, In-Center Hemo Self Care	21	42-2557
NORTH ORANGEBURG DIALYSIS	124 FIRE TOWER RD		ORANGEBURG	SC	29118-1401	8035316202	8035345263	In-Center Hemo, In-Center Hemo Self Care, PD Services	27	42-2508
SOUTH ORANGEBURG DIALYSIS	1080 SUMMERS AVE		ORANGEBURG	SC	29115-4920	8035390084	8035390097	In-Center Hemo, In-Center Hemo Self Care	16	42-2565
GREENWOOD DIALYSIS	109 OVERLAND DR		GREENWOOD	SC	29646-4053	8642276011	8642272098	In-Center Hemo, In-Center Hemo Self Care, PD Services	41	42-2515
CENTRAL BAMBERG DIALYSIS	67 SUNSET DR		BAMBERG	SC	29003-1181	8032455166	8032453315	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1	20	42-2534
CAYCE DIALYSIS	2241 CHARLESTON HWY		CAYCE	SC	29033-1705			In-Center Hemo	10	
ABBEVILLE DIALYSIS	904 W GREENWOOD ST		ABBEVILLE	SC	29620-5687	8644590347	8644595879	In-Center Hemo, PD Services	10	42-2628
CHARLES TOWNE DIALYSIS	1964 ASHLEY RIVER RD	STE D-3	CHARLESTON	SC	29407-4737	8438523537	8438523241	In-Center Hemo	20	42-2632
CHARLES TOWNE HOME PROGRAM	1964 ASHLEY RIVER RD	STE D2	CHARLESTON	SC	29407-4782	8435738767	8435732394	PD Services	4	42-2633
GASTON DIALYSIS	5224 HWY 321		GASTON	SC	29053-9194	8037967830	8037963458	In-Center Hemo	11	42-2641
HARTS DIALYSIS	1015 S 4TH ST		HARTSVILLE	SC	29550-5791	8433325688	8433321039	In-Center Hemo, PD Services	20	42-2642
BLUFFTON DIALYSIS	101 OKATIE CENTER BLVD S		BLUFFTON	SC	29909-7547	8437069900	8437069949	In-Center Hemo, PD Services	12	42-2647
MARKET COMMONS DIALYSIS CENTER	1350 FARROW PKWY	STE 100	MYRTLE BEACH	SC	29577-1668	8438390966	8438390977	In-Center Hemo, PD Services	17	42-2649
PAMPLICO DIALYSIS	1520 FLAG DR		FLORENCE	SC	29505-2854	8434130857	8434130864	In-Center Hemo, PD Services	20	42-2645
GREER SOUTH HOME TRAINING (PD)	3254 BRUSHY CRK RD	STE A	GREER	SC	29650-1000	8648779157	8648012937	PD Services	3	42-2638
PALMETTO DIALYSIS	317 PROFESSIONAL PARK RD		CLINTON	SC	29325-7625	8648330717	8648336020	In-Center Hemo	21	42-2578
GREER SOUTH DIALYSIS	3254 BRUSHY CREEK RD		GREER	SC	29650-1000	8648012065	8648012742	In-Center Hemo	21	42-2611
DOWNTOWN GREENVILLE DIALYSIS	297 PETE HOLLIS BLVD		GREENVILLE	SC	29601-1143	8642329456	8642988038	In-Center Hemo	21	42-2567
FOUNTAIN INN DIALYSIS	298 CHAPMAN RD		FOUNTAIN INN	SC	29644-6129	8648622273	8648622465	In-Center Hemo	11	42-2616
MARKET COMMONS AT HOME	1350 FARROW PKWY	STE 100	MYRTLE BEACH	SC	29577-1668	8438390966	8438390977	Home Hemo	3	42-2649
WALTERBORO AT HOME	302 RUBY ST		WALTERBORO	SC	29488-2758	8435496743	8435495228	Home Hemo	2	42-2528
CYPRESS GARDENS HOME TRAINING	526 BROAD ST		SUMTER	SC	29150-3306	8037735891	8037736464	PD Services	4	42-2648
WOFFORD DIALYSIS	8024 WHITE AVE		SPARTANBURG	SC	29303-2043	8645834798	8645838220	In-Center Hemo, PD Services	14	42-2656
CYPRESS GARDENS DIALYSIS	418 BROAD ST		SUMTER	SC	29150-4155	8034185129	8034180722	In-Center Hemo	20	42-2661
FLOWER TOWN HOME TRAINING	2143 N MAIN ST		SUMMERSVILLE	SC	29486-7800	8438751779	8438757461	PD Services	4	42-2665
KELLEY CORNERS DIALYSIS	231 KELLEY ST		LAKE CITY	SC	29560-2446	8433943847	8433943966	In-Center Hemo	16	42-2674
MARION TOWNE DIALYSIS	2529 E HIGHWAY 76		MARION	SC	29571-6347	8434238861	8434235334	In-Center Hemo	12	42-2667
NORTHBRIDGE DIALYSIS	139 MARKET PLACE DR		NORTH AUGUSTA	SC	29860-9274	8032792628	8032792578	In-Center Hemo	15	42-2669
SALLY HILL DIALYSIS	1471 N CASHUA DR		FLORENCE	SC	29501-6950	8436649067	8436617822	In-Center Hemo	12	42-2675
RED BANK MILLS DIALYSIS	5552 PLATT SPRINGS RD		LEXINGTON	SC	29073-7518	8039572369	8039578628	In-Center Hemo	16	
MITCHELL DIALYSIS	819 E SPRUCE ST	STE 100	MITCHELL	SD	57301-4800	6059960097	6059960679	In-Center Hemo, PD Services	12	43-2505
ROSEBUD DIALYSIS	1 SOLDIER CREEK RD		ROSEBUD	SD	57570-0610	6057472916	6057472699	In-Center Hemo, Acute Hemo 1:1, Acute PD	12	43-2504
SIoux FALLS COMMUNITY DIALYSIS	2326 W 69TH ST		SIoux FALLS	SD	57108-5600	6053321262	6053396183	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	43-2503
MOCCASIN CREEK DIALYSIS	3313 SE 6TH AVE		ABERDEEN	SD	57401-5504	6052257344	6052251698	In-Center Hemo	8	43-2515
BOLIVAR DIALYSIS	515 PECAN DR		BOLIVAR	TN	38008-1611	7316583828	7316592840	In-Center Hemo	18	44-2601
BROWNSVILLE DIALYSIS	380 N DUPREE AVE		BROWNSVILLE	TN	38012-2332	7317723735	7317729794	In-Center Hemo, In-Center Hemo Self Care	21	44-2599
CAMDEN DIALYSIS	168 W MAIN ST	STE A	CAMDEN	TN	38320-1767	7315840447	7315845256	In-Center Hemo, In-Center Hemo Self Care	13	44-2607
COLLIERVILLE DIALYSIS	791 W POPLAR AVE		COLLIERVILLE	TN	38017-2543	9018537809	9018533538	In-Center Hemo, In-Center Hemo Self Care	13	44-2648
GALLERIA DIALYSIS	9160 HIGHWAY 64		LAKELAND	TN	38002-4766	9013801511	9013805624	In-Center Hemo, In-Center Hemo Self Care	16	44-2611
HUMBOLDT DIALYSIS	2214 OSBORNE ST		HUMBOLDT	TN	38343-3044	7318242742	7318242743	In-Center Hemo, In-Center Hemo Self Care	25	44-2598
NORTH JACKSON DIALYSIS	217 STERLING FARM DR		JACKSON	TN	38305-5727	7316647444	7316647470	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	44-2600
LEXINGTON DIALYSIS (TN)	390 S BROAD ST		LEXINGTON	TN	38351-2257	7319680350	7319680354	In-Center Hemo, In-Center Hemo Self Care	13	44-2622
PICKWICK DIALYSIS	121 PICKWICK ST		SAVANNAH	TN	38372-1953	7319263188	7319258652	In-Center Hemo, In-Center Hemo Self Care	12	44-2632
SELMER DIALYSIS	251 OAKGROVE RD		SELMER	TN	38375-1881	7316454939	7316453137	In-Center Hemo, In-Center Hemo Self Care	10	44-2592
TENNESSEE VALLEY DIALYSIS CENTER	107 WOODLAWN DR	STE 2	JOHNSON CITY	TN	37604-6287	4239262976	4239261232	In-Center Hemo	16	44-2666
CLARKSVILLE NORTH DIALYSIS	3071 CLAY LEWIS RD		CLARKSVILLE	TN	37040-5141	9315520644	9315526036	In-Center Hemo, Home Hemo, In-Center Hemo Self Care, PD Services	13	44-2672
LIVINGSTON TN DIALYSIS	308 OAK ST		LIVINGSTON	TN	38570-1729	9314035255	9314035258	In-Center Hemo	8	44-2669
SMYRNA DIALYSIS	537 STONECREST PKWY		SMYRNA	TN	37167-6884	6152203024	6152206238	In-Center Hemo, Home Hemo	8	44-2671
MEMPHIS SOUTHEAST DIALYSIS	1805 MORIAH WOODS BLVD	STE 1	MEMPHIS	TN	38117-7121	9016853192	9016853645	In-Center Hemo, In-Center Hemo Self Care	24	44-2674

SOMERVILLE DIALYSIS	12475 US HIGHWAY 64		SOMERVILLE	TN	38068-6029	9014661919	9014661930	In-Center Hemo, In-Center Hemo Self Care	14	44-2683
MEMPHIS DOWNTOWN DIALYSIS	2076 UNION AVE		MEMPHIS	TN	38104-4138	9017251169	9017252778	In-Center Hemo, In-Center Hemo Self Care	28	44-2682
RIPLEY DIALYSIS CENTER	854 HWY 51 S		RIPLEY	TN	38063-5536	7312211883	7312218022	In-Center Hemo, PD Services	12	44-2696
MEMPHIS SOUTH DIALYSIS	1205 MARLIN RD		MEMPHIS	TN	38116-5812	9013466637	9013467884	In-Center Hemo, In-Center Hemo Self Care	16	44-2649
COOKEVILLE DIALYSIS	320 N WILLOW AVE		COOKEVILLE	TN	38501-2337	9315207763	9316464866	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	44-2511
MEMPHIS CENTRAL DIALYSIS	889 DR M L KING JR AVE		MEMPHIS	TN	38126-1928	9015251719	9015250341	In-Center Hemo, In-Center Hemo Self Care	26	44-2573
MEMPHIS EAST DIALYSIS	6029 WALNUT GROVE RD	STE C003	MEMPHIS	TN	38120-2112	9017472316	9017470634	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	28	44-2576
CLARKSVILLE DIALYSIS	231 HILLCREST DR		CLARKSVILLE	TN	37043-5093	9316459694	9316475517	In-Center Hemo, In-Center Hemo Self Care, PD Services	14	44-2556
WHITEBRIDGE DIALYSIS	103 WHITE BRIDGE PIKE	STE 6	NASHVILLE	TN	37209-4539	6153525535	6153525875	In-Center Hemo, In-Center Hemo Self Care	16	44-2540
COLUMBIA DIALYSIS	1705 GROVE ST		COLUMBIA	TN	38401-3517	9313814445	9313819398	In-Center Hemo, In-Center Hemo Self Care, PD Services	15	44-2539
MURFREESBORO DIALYSIS	1346 DOW ST STE B		MURFREESBORO	TN	37130-2470	6158907270	6158907337	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	44-2549
SUMNER DIALYSIS	300 STEAM PLANT RD	STE 130	GALLATIN	TN	37066-3056	6154525131	6154528970	In-Center Hemo, In-Center Hemo Self Care, PD Services	14	44-2623
HERMITAGE DIALYSIS	5530 OLD HICKORY BLVD	STE 18	HERMITAGE	TN	37076-2576	6152322347	6152327150	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	44-2617
WILLIAMSON COUNTY DIALYSIS	3983 CAROTHERS PKWY	STE E-4	FRANKLIN	TN	37067-5936	6157944423	6157941672	In-Center Hemo, In-Center Hemo Self Care, PD Services	9	44-2587
TIPTON COUNTY DIALYSIS	107 TENNESSEE AVE		COVINGTON	TN	38019-3902	9014750410	9014759040	In-Center Hemo, In-Center Hemo Self Care, Acute Hemo 1:1	13	44-2604
DYERSBURG DIALYSIS	1575 PARR AVE		DYERSBURG	TN	38024-3151	7312865184	7312860174	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	44-2533
NASHVILLE HOME TRAINING DIALYSIS PD	1919 CHARLOTTE AVE	STE 200	NASHVILLE	TN	37203-2245	6153291162	6153291368	PD Services	7	44-2699
KNOXVILLE CENTRAL DIALYSIS	9141 CROSS PARK DR	STE 102	KNOXVILLE	TN	37923-4557	8655314681	8656909943	In-Center Hemo, In-Center Hemo Self Care, PD Services	8	44-2681
CAPELLE DIALYSIS CENTER	7008 E SHELBY DR		MEMPHIS	TN	38125-3416	9017575001	9017575263	In-Center Hemo	24	44-2692
STATE LINE DIALYSIS	2049 E SHELBY DR		MEMPHIS	TN	38116-7639	9013481931	9013488401	In-Center Hemo, PD Services	18	44-2710
MEMPHIS MIDTOWN DIALYSIS	3430 SUMMER AVE		MEMPHIS	TN	38122-3610	9014540815	9014546437	In-Center Hemo	24	44-2704
MILLINGTON DIALYSIS	8510 WILKINSVILLE RD	STE 121	MILLINGTON	TN	38053-1537	9018733302	9018733344	In-Center Hemo, PD Services	12	44-2689
AIRWAYS DIALYSIS	5247 AIRWAYS BLVD		MEMPHIS	TN	38116-9401	9013450671	9013482068	In-Center Hemo	13	44-2740
SPARTA DIALYSIS	150 SAM WALTON DR	STE 800	SPARTA	TN	38583-8818	9317393550	9317393553	In-Center Hemo, PD Services	8	44-2708
WOLF RIVER DIALYSIS	7990 TRINITY PL	STE 101	CORDOVA	TN	38018-7731	9017513120	9017513223	In-Center Hemo	12	44-2709
SOUTH JACKSON DIALYSIS	46 HARTS BRIDGE RD		JACKSON	TN	38301-7512	7314229568	7314229556	In-Center Hemo	16	44-2714
GREENEVILLE DIALYSIS	110 HERITAGE CT		GREENEVILLE	TN	37743-2081	4236392110	4236392071	In-Center Hemo	12	44-2716
CAMPBELL STATION DIALYSIS	111 S CAMPBELL STATION RD		FARRAGUT	TN	37934-2845	8657772750	8657772755	In-Center Hemo, PD Services	13	44-2721
APPALACHIAN DIALYSIS	503 ELM ST		NEW TAZEWELL	TN	37825-7525	4236261242	4236266587	In-Center Hemo, Acute Hemo 1:1, Acute PD	14	44-2567
MORRISTOWN DIALYSIS	120 PEARCE DR		MORRISTOWN	TN	37814-3649	4235873537	4235873538	In-Center Hemo	20	44-2517
BLOUNT DIALYSIS	714 E HARPER AVE		MARYVILLE	TN	37804-4028	8653791070	8653791090	In-Center Hemo, PD Services	28	44-2639
CLINCH RIVER DIALYSIS	702 N MAIN ST		CLINTON	TN	37716-3143	8654571114	8654575576	In-Center Hemo, PD Services	17	44-2686
KNOXVILLE DIALYSIS	2909 E MAGNOLIA AVE		KNOXVILLE	TN	37914-4516	8655252232	8655242425	In-Center Hemo, PD Services	25	44-2670
ROCKY TOP DIALYSIS	921 NEW HWY 68		SWEETWATER	TN	37874-2726	4233375770	4233379142	In-Center Hemo, PD Services	17	44-2676
TN SMOKIE MOUNTAIN DIALYSIS PD	2320 KNOB CREEK	STE 408	JOHNSON CITY	TN	37604-2580	4232321969	4232620320	PD Services	2	44-2668
ETOWAH DIALYSIS	109 GRADY RD		ETOWAH	TN	37331-1903	4232633666	4232633758	In-Center Hemo, Acute Hemo 1:1	16	44-2715
RENAL CARE OF CENTRAL MEMPHIS	1331 UNION AVE	STE 101	MEMPHIS	TN	38104-7559	9012785400	9012785200	In-Center Hemo, PD Services	40	44-2637
MEMPHIS GRACELAND RENAL CENTER	4180 AUBURN RD		MEMPHIS	TN	38116-6202	9013328699	9013328234	In-Center Hemo	16	44-2650
RENAL CARE OF MIDTOWN MEMPHIS	1166 MONROE AVE		MEMPHIS	TN	38104-6614	9017222012	9017222919	In-Center Hemo	24	44-2646
RENAL CARE OF MEMPHIS NORTH	4913 RALEIGH COMMON DR	STE 100	MEMPHIS	TN	38128-2485	9019370650	9013850740	In-Center Hemo	19	44-2640
WHITEHAVEN RENAL CENTER	3420 ELVIS PRESLEY BLVD		MEMPHIS	TN	38116-3260	9013963794	9013969286	In-Center Hemo, PD Services	25	44-2655
BARTLETT RENAL CENTER	2920 COVINGTON PIKE		MEMPHIS	TN	38128-6007	9012486020	9013770879	In-Center Hemo	12	44-2711
DYERSBURG AT HOME	1575 PARR AVE		DYERSBURG	TN	38024-3154	7312865184	7312860174	Home Hemo	17	44-2533
RIVER OAKS DIALYSIS	8000 WOLF RIVER BLVD	STE 106	GERMANTOWN	TN	38138-1754	9017574809	9017573627	In-Center Hemo, PD Services	17	44-2747
SINGLETON FARMS DIALYSIS	4031 AUSTIN PEAY HWY		MEMPHIS	TN	38128-2503	9013790491	9013790459	In-Center Hemo, Home Hemo, PD Services	17	44-2753
MEDINA DIALYSIS	210 GRACE COVE		MEDINA	TN	38355-8738	7317830527	7317835420	In-Center Hemo, PD Services	12	44-2733
FORT CAMPBELL DIALYSIS	1459 FORT CAMPBELL BLVD		CLARKSVILLE	TN	37042-3552	9315526491	9316487946	In-Center Hemo, PD Services	13	44-2742
INTERSTATE DRIVE DIALYSIS	1843 FOREMAN DR	STE B	COOKEVILLE	TN	38501-5933	9313728853	9313721777	In-Center Hemo	12	44-2737
WOODBINE DIALYSIS	5209 LINBAR DR	STE 605	NASHVILLE	TN	37211-1037	6153339765	6153339331	In-Center Hemo, PD Services	12	44-2743
METRO CENTER DIALYSIS	2292 ROSA L PARKS BLVD		NASHVILLE	TN	37228-1306	6152550653	6152550482	In-Center Hemo	12	44-2751
BRILEY PARKWAY DIALYSIS	1221 BRIARVILLE RD		MADISON	TN	37115-5145	6158659363	6158700906	In-Center Hemo	16	44-2754
MT JULIET DIALYSIS	1050 HERSCHEL DR		MT JULIET	TN	37122-6338	6157581970	6157581974	In-Center Hemo	11	44-2738
LAMAR CROSSING DIALYSIS	2926 LAMAR AVE	STE 101	MEMPHIS	TN	38114-5614	9017439366	9017439369	In-Center Hemo, PD Services	17	44-2748
HENDERSON DIALYSIS CENTER	1002 US HWY 79 N		HENDERSON	TX	75652-6008	9036556922	9036551719	In-Center Hemo	13	45-2803
LONE STAR DIALYSIS	8560 MONROE RD		HOUSTON	TX	77061-4815	7133786094	7133786398	In-Center Hemo, Disaster Related Expenditures	48	45-2676



Moncrief Dialysis Center	800 W 34TH ST	STE 101	AUSTIN	TX	78705-1144	5124857872	5124853992	In-Center Hemo, PD Services	26	45-2783
Cyfair Dialysis Center	9110 JONES RD	STE 110	HOUSTON	TX	77065-4489	2815170527	2815170930	In-Center Hemo, Nocturnal Hemo, Disaster Related Expenditures	16	45-2762
KATY DIALYSIS GRAND PARKWAY	403 W GRAND PKWY S	STE T	KATY	TX	77494-8358	2813926063	2813924331	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	20	45-2761
MEMORIAL DIALYSIS CENTER	11621 KATY FWY		HOUSTON	TX	77079-1801	2815585702	2815978377	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	26	45-2755
BROOKRIVER DIALYSIS	8101 BROOKRIVER DR		DALLAS	TX	75247-4003	2149517789	2149518111	In-Center Hemo, PD Services, Disaster Related Expenditures	20	45-2703
Cielo Vista Dialysis	7200 GATEWAY BLVD E	STE B	EL PASO	TX	79915-1301	9157716893	9157716897	In-Center Hemo, PD Services	24	45-2707
West Texas Dialysis	5595 ALAMEDA AVE	STE B	EL PASO	TX	79905-2915	9158810254	9157722823	In-Center Hemo	21	45-2720
Mesa Vista Dialysis	1211 E CLIFF DR		EL PASO	TX	79902-4734	9155338147	9155338593	In-Center Hemo, PD Services	25	45-2758
Houston Kidney Center Southwest	9980 W SAM HOUSTON PKWY S	STE 100	HOUSTON	TX	77099-5104	2815301905	2815301590	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	24	45-2780
Northwest Kidney Center	10985 NORTHWEST FWY		HOUSTON	TX	77092-7305	7138121217	7138121693	In-Center Hemo, Disaster Related Expenditures	24	45-2642
NorthStar Dialysis Center	380 W LITTLE YORK RD		HOUSTON	TX	77076-1303	2814484506	2814484376	In-Center Hemo, Disaster Related Expenditures	49	45-2675
Houston Kidney Center Cypress Station	72 CYPRESS CREEK PKWY		HOUSTON	TX	77090-3531	2815806157	2815806850	In-Center Hemo, PD Services, Disaster Related Expenditures	32	45-2784
OAK CLIFF DIALYSIS	2000 S LLEWELLYN AVE		DALLAS	TX	75224-1804	2149430011	2149430064	In-Center Hemo	16	45-2894
Fourth Street Dialysis	3101 N 4TH ST	STE B	LONGVIEW	TX	75605-5146	9032340112	9032341341	In-Center Hemo	12	45-2776
Pearland Dialysis	6516 BROADWAY ST	STE 122	PEARLAND	TX	77581-7879	2814127422	2814127791	In-Center Hemo, PD Services, Disaster Related Expenditures	20	45-2845
Central City Dialysis	1310 MURCHISON DR	STE 200	EL PASO	TX	79902-4821	9155338503	9155338379	In-Center Hemo	28	45-2651
LOMA VISTA DIALYSIS CENTER	1382 LOMALAND DR	STE A	EL PASO	TX	79935-5204	9155910834	9155915029	In-Center Hemo, PD Services	53	45-2741
WATERLOO DIALYSIS CENTER	5310 BURNET RD	UNIT 122	AUSTIN	TX	78756-2003	5124209403	5124209640	In-Center Hemo	24	45-2696
LIVE OAK DIALYSIS	6700 RANDOLPH BLVD	STE 101	LIVE OAK	TX	78233-4222	2105900103	2105900813	In-Center Hemo, PD Services, Disaster Related Expenditures	20	45-2570
STONE OAK DIALYSIS	731 CARNOUSTIE DR	STE 101	SAN ANTONIO	TX	78258-4800	2104032162	2104990884	In-Center Hemo, In-Center Hemo Self Care	20	45-2623
EL MILAGRO DIALYSIS UNIT	2800 S INTERSTATE HWY 35	STE 120	AUSTIN	TX	78704-5700	5124489750	5124484617	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	45-2727
MED CENTER DIALYSIS	5610 ALMEDA RD		HOUSTON	TX	77004-7515	7135206878	7135270575	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	72	45-2572
SOUTH SAN ANTONIO DIALYSIS CENTER	1313 SE MILITARY DR	STE 111	SAN ANTONIO	TX	78214-2850	2109322434	2109320073	In-Center Hemo, PD Services	24	45-2747
CLEVELAND DIALYSIS CENTER	202 E FORT WORTH ST		CLEVELAND	TX	77327-4917	2816599679	2816590026	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	20	45-2731
KINGWOOD DIALYSIS CENTER	2300 GREEN OAK DR	STE 500	KINGWOOD	TX	77339-2053	2813594433	2813595159	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	12	45-2646
LIVINGSTON DIALYSIS CENTER	209 W PARK		LIVINGSTON	TX	77351-7020	9363271108	9363271135	In-Center Hemo	12	45-2661
LUFKIN DIALYSIS CENTER	700 S JOHN REDDITT DR		LUFKIN	TX	75904-3145	9366342224	9366320764	In-Center Hemo, PD Services	37	45-2639
SHERMAN DIALYSIS CENTER	1724 W US HWY 82	STE 100	SHERMAN	TX	75092-7037	9034210394	9032944189	In-Center Hemo	25	45-2774
DENISON DIALYSIS CENTER	123 N US HIGHWAY 75		DENISON	TX	75020-1544	9033370731	9034651659	In-Center Hemo, PD Services	21	45-2665
VICTORIA DIALYSIS CENTER	1405 VICTORIA STATION DR		VICTORIA	TX	77901-3092	3615769907	3615763979	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	27	45-2658
OMNI DIALYSIS CENTER	9350 KIRBY DR	STE 110	HOUSTON	TX	77054-2528	7136654747	7136653570	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	48	45-2667
GONZALES DIALYSIS CENTER	1406 N SARAH DEWITT DR		GONZALES	TX	78629-2702	8306724377	8306724469	In-Center Hemo, Disaster Related Expenditures	16	45-2734
HILL COUNTRY DIALYSIS	1250 DACY LN		KYLE	TX	78640-4921	5122682523	5122681542	In-Center Hemo, PD Services	12	45-2769
SOUTHWEST SAN ANTONIO DIALYSIS CENTER	7515 BARLITE BLVD		SAN ANTONIO	TX	78224-1311	2109234566	2109226256	In-Center Hemo, PD Services, Disaster Related Expenditures	24	45-2571
NORTH HOUSTON DIALYSIS CENTER	8621 FULTON ST		HOUSTON	TX	77022-2021	7136993748	7136993558	In-Center Hemo, PD Services, Disaster Related Expenditures	24	45-2678
TOMBALL DIALYSIS CENTER	27720A TOMBALL PKWY		TOMBALL	TX	77375-6472	2813516802	2813516805	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	25	45-2743
CONROE DIALYSIS CENTER	233 I-45 N		CONROE	TX	77304-2307	9367602240	9367602238	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	16	45-2708
LONGVIEW DIALYSIS CENTER	425 N FREDONIA ST		LONGVIEW	TX	75601-6464	9032341452	9037586379	In-Center Hemo, PD Services	35	45-2744
MARSHALL DIALYSIS CENTER	1301 S WASHINGTON AVE		MARSHALL	TX	75670-6215	9039351158	9039386341	In-Center Hemo	15	45-2624
HEB DIALYSIS CENTER	1809 FOREST RIDGE DR		BEDFORD	TX	76022-7961	8175454509	8175457392	In-Center Hemo, In-Center Hemo Self Care	21	45-2583
Pin Oak Dialysis	24968 KATY RANCH RD	STE 500	KATY	TX	77494-3404	2815744387	2815744349	In-Center Hemo, Disaster Related Expenditures	20	45-2847
SPRING BRANCH DIALYSIS	1425 BLALOCK RD	STE 100	HOUSTON	TX	77055-4446	7139327795	7139327644	In-Center Hemo, Disaster Related Expenditures	18	45-2728
PDI-NORTH HOUSTON	7115 NORTH LOOP E		HOUSTON	TX	77028-5948	7136754794	7136754126	In-Center Hemo, Disaster Related Expenditures	20	45-2875
PDI-SOUTH HOUSTON	5989 SOUTH LOOP E		HOUSTON	TX	77033-1017	7136416130	7136416056	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	24	45-2886
SOUTH AUSTIN DIALYSIS CENTER	6114 S 1ST ST		AUSTIN	TX	78745-4008	5124478500	5124478512	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	20	45-2892
Spring Dialysis	607 TIMBERDALE LN	STE 100	HOUSTON	TX	77090-3043	2818807066	2818808287	In-Center Hemo, PD Services, Disaster Related Expenditures	18	45-2787
CUERO LAKEVIEW DIALYSIS	1105 E BROADWAY ST		CUERO	TX	77954-2108	3612758648	3612758691	In-Center Hemo, Disaster Related Expenditures	16	45-2889

NEW BRAUNFELS DIALYSIS	798 GENERATIONS DR		NEW BRAUNFELS	TX	78130-0005	8306292848	8306292779	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	45-2798
PORT LAVACA DIALYSIS	1300 N VIRGINIA ST	STE 102	PORT LAVACA	TX	77979-2512	3615523800	3615528703	In-Center Hemo, Disaster Related Expenditures	10	67-2595
Mission Hills Dialysis	2700 N STANTON ST		EL PASO	TX	79902-2500	9153510722	9153512528	In-Center Hemo, PD Services	24	45-2858
Brookhollow Dialysis	4918 W 34TH ST		HOUSTON	TX	77092-6606	7136813043	7138120467	In-Center Hemo, PD Services, Disaster Related Expenditures	12	45-2868
DALLAS NORTH DIALYSIS CENTER	11886 GREENVILLE AVE	STE 100B	DALLAS	TX	75243-0584	9729180100	9729180110	In-Center Hemo, Nocturnal Hemo	12	45-2884
DOWNTOWN HOUSTON DIALYSIS CENTER	2207 CRAWFORD ST		HOUSTON	TX	77002-8915	7136550900	7136550909	In-Center Hemo, Disaster Related Expenditures	16	45-2899
JACINTO DIALYSIS CENTER	11515 MARKET STREET RD		HOUSTON	TX	77029-2305	7134530505	7134530599	In-Center Hemo, Disaster Related Expenditures	16	67-2503
Sun City Dialysis Center	600 NEWMAN ST		EL PASO	TX	79902-5543	9153512010	9153512018	In-Center Hemo, PD Services	20	67-2508
KILGORE DIALYSIS CENTER	2403 STATE HIGHWAY 42 N		KILGORE	TX	75662-5554	9039888200	9039888208	In-Center Hemo	16	45-2885
River Park Dialysis	2010 S LOOP 336 W	STE 200	CONROE	TX	77304-3313	9367603333	9364413330	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	12	45-2898
PINECREST DIALYSIS CENTER	913 E PINECREST DR		MARSHALL	TX	75670-7309	9039349660	9039348474	In-Center Hemo	20	45-2893
TRANSMOUNTAIN DIALYSIS	5800 WOODROW BEAN		EL PASO	TX	79924-5060	9157596532	9157596534	In-Center Hemo, PD Services	36	67-2501
SUMMIT DIALYSIS CENTER	3150 POLK ST		HOUSTON	TX	77003-4631	7132283500	7132282136	In-Center Hemo, Disaster Related Expenditures	12	67-2537
MERIDIAN DIALYSIS CENTER	7520 SPENCER HWY		PASADENA	TX	77505-1917	2815429765	2815429731	In-Center Hemo, Disaster Related Expenditures	12	67-2511
WILLOWBROOK DIALYSIS	12120 JONES RD	STE G	HOUSTON	TX	77070-5280	2818907288	2818907248	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2538
SOUTH SHORE DIALYSIS CENTER	212 GULF FWY S	STE G3	LEAGUE CITY	TX	77573-3956	2815546050	2813161385	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	12	67-2522
Bayou City Dialysis	10655 EASTEX FWY		HOUSTON	TX	77093-4323	7136958986	7136958948	In-Center Hemo, Disaster Related Expenditures	16	67-2535
BONHAM DIALYSIS	201 W 5TH ST		BONHAM	TX	75418-4302	9035834700	9035834772	In-Center Hemo	12	67-2513
GILMER DIALYSIS	510 US HIGHWAY 271 N		GILMER	TX	75644-5569	9038439886	9038439665	In-Center Hemo	12	45-2897
THE WOODLANDS DIALYSIS CENTER	9301 PINECROFT DR	STE 130	SHENANDOAH	TX	77380-3178	2812926788	2812925950	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	16	67-2581
ARLINGTON DIALYSIS	1250 E PIONEER PKWY	STE 700	ARLINGTON	TX	76010-6423	8174696100	8174691930	In-Center Hemo	12	67-2525
GRAPEVINE DIALYSIS	1651 W NORTHWEST HWY		GRAPEVINE	TX	76051-3100	8172510675	8174210417	In-Center Hemo, Nocturnal Hemo, PD Services	25	67-2531
Lancaster Dialysis	2424 W PLEASANT RUN RD		LANCASTER	TX	75146-4005	9722239292	9722232027	In-Center Hemo	25	67-2520
DAVITA EAST DIALYSIS CLINIC	11989 PELLICANO DR		EL PASO	TX	79936-6287	9158566363	9158569777	In-Center Hemo, PD Services	24	67-2558
RIVERCENTER DIALYSIS	1123 N MAIN AVE	STE 150	SAN ANTONIO	TX	78212-4738	2102707887	2102707892	In-Center Hemo, In-Center Hemo Self Care	22	67-2516
MARYMONT DIALYSIS CENTER	2391 NE LOOP 410	STE 211	SAN ANTONIO	TX	78217-5675	2106468788	2106466583	In-Center Hemo	26	67-2523
NORTHWEST MEDICAL CENTER DIALYSIS	5284 MEDICAL DR	STE 100	SAN ANTONIO	TX	78229-4849	2106169699	2106169504	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	67-2515
SOUTHCROSS DIALYSIS CENTER	4602 E SOUTHCROSS BLVD		SAN ANTONIO	TX	78222-4911	2106485988	2106489929	In-Center Hemo	24	67-2519
LAS PALMAS DIALYSIS CENTER	803 CASTROVILLE RD	STE 415	SAN ANTONIO	TX	78237-3148	2104389290	2104389289	In-Center Hemo, In-Center Hemo Self Care	24	67-2521
CEDAR PARK DIALYSIS CENTER	1720 E WHITESTONE BLVD		CEDAR PARK	TX	78613-7640	5125288478	5125288504	In-Center Hemo, PD Services	12	67-2591
BEAR CREEK DIALYSIS	4978 HIGHWAY 6 N	STE I	HOUSTON	TX	77084-2764	2818595020	2818594969	In-Center Hemo, Disaster Related Expenditures	12	67-2549
CARROLLTON DIALYSIS	1544 VALWOOD PKWY	STE 114	CARROLLTON	TX	75006-8425	9722437001	9722438865	In-Center Hemo	12	67-2548
UPPER VALLEY DIALYSIS	7933 N MESA ST	STE H	EL PASO	TX	79932-1699	9158320555	9158320554	In-Center Hemo, PD Services	24	67-2536
BENBROOK DIALYSIS	6260 SOUTHWEST BLVD		BENBROOK	TX	76109-6906	8177313652	8177314655	In-Center Hemo	13	67-2661
NORTH CONROE DIALYSIS	3211 INTERSTATE 45 N	STE 500	CONROE	TX	77304-2180	9367569400	9367569450	In-Center Hemo, PD Services, Disaster Related Expenditures	16	67-2717
DEERBROOK DIALYSIS	9660 FM 1960 BYPASS RD W		HUMBLE	TX	77338-4039	2813126362	2813126370	In-Center Hemo, Disaster Related Expenditures	24	67-2560
FIRST COLONY DIALYSIS CENTER	1447 HIGHWAY 6	STE 140	SUGAR LAND	TX	77478-5094	2814941465	2814941484	In-Center Hemo, Disaster Related Expenditures	13	67-2592
DAVITA DOWNTOWN DALLAS DIALYSIS	3515 SWISS AVE	STE A	DALLAS	TX	75204-6223	2148282280	2148277204	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	16	67-2553
DOWNTOWN SAN ANTONIO DIALYSIS	615 E QUINCY ST		SAN ANTONIO	TX	78215-1600	2102221260	2102221499	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	67-2556
LAKE CLIFF DIALYSIS CENTER	805 N BECKLEY AVE		DALLAS	TX	75203-1612	2149427727	2149427774	In-Center Hemo	20	67-2580
MANSFIELD DIALYSIS CENTER	352 MATLOCK RD	STE 120	MANSFIELD	TX	76063-8016	8174538167	8174732610	In-Center Hemo, PD Services	25	67-2550
PLANO DIALYSIS CENTER	481 SHILOH RD	STE 100	PLANO	TX	75074-7231	9728813270	9728815086	In-Center Hemo	12	67-2636
GARLAND DIALYSIS	776 E CENTERVILLE RD		GARLAND	TX	75041-4640	9722782757	9722782675	In-Center Hemo, In-Center Hemo Self Care	20	67-2555
SEALY DIALYSIS	2242 CHAMPIONSHIP DR		SEALY	TX	77474-8122	9796270300	9796270318	In-Center Hemo, Disaster Related Expenditures	12	67-2606
BOERNE DIALYSIS CENTER	1369 S MAIN ST	STE 101	BOERNE	TX	78006-2860	8302491491	8302491508	In-Center Hemo	12	67-2578
MID CITIES DIALYSIS CENTER	117 E HARWOOD RD		HURST	TX	76054-3043	8176562843	8176562040	In-Center Hemo	16	67-2579
NORTH HILLS DIALYSIS	7927 BOULEVARD 26		NORTH RICHLAND HILLS	TX	76180-7103	8176059861	8176059862	In-Center Hemo	15	67-2620
MISSION VALLEY DIALYSIS	1203 ST CLAIRE BLVD 9B		MISSION	TX	78572-6601	9565833760	9565838252	In-Center Hemo, Home Hemo, Nocturnal Hemo, PD Services	15	67-2646
RIDGECREST DIALYSIS	12249 ROJAS DR		EL PASO	TX	79936-7750	9157900839	9158581063	In-Center Hemo	20	67-2691
TC JESTER DIALYSIS	1800 W 26TH ST	STE 101	HOUSTON	TX	77008-1451	7138630463	7138638272	In-Center Hemo, PD Services, Disaster Related Expenditures	20	67-2675
LA CENTRAL DIALYSIS	902 HOUSTON ST		LAREDO	TX	78040-8015	9565238652	9565230598	In-Center Hemo, PD Services	13	67-2759

TAYLOR DIALYSIS	3100 W 2ND ST		TAYLOR	TX	76574-4647	5123522549	5123522535	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	67-2617
HEARNE DIALYSIS CENTER	106 CEDAR ST		HEARNE	TX	77859-2523	9792799632	9792799621	In-Center Hemo, In-Center Hemo Self Care	12	67-2599
MAGNOLIA DIALYSIS CENTER	17649 FM 1488 RD		MAGNOLIA	TX	77354-5235	2812590397	2812590425	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2625
CYPRESS WOODS NORTHWEST DIALYSIS	20320 NORTHWEST FWY	STE 100	JERSEY VILLAGE	TX	77065-5643	2818902540	2818905376	In-Center Hemo, Disaster Related Expenditures	13	67-2669
SAN ANGELO DIALYSIS	3518 KNICKERBOCKER RD		SAN ANGELO	TX	76904-7611	3259496035	3259496791	In-Center Hemo, PD Services	12	67-2719
DAVITA CENTRAL DALLAS DIALYSIS	9500 N CENTRAL EXPY	STE 102	DALLAS	TX	75231-5139	2147393004	2147393002	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	67-2632
CHANNELVIEW DIALYSIS	777 SHELDON RD	STE C	CHANNELVIEW	TX	77530-3509	2818600600	2818609608	In-Center Hemo, Disaster Related Expenditures	20	45-2647
SAGEMONT DIALYSIS	1823 BROADWAY ST		PEARLAND	TX	77581-5605	2819967913	2819967858	In-Center Hemo, Disaster Related Expenditures	12	45-2612
SAN JACINTO DIALYSIS	11430 EAST FWY	STE 330	HOUSTON	TX	77029-1959	7134504991	7134515766	In-Center Hemo, Disaster Related Expenditures	17	45-2530
CENTRAL HOUSTON DIALYSIS	610 S WAYSIDE DR	UNIT B	HOUSTON	TX	77011-4605	7139288188	7139289059	In-Center Hemo, Disaster Related Expenditures	20	45-2677
KERRVILLE DIALYSIS	515 GRANADA PL		KERRVILLE	TX	78028-5992	8302578734	8302578775	In-Center Hemo, PD Services	18	45-2546
FLORESVILLE DIALYSIS	543 10TH ST		FLORESVILLE	TX	78114-3107	8303934010	8303933056	In-Center Hemo	12	45-2733
PEARSALL DIALYSIS	1305 N OAK ST		PEARSALL	TX	78061-3414	8303344690	8303343380	In-Center Hemo, In-Center Hemo Self Care	12	45-2740
SAN ANTONIO WEST DIALYSIS	4530 CALLAGHAN RD		SAN ANTONIO	TX	78228-2617	2104319048	2104318934	In-Center Hemo, In-Center Hemo Self Care, PD Services	24	45-2587
HOUSTON DIALYSIS	900 S LOOP W	STE 100	HOUSTON	TX	77054-4632	7137480942	7137417357	In-Center Hemo, PD Services, Disaster Related Expenditures	20	45-2584
RELIANT DIALYSIS	1335 LA CONCHA LN		HOUSTON	TX	77054-1809	7137940600	7137940999	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	24	45-2705
SOUTHWEST SAN ANTONIO DIALYSIS	1620 SOMERSET RD		SAN ANTONIO	TX	78211-3021	2109246684	2109248332	In-Center Hemo, In-Center Hemo Self Care	16	45-2605
NORTH LOOP EAST DIALYSIS	7139 NORTH LOOP E		HOUSTON	TX	77028-5903	7136758499	7136753510	In-Center Hemo, Disaster Related Expenditures	16	45-2706
KATY CINCO RANCH DIALYSIS	1265 ROCK CANYON DR		KATY	TX	77450-3831	2813921616	2813922544	In-Center Hemo, In-Center Hemo Self Care, PD Services, Disaster Related Expenditures	12	45-2833
UT SOUTHWESTERN-DALLAS DIALYSIS	204 E AIRPORT FWY		IRVING	TX	75062-6305	9724387375	9725541489	In-Center Hemo, PD Services	36	45-2736
UT SOUTHWESTERN-OAKCLIFF DIALYSIS	610 WYNNEWOOD DR		DALLAS	TX	75224	2149417807	2149417813	In-Center Hemo, In-Center Hemo Self Care	36	45-2773
COLLEGE STATION DIALYSIS	1640 BRIARCREST DR	STE 100	BRYAN	TX	77802-2709	9792604908	9792685890	In-Center Hemo, Acute Hemo 1:1, Acute PD, PD Services, Disaster Related Expenditures	25	45-2550
BRENNHAM DIALYSIS	2815 HIGHWAY 36 S		BRENNHAM	TX	77833-8143	9792517287	9798362276	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	45-2641
HUNTSVILLE DIALYSIS	521 IH 45 S	STE 20	HUNTSVILLE	TX	77340-5651	9362955500	9362955889	In-Center Hemo, PD Services, Disaster Related Expenditures	26	45-2663
DALLAS EAST DIALYSIS	3402 N BUCKNER BLVD	STE 308	DALLAS	TX	75228-5646	2146609413	2146609465	In-Center Hemo	32	45-2822
MAINLAND DIALYSIS	4201 GULF FWY		LA MARQUE	TX	77568-3516	4099381678	4099381679	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	24	45-2635
ISLAND DIALYSIS	5920 BROADWAY ST		GALVESTON	TX	77551-4305	4097401109	4097401464	In-Center Hemo, In-Center Hemo Self Care, Disaster Related Expenditures	27	45-2520
ROCK PRAIRIE ROAD DIALYSIS	1724 BIRMINGHAM RD		COLLEGE STATION	TX	77845-4063	9797046903	9797046906	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	24	67-2504
WOODFOREST DIALYSIS	12626 WOODFOREST BLVD	STE C	HOUSTON	TX	77015-3425	7134553370	7134553387	In-Center Hemo, Disaster Related Expenditures	15	67-2679
LAKE JACKSON DIALYSIS	450 THIS WAY ST	STE A	LAKE JACKSON	TX	77566-5152	9792996565	9792996568	In-Center Hemo, Acute Hemo 1:1, Acute PD, Disaster Related Expenditures	24	67-2500
ANGLETON DIALYSIS	102 E HOSPITAL DR		ANGLETON	TX	77515-4146	9798644330	9798644339	In-Center Hemo, Acute Hemo 1:1, Acute PD, Disaster Related Expenditures	20	67-2524
NORTH SHEPHERD DIALYSIS	7272 N SHEPHERD DR	BLDG B	HOUSTON	TX	77091-2435	7136971115	7136971116	In-Center Hemo, Disaster Related Expenditures	30	67-2518
ROMANO WOODS DIALYSIS	16910 MATHIS CHURCH RD		HOUSTON	TX	77090-3710	2818936300	8003064881	In-Center Hemo, Disaster Related Expenditures	30	67-2655
JENSEN DIALYSIS	9716 JENSEN DR		HOUSTON	TX	77093-6302	7136924600	7136924607	In-Center Hemo, PD Services, Disaster Related Expenditures	22	67-2721
WHARTON DIALYSIS	103 W AHDLAG ST		WHARTON	TX	77488-2407	9792828484	9792828489	In-Center Hemo, PD Services, Disaster Related Expenditures	26	67-2572
EL CAMPO DIALYSIS	307 SANDY CORNER RD		EL CAMPO	TX	77437-9535	9795438200	9795438214	In-Center Hemo, Disaster Related Expenditures	18	67-2645
KAUFMAN DIALYSIS	2851 MILLENNIUM DR		KAUFMAN	TX	75142-8865	9729329091	9729329098	In-Center Hemo	12	67-2619
ROCKWALL DIALYSIS CENTER	2346 GREENCREST BLVD		ROCKWALL	TX	75087-5513	9727224781	9727224872	In-Center Hemo	17	67-2638
DUNCANVILLE DIALYSIS	270 E HIGHWAY 67	STE 100	DUNCANVILLE	TX	75137-4428	9722964911	9722964429	In-Center Hemo, Nocturnal Hemo	21	67-2635
PINE PARK DIALYSIS	3333 BAYSHORE BLVD		PASADENA	TX	77504-1952	7139431463	7139431481	In-Center Hemo, PD Services, Disaster Related Expenditures	24	67-2767
WEST PLANO DIALYSIS	5036 TENNYSON PKWY		PLANO	TX	75024-3002	9726081089	9726081096	In-Center Hemo	12	67-2658
WEST ARLINGTON DIALYSIS	1001 W ARBROOK BLVD	STE 101 AND 111	ARLINGTON	TX	76015-4222	8174667403	8174667408	In-Center Hemo	21	67-2810
FLOYD CURL DIALYSIS	9238 FLOYD CURL DR	STE 102	SAN ANTONIO	TX	78240-1691	2105614373	2105619415	In-Center Hemo, PD Services	20	67-2653
BROWNWOOD DIALYSIS	2511 CROCKETT DR		BROWNWOOD	TX	76801-5976	3256460295	3256462762	In-Center Hemo, PD Services	12	74-2502
CHAMPIONS DIALYSIS	4427 FM 1960 RD W		HOUSTON	TX	77068-3409	2814448439	2815378250	In-Center Hemo, Disaster Related Expenditures	20	67-2676

BAYTOWN DIALYSIS	4665 GARTH RD	STE 900	BAYTOWN	TX	77521-2261	2814220820	2814220961	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2641
WEST OAKS DIALYSIS	14800 WESTHEIMER RD	STE A	HOUSTON	TX	77082-1675	2817525469	2817529929	In-Center Hemo, Disaster Related Expenditures	12	67-2686
BINZ HOME TRAINING	1213 HERMANN DR	STE 180	HOUSTON	TX	77004-7070	7135295155	7135295135	PD Services, Disaster Related Expenditures	5	67-2664
SAGEMEADOW DIALYSIS	10923 SCARSDALE BLVD		HOUSTON	TX	77089-6024	2819226130	2819226145	In-Center Hemo, Disaster Related Expenditures	20	67-2670
MCKINNEY DIALYSIS	4717 MEDICAL CENTER DR		MCKINNEY	TX	75069-1870	9725420495	9725429676	In-Center Hemo, PD Services	18	67-2671
AMERICAS DIALYSIS	715 N AMERICAS AVE		EL PASO	TX	79907-7004	9158728185	9158728921	In-Center Hemo	20	67-2692
WEST POINT DIALYSIS	12051 WESTPARK DR	STE 100	HOUSTON	TX	77082-5556	2819204892	2819204879	In-Center Hemo, PD Services, Disaster Related Expenditures	16	67-2693
VILLAGE DIALYSIS	6952 INDUSTRIAL PKWY		ROSENBERG	TX	77471-5656	2812323116	2812325821	In-Center Hemo, Disaster Related Expenditures	12	67-2715
GEORGETOWN DIALYSIS	201 FM 971		GEORGETOWN	TX	78626-4631	5128199636	5128638173	In-Center Hemo, PD Services	12	67-2687
WESTOVER DIALYSIS	9846 WESTOVER HILLS BLVD	STE 103	SAN ANTONIO	TX	78251-4125	2106819180	2106819745	In-Center Hemo, PD Services	16	67-2708
SPRING CREEK DIALYSIS	301 E AIRLINE RD		VICTORIA	TX	77901-3901	3615723343	3615723380	In-Center Hemo, Disaster Related Expenditures	16	67-2696
SEGUIN DIALYSIS	618 E COURT ST		SEGUIN	TX	78155-5714	8303722521	8303721384	In-Center Hemo, PD Services	16	67-2707
SUGAR LAND HOME TRAINING-PD	1447 HWY 6	STE 130	SUGAR LAND	TX	77478-5094	2812770692	2815650923	PD Services, Disaster Related Expenditures	4	67-2690
HORIZON DIALYSIS	2222 GREENHOUSE RD		HOUSTON	TX	77084-7287	2818295941	2818291304	In-Center Hemo, PD Services, Disaster Related Expenditures, Nocturnal Hemo	16	67-2734
ROUND ROCK DIALYSIS	1800 ROUND ROCK AVE	STE 200	ROUND ROCK	TX	78681-4016	5123108797	5122460030	In-Center Hemo	12	67-2780
BALCH SPRINGS DIALYSIS	12001 ELAM RD		BALCH SPRINGS	TX	75180-2822	9729138767	9722864095	In-Center Hemo, PD Services	13	67-2726
WYLIE DIALYSIS	941 S WESTGATE WAY		WYLIE	TX	75098-4947	9724294315	9724298954	In-Center Hemo, PD Services	13	67-2702
CENTRAL FORT WORTH DIALYSIS	1000 SAINT LOUIS AVE	STE 101	FORT WORTH	TX	76104-3377	8178100379	8178709767	In-Center Hemo, PD Services	24	67-2723
NORTH FORT WORTH DIALYSIS	3812 E BELKNAP ST		FORT WORTH	TX	76111-6012	6826470013	6826471494	In-Center Hemo, PD Services	13	67-2731
NORTH ARLINGTON DIALYSIS	642 LINCOLN SQUARE		ARLINGTON	TX	76011-4896	8175420529	8175420419	In-Center Hemo, PD Services	17	67-2725
EDINBURG CITRUS GROVE DIALYSIS	404 S VETERANS BLVD	STE D	EDINBURG	TX	78539-4721	9563810078	9563810058	In-Center Hemo, PD Services	20	67-2852
SOUTHEAST FORT WORTH DIALYSIS	3845 E LOOP 820 S		FORT WORTH	TX	76119-4337	8174969035	8174460012	In-Center Hemo	25	67-2790
GRANBURY DIALYSIS	1200 PALUXY MEDICAL CIR	STE 100	GRANBURY	TX	76048-5696	8175791417	8175799605	In-Center Hemo, PD Services	12	67-2729
HOUSTON GALLERIA DIALYSIS	5923 WESTHEIMER ROAD		HOUSTON	TX	77057-7603	7139771278	7139771429	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2730
FORT BROWN DIALYSIS	2000 BOCA CHICA BLVD		BROWNSVILLE	TX	78521-2226	9565410130	9565410160	In-Center Hemo	13	67-2777
TREASURE HILLS DIALYSIS	1629 TREASURE HILLS BLVD	STE 8	HARLINGEN	TX	78550-8907	9563642120	9564408747	In-Center Hemo	13	67-2771
BLUEBONNET DIALYSIS	3601 MANOR RD		AUSTIN	TX	78723-5816	5129267378	5129267364	In-Center Hemo, PD Services	24	67-2704
CROSSTIMBERS DIALYSIS	4400A NORTH FWY	STE 100	HOUSTON	TX	77022-3604	7136954413	7136954518	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2739
HIGHLAND VILLAGE DIALYSIS	2700 VILLAGE PKWY		HIGHLAND VILLAGE	TX	75077-3286	9723175609	9723175723	In-Center Hemo, PD Services	13	67-2720
WEST BELLFORT DIALYSIS	21026 W BELLFORT ST		RICHMOND	TX	77406-1685	8325950187	8325950637	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2733
RIVERSTONE DIALYSIS	5672 HIGHWAY 6		MISSOURI CITY	TX	77459-4188	2814998950	2814993805	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2769
VICTORY LAKES DIALYSIS	3290 GULF FWY S	STE H	DICKINSON	TX	77539-4542	2813372175	2813372386	In-Center Hemo, Disaster Related Expenditures	12	67-2754
DENVER HARBOR DIALYSIS	7065 EAST FWY		HOUSTON	TX	77020-5328	7136703173	7136700876	In-Center Hemo, Disaster Related Expenditures	20	67-2782
ALLEN DIALYSIS	201 S JUPITER RD		ALLEN	TX	75002-3035	4693426709	4693426398	In-Center Hemo	21	67-2728
LUBBOCK	1923 MARSHA SHARP FWY	STE 102	LUBBOCK	TX	79415-4036	8067442790	8067442129	In-Center Hemo, PD Services	12	
COLLEGE PARK DIALYSIS	17191 ST LUKES WAY	STE 100	THE WOODLANDS	TX	77384-8042	9362733350	9362734539	In-Center Hemo, PD Services, Disaster Related Expenditures	24	67-2745
ACE DIALYSIS	14512 LEE RD		HUMBLE	TX	77396-3425	2814415016	2814415099	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2756
FORT WORTH SAGINAW DIALYSIS	900 N BLUE MOUND RD	STE 192	SAGINAW	TX	76131-8828	8172321502	8172321652	In-Center Hemo	13	67-2761
VIVIFY DIALYSIS	800 N TEXAS AVE		ODESSA	TX	79761-4012	4323321974	4323324183	PD Services, In-Center Hemo	12	67-2822
VALLEY BAPTIST-HARLINGEN DIALYSIS	2220 HAINE DR STE 40		HARLINGEN	TX	78550-8584	9563642789	9564233395	In-Center Hemo, PD Services	48	67-2665
VALLEY BAPTIST-RAYMONDVILLE DIALYSIS	894 FM 3168		RAYMONDVILLE	TX	78580-4519	9566899084	9566891951	In-Center Hemo, PD Services	16	67-2674
AMARILLO DIALYSIS	8604 S COULTER ST		AMARILLO	TX	79119-7379	8063580051	8063550410	In-Center Hemo, PD Services	36	45-2866
MIDLAND DIALYSIS	705 W WADLEY AVE		MIDLAND	TX	79705-5351	4326861806	4326867439	In-Center Hemo, Acute Hemo 1:1, Acute PD, PD Services	20	45-2622
ODESSA DIALYSIS	6005 EASTRIDGE RD		ODESSA	TX	79762-5019	4323623008	4323623302	In-Center Hemo	12	45-2873
TEXARKANA REGIONAL DIALYSIS	5502 MEDICAL PARKWAY DR		TEXARKANA	TX	75503-4623	9038329771	9037911774	In-Center Hemo, PD Services	38	45-2552
NORTHEAST TEXAS DIALYSIS	413B LOOP 59		ATLANTA	TX	75551-2015	9037995843	9037961137	In-Center Hemo	13	45-2710
BROWNFIELD DIALYSIS	710 E FELT ST		BROWNFIELD	TX	79316-3440	8066376373	8066376371	In-Center Hemo	8	67-2596
COLORADO CITY DIALYSIS	1546 CHESTNUT ST		COLORADO CITY	TX	79512-3925	3257288348	3257289228	In-Center Hemo	8	67-2628
FORT STOCKTON DIALYSIS	387 INTERSTATE 10 W	STE C	FORT STOCKTON	TX	79735-2700	4323368041	4323368205	In-Center Hemo	11	67-2639
DUMAS DIALYSIS	109 BINKLEY AVE		DUMAS	TX	79029-3825	8069352273	8069342273	In-Center Hemo	8	67-2682
WEST PARK DIALYSIS	5920 RENWICK DR	STE A	HOUSTON	TX	77081-0004	7136600073	7136600259	In-Center Hemo, Disaster Related Expenditures	20	67-2621
GRACIAS DIALYSIS	2506 W MOUNT HOUSTON RD	STE A	HOUSTON	TX	77038-3536	2818204880	2818207062	In-Center Hemo, Disaster Related Expenditures	16	67-2529
NORTH PARK DIALYSIS	324 FM 1960 RD	STE 104	HOUSTON	TX	77073-1887	2814432209	2814431983	In-Center Hemo, Disaster Related Expenditures	30	67-2640

MED-CENTER AT HOME	7580 FANNIN ST	STE 230	HOUSTON	TX	77054-1939	7137900150	7137900740	Home Hemo, Disaster Related Expenditures	4	67-2583
EDINBURG RENAL CENTER	3902 S JACKSON RD		EDINBURG	TX	78539-6676	9566312401	9566312664	In-Center Hemo, PD Services	33	45-2764
DIALYSIS CARE OF MCALLEN	411 LINDBERG AVE		MCALLEN	TX	78501-2921	9566876701	9566831901	In-Center Hemo, PD Services	32	45-2654
WESLACO RENAL CENTER	910 SOUTH UTAH		WESLACO	TX	78596-4270	9569681895	9569684886	In-Center Hemo	20	45-2672
ALICE RENAL CENTER	2345 ALICE REGIONAL BLVD		ALICE	TX	78332-7291	3616641723	3616641763	In-Center Hemo, Disaster Related Expenditures	24	45-2537
BEEVILLE RENAL CENTER	1905 N FRONTAGE RD		BEEVILLE	TX	78102-2954	3613584175	3613584733	In-Center Hemo, PD Services, Disaster Related Expenditures	21	45-2742
BROWNSVILLE RENAL CENTER	2945 CENTRAL BLVD		BROWNSVILLE	TX	78520-8958	9565428094	9565420742	In-Center Hemo, PD Services	20	45-2737
CORPUS CHRISTI DIALYSIS	2733 SWANTNER DR		CORPUS CHRISTI	TX	78404-2832	3618554911	3618554914	In-Center Hemo, Disaster Related Expenditures	26	45-2514
RIVERSIDE RENAL CENTER	13434 LEOPARD ST	STE A17	CORPUS CHRISTI	TX	78410-4466	3612414873	3612415544	In-Center Hemo, Disaster Related Expenditures	17	45-2751
COASTAL DIALYSIS	4300 S PADRE ISLAND DR	STE 2-2	CORPUS CHRISTI	TX	78411-4433	3618559449	3618559398	In-Center Hemo, PD Services, Disaster Related Expenditures	20	45-2715
MORGAN AVENUE DIALYSIS	2222 S MORGAN AVE	STE 104	CORPUS CHRISTI	TX	78405-1992	3618841113	3618841623	In-Center Hemo, Disaster Related Expenditures	20	45-2800
DIALYSIS CARE OF GREENVILLE	7215 INTERSTATE HWY 30	STE N	GREENVILLE	TX	75402-7110	9034550041	9034550220	In-Center Hemo, PD Services	25	45-2694
GREENWOOD HOLLY RENAL CENTER	1533 HOLLY RD		CORPUS CHRISTI	TX	78417-2010	3618507300	3618507305	In-Center Hemo, Disaster Related Expenditures	24	67-2630
GREATWOOD DIALYSIS	20333 SOUTHWEST FREEWAY	STE 105	SUGAR LAND	TX	77479-6183	2815451470	2815451839	In-Center Hemo, Disaster Related Expenditures	17	67-2758
JERSEY VILLAGE DIALYSIS	8787 FALLBROOK DR		HOUSTON	TX	77064-3318	2814777878	2819550015	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2781
MCKINNEY ON 380 DIALYSIS	5329 W UNIVERSITY DR		MCKINNEY	TX	75071-8186	2144914263	2144914984	In-Center Hemo, PD Services	13	67-2805
BALCONES DIALYSIS	11150 RESEARCH BLVD	STE 201	AUSTIN	TX	78759-5242	5123421097	5123421967	In-Center Hemo, PD Services	12	67-2824
CORYELL DIALYSIS	224 MEMORIAL DR		GATESVILLE	TX	76528-1071	2544042090	2544042479	In-Center Hemo, PD Services	14	67-2796
MAY STREET DIALYSIS	712 S MAY ST		MADISONVILLE	TX	77864-2564	9363490326	9363490447	In-Center Hemo, PD Services	12	67-2813
GREEN OAK DIALYSIS	1426 KINGWOOD DR		KINGWOOD	TX	77339-3040	2813121301	2813581472	In-Center Hemo, PD Services, Disaster Related Expenditures	20	67-2764
CLOVERLEAF DIALYSIS	13525 EAST FWY	STE A	HOUSTON	TX	77015-5902	7134500874	7134515377	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2773
SOUTH SHORE ANNEX DIALYSIS	16750 HIGHWAY 3		WEBSTER	TX	77598-2000	2813324719	2813323720	In-Center Hemo, PD Services	12	672779
SOUTHSIDE DIALYSIS	6018 PARKWAY DR		CORPUS CHRISTI	TX	78414-2488	3619945262	3619945232	In-Center Hemo, PD Services	20	74-2527
KELLER DIALYSIS	11000 OLD DENTON RD		FORT WORTH	TX	76244-5407	8173375483	8174319475	In-Center Hemo, PD Services	17	67-2788
DIALYSIS CARE OF GRAND PRAIRIE	402 N CARRIER PKWY	STE 102	GRAND PRAIRIE	TX	75050-5426	9722642660	9722642687	In-Center Hemo, Home Hemo, PD Services	13	67-2789
CYPRESS FAIRFIELD DIALYSIS	15103 MASON RD	STE D-5	CYPRESS	TX	77433-6755	2817581380	2817581470	In-Center Hemo, PD Services, Disaster Related Expenditures	24	672786
PRESTON DIALYSIS	13340 PRESTON RD		DALLAS	TX	75240-5287	9722395034	9729804417	In-Center Hemo, PD Services	17	74-2526
VINTAGE DIALYSIS	20025 CHASEWOOD PARK DR		HOUSTON	TX	77070-1465	2812510966	2812574706	In-Center Hemo, PD Services, Disaster Related Expenditures	17	67-2801
CLEAR CREEK DIALYSIS	220 COTTONWOOD DR		HEMPSTEAD	TX	77445-9226	9798260477	9798269183	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2808
SPRINGWOODS DIALYSIS	2950 FM 2920 RD	STE 100	SPRING	TX	77388-3427	2819076269	2819076852	In-Center Hemo, PD Services, Disaster Related Expenditures	20	67-2803
TANNER DIALYSIS	5655 W SAM HOUSTON PKWY N	STE A	HOUSTON	TX	77041-5148	7139838616	7138569294	In-Center Hemo, Disaster Related Expenditures	16	67-2802
COWTOWN WEST DIALYSIS	2400 LANDS END BLVD	STE 131	FORT WORTH	TX	76116-2170	8175700916	8173770279	In-Center Hemo, PD Services	17	672783
HULEN DIALYSIS	5832 S HULEN ST		FORT WORTH	TX	76132-2684	8173707642	8173707774	In-Center Hemo	17	67-2797
HEIGHTS DIALYSIS	739 E 20TH ST		HOUSTON	TX	77008-4471	7138020542	7138020762	In-Center Hemo, PD Services, Disaster Related Expenditures	16	67-2804
BAYMONT DIALYSIS	10424 INTERSTATE 10 E	STE 100	BAYTOWN	TX	77523-0816	2815732539	2815733289	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2826
PLANO ON CUSTER DIALYSIS	1301 CUSTER RD	STE 524	PLANO	TX	75075-9400	9725787047	9724247204	In-Center Hemo	17	67-2816
PLANO TOLLWAY DIALYSIS	6101 WINDHAVEN PKWY	STE 165	PLANO	TX	75093-8197	9724737891	9724730150	In-Center Hemo, PD Services	17	67-2827
LOCKHART DIALYSIS	1806 S COLORADO ST		LOCKHART	TX	78644-3947	5123986419	5123986471	In-Center Hemo, PD Services	12	67-2819
SOUTHFIELD DIALYSIS	11600 BROADWAY ST		PEARLAND	TX	77584-3780	7134360263	7134360948	In-Center Hemo, PD Services, Disaster Related Expenditures	12	67-2833
MONTANA VISTA DIALYSIS	2204 JOE BATTLE BLVD	STE A	EL PASO	TX	79938-4660	9158498374	9158498301	In-Center Hemo	24	67-2817
DIALYSIS CARE OF WEATHERFORD	2107 FT WORTH HWY		WEATHERFORD	TX	76086-4808	8175996954	8175993526	In-Center Hemo, PD Services, Nocturnal Hemo	13	67-2770
SOCORRO DIALYSIS	10697 N LOOP DR		SOCORRO	TX	79927-6400	9157900538	9157900639	In-Center Hemo	24	67-2842
CEDAR HILL DIALYSIS	439 E FM 1382		CEDAR HILL	TX	75104-6006	9722915817	9722915875	In-Center Hemo	21	67-2861
GARLAND SHILOH DIALYSIS	800 N SHILOH RD		GARLAND	TX	75042-5716	9722767961	9722050191	In-Center Hemo	21	67-2868
DONNA DIALYSIS	1006 E INTERSTATE HIGHWAY 2		DONNA	TX	78537-4153	9564612519	9564612550	In-Center Hemo, PD Services	21	67-2843
CITY CENTER DIALYSIS	10405 KATY FWY	STE 140	HOUSTON	TX	77024-1165	7136470641	7136470620	In-Center Hemo, Disaster Related Expenditures	24	67-2862
MASON DIALYSIS	2922 N MASON RD	STE 100	KATY	TX	77449-5456	2815799057	2815993293	In-Center Hemo, Disaster Related Expenditures	20	67-2863
DAIRY ASHFORD DIALYSIS	12606 WESTPARK DR		HOUSTON	TX	77082-5526	2816791848	2814962093	In-Center Hemo, PD Services, Disaster Related Expenditures	20	67-2848
CANUTILLO DIALYSIS	7251 S DESERT BLVD		EL PASO	TX	79835-2200	9158774900	9158774912	In-Center Hemo	25	74-2528
ASCARATE DIALYSIS	7281 ALAMEDA AVE		EL PASO	TX	79915-3503	9158811796	9158811276	In-Center Hemo	25	67-2872
AVIAN DIALYSIS	8486 BELLAIRE BLVD		HOUSTON	TX	77036-4702	7137740253	7137740315	In-Center Hemo, Disaster Related Expenditures	20	67-2841
ZAPATA FALCON LAKE DIALYSIS	2860 S US HWY 83		ZAPATA	TX	78076	9567659366	9567659319	In-Center Hemo, PD Services	13	67-2849
INWOOD DIALYSIS	6626 ANTOINE DR		HOUSTON	TX	77091-1206	7136810481	7136810913	In-Center Hemo, PD Services, Disaster Related Expenditures	16	67-2857
LAMARQUE DIALYSIS	7236 MEDICAL CENTER DR		TEXAS CITY	TX	77591-3036	4099352890	4099353188	In-Center Hemo	16	67-2899
ATASCOCITA DIALYSIS	5414 FM 1960 RD E		HUMBLE	TX	77346-2627	8324450020	8324451335	In-Center Hemo	20	67-2895

LAREDO NORTH CREEK DIALYSIS	2443 MONARCH DR		LAREDO	TX	78045-6329	9567255203	9567255082	In-Center Hemo, PD Services	25	67-2878
DIALYSIS CARE OF MESQUITE	2110 N GALLOWAY AVE	STE 102	MESQUITE	TX	75150-5736	9722851909	9723291063	In-Center Hemo	25	74-2515
LOWER GREENVILLE DIALYSIS	4405 ROSS AVE		DALLAS	TX	75204-5013	2148288017	2148288049	In-Center Hemo, PD Services	25	
MCKINNEY CORNER DIALYSIS	4601 MEDICAL CTR DR	STE G	MCKINNEY	TX	75069-1771	9729841974	9726247973	In-Center Hemo	17	74-2513
LEANDER DIALYSIS	2906 S BAGDAD RD	STE 120	LEANDER	TX	78641-3269	5122604102	5125281039	In-Center Hemo, PD Services	13	67-2873
MOUNTAIN PASS DIALYSIS	5612 DYER ST		EL PASO	TX	79904-6242	9155645052	9155645256	In-Center Hemo	24	67-2874
SHERMAN CROSSROADS DIALYSIS	209 W TRAVIS ST		SHERMAN	TX	75092-3512	9034210272	9032589842	In-Center Hemo, PD Services	13	74-2535
ROADRUNNER DIALYSIS	5010 WISEMAN BLVD		SAN ANTONIO	TX	78251	2105200341	2105200236	In-Center Hemo	24	
BARKER CYPRESS DIALYSIS	18003 LOGENBAUGH DR		CYPRESS	TX	77433-7196	2818566198	2818566224	In-Center Hemo	24	67-2896
PFLUGERVILLE DIALYSIS	2606 W PECAN ST	BLDG 3, STE 300	PFLUGERVILLE	TX	78660-1917	5129907785	5129907811	In-Center Hemo	12	67-2889
ROWLETT DIALYSIS	7700 LAKEVIEW PKWY	STE 100A	ROWLETT	TX	75088-4362	2146071479	2146070194	In-Center Hemo	16	
DOWNTOWN MIDLAND DIALYSIS	511 W MISSOURI AVE		MIDLAND	TX	79701-5016	4326863907	4326863911	In-Center Hemo	24	74-2522
FIVE POINTS DIALYSIS	2929 MONTANA AVE		EL PASO	TX	79903-2409	9155660634	9155660681	In-Center Hemo, Nocturnal Hemo	25	
POST OAK DIALYSIS	4751 W FUQUA ST		HOUSTON	TX	77045-6104	7134139075	7134139116	In-Center Hemo	20	
SIENNA PLANTATION DIALYSIS	9340 HWY 6	STE 400	MISSOURI CITY	TX	77459-5132	2817783500	2817783512	In-Center Hemo	24	74-2500
JACKSON MEADOWS DIALYSIS	2500 S JACKSON RD		MCCALLEN	TX	78503-9801	9566648251	9566641734	In-Center Hemo	21	74-2536
RENAL CENTER OF BEAUMONT	3050 LIBERTY AVE		BEAUMONT	TX	77702-1846	4098386602	4098389052	In-Center Hemo, PD Services, Disaster Related Expenditures	16	45-2577
RENAL CENTER OF NEDERLAND	8797 9TH AVE		PORT ARTHUR	TX	77642-8011	4097292212	4097292656	In-Center Hemo, Disaster Related Expenditures	16	45-2856
RENAL CENTER OF ORANGE	280 STRICKLAND DR		ORANGE	TX	77630-4750	4098834001	4098834330	In-Center Hemo, Disaster Related Expenditures	13	45-2802
RENAL CENTER OF PORT ARTHUR	3730 DRYDEN RD		PORT ARTHUR	TX	77642-2764	4099834110	4099834118	In-Center Hemo, PD Services, Disaster Related Expenditures	25	45-2763
GOLDEN TRIANGLE DIALYSIS	1020 N 14TH ST		BEAUMONT	TX	77702-1103	4098328423	4098328431	In-Center Hemo, PD Services, Disaster Related Expenditures	30	45-2524
RENAL CENTER OF CARROLLTON	4240 INTERNATIONAL PKWY	STE 158	CARROLLTON	TX	75007-1974	9723068410	9723068109	In-Center Hemo	16	45-2887
RENAL CENTER OF FORT WORTH	251 UNIVERSITY DRIVE	STE 101	FORT WORTH	TX	76107-1986	8178705002	8178700044	In-Center Hemo, PD Services	16	45-2819
RENAL CENTER OF THE HILLS	6331 BLVD 26	STE 200	N RICHLAND HILLS	TX	76180-1590	8172843343	8172843448	In-Center Hemo, PD Services	25	67-2649
RENAL CENTER OF FRISCO	10850 FRISCO ST	STE 300	FRISCO	TX	75033-3586	2148722421	2148722426	In-Center Hemo	21	67-2654
RENAL CENTER OF KELLER	10708 VICTORIA ASH DR		FORT WORTH	TX	76244-6392	8174316533	8174316543	In-Center Hemo	21	67-2741
RENAL CENTER OF LEWISVILLE	1600 WATERS RIDGE DR	STE B	LEWISVILLE	TX	75057-6039	9724367211	9724364138	In-Center Hemo	30	45-2648
RENAL CENTER OF NORTH DENTON	4309 MESA DRIVE		DENTON	TX	76207-3438	9405662701	9404838251	In-Center Hemo, PD Services	20	45-2528
RENAL CENTER OF NORTH DALLAS	6190 LBJ FREEWAY	BLDG 2 STE 701	DALLAS	TX	75240-6383	9727890192	9727890198	In-Center Hemo	16	67-2732
RENAL CENTER OF PLANO	4112 W SPRING CREEK PARKWAY	STE D200	PLANO	TX	75024-5210	9726087831	9726087837	In-Center Hemo	17	67-2694
RENAL CENTER OF TYLER	510 SSW LOOP 323	STE 580	TYLER	TX	75702-7693	9035960102	9035969704	In-Center Hemo, PD Services	16	45-2867
RENAL CENTER OF WATERTON	2895 SHILOH RD		TYLER	TX	75703-2936	9035610292	9035611896	In-Center Hemo	20	67-2647
RENAL CENTER OF FLOWER MOUND	4941 LONG PRAIRIE RD		FLOWER MOUND	TX	75028-2782	9725375572	4694644357	In-Center Hemo, PD Services	13	67-2807
HOME AT THE MUSEUM AT HOME DIALYSIS COTTAGE	7505 MAIN 1902 HOSPITAL BLVD	STE 120 STE D	HOUSTON GAINESVILLE	TX	77030-4523 76240-2008	7135975129 9406121642	7137950574 9406122360	Home Hemo In-Center Hemo	1 12	 67-2585
WEST BOUNTIFUL DIALYSIS	724 W 500 S	STE 300	WEST BOUNTIFUL	UT	84087-1471	8012969091	8012969094	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	46-2520
TIMPANOGOS DIALYSIS	1055 N 500 W	STE 222	PROVO	UT	84604-3305	8013568907	8013562481	PD Services	1	46-2524
UTAH VALLEY DIALYSIS CENTER	1055 N 500 W	STE 221	PROVO	UT	84604-3305	8013735400	8013736400	In-Center Hemo	25	46-2525
LONE PEAK DIALYSIS	1175 E 50 S	STE 111	AMERICAN FORK	UT	84003-2845	8017631304	8017631305	In-Center Hemo	12	46-2535
MT NEBO DIALYSIS	555 W STATE ROAD 164	STE 101	SALEM	UT	84653-5732	8017987903	8017987237	In-Center Hemo	12	46-2551
WEBER VALLEY DIALYSIS	1920 W 250TH N		MARRIOTT-SLATERVILLE	UT	84404-9233	8017314178	8017311286	In-Center Hemo, In-Center Hemo Self Care	13	46-2539
PETERSBURG DIALYSIS	20 MEDICAL PARK BLVD		PETERSBURG	VA	23805-9280	8048610967	8048610796	In-Center Hemo, In-Center Hemo Self Care, PD Services, Nocturnal Hemo	20	49-2594
MEHERRIN DIALYSIS CENTER	201A WEAVER AVE		EMPORIA	VA	23847-1248	4343483882	4343489317	In-Center Hemo, In-Center Hemo Self Care	24	49-2551
FAIRFAX DIALYSIS CENTER	8501 ARLINGTON BLVD	STE 100	FAIRFAX	VA	22031-4625	7038768445	7038766786	In-Center Hemo, PD Services	24	49-2591
RICHMOND COMMUNITY DIALYSIS	913 N 25TH ST		RICHMOND	VA	23223-6562	8046430506	8046480462	In-Center Hemo, Home Hemo, In-Center Hemo Self Care, PD Services	28	49-2599
GREAT BRIDGE DIALYSIS CENTER	745 BATTLEFIELD BLVD N	STE 100	CHESAPEAKE	VA	23320-0305	7573128346	7573827844	In-Center Hemo, In-Center Hemo Self Care, PD Services	26	49-2604
CDC OF WOODBRIDGE	2751 KILLARNEY DR		WOODBIDGE	VA	22192-4119	7038977027	7038971328	In-Center Hemo, PD Services, Nocturnal Hemo	24	49-2521
CDC MANASSAS DIALYSIS	10655 LOMOND DR	STE 101	MANASSAS	VA	20109-2877	7032575445	7032571050	In-Center Hemo, In-Center Hemo Self Care	20	49-2549
CDC OF SPRINGFIELD	8003 FORBES PL	STE 110	SPRINGFIELD	VA	22151-2215	7033217207	7033218658	In-Center Hemo	21	49-2535
CDC STERLING DIALYSIS	46396 BENEDICT DR	STE 100	STERLING	VA	20164-6626	7034448932	7034449060	In-Center Hemo	15	49-2541

CDC OF ALEXANDRIA	5999 STEVENSON AVE	STE 100	ALEXANDRIA	VA	22304-3302	7037516115	7037513892	In-Center Hemo	14	49-2562
EAST END DIALYSIS CENTER	2201 E MAIN ST	STE 100	RICHMOND	VA	23223-7071	8046433050	8046433059	In-Center Hemo, PD Services	16	49-2534
NORFOLK DIALYSIS CENTER	962 NORFOLK SQ		NORFOLK	VA	23502-3235	7574610501	7574555011	In-Center Hemo, In-Center Hemo Self Care, PD Services	40	49-2537
CHESAPEAKE DIALYSIS CENTER	1400 CROSSWAYS BLVD	CROSS WAYS II STE 106	CHESAPEAKE	VA	23320-0207	7575230666	7575234545	In-Center Hemo, In-Center Hemo Self Care	24	49-2545
VIRGINIA BEACH DIALYSIS CENTER	740 INDEPENDENCE CIR		VIRGINIA BEACH	VA	23455-6438	7574991301	7574992499	In-Center Hemo, In-Center Hemo Self Care	20	49-2575
NEWPORT NEWS DIALYSIS CENTER	711 79TH ST		NEWPORT NEWS	VA	23605-2767	7572458090	7572458176	In-Center Hemo, In-Center Hemo Self Care	32	49-2574
HOPEWELL DIALYSIS CENTER	301 W BROADWAY AVE		HOPEWELL	VA	23860-2645	8044522494	8044521204	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	49-2563
GREATER PORTSMOUTH DIALYSIS	3516 QUEEN ST		PORTSMOUTH	VA	23707-3238	7573972806	7573977006	In-Center Hemo	19	49-2618
PENINSULA DIALYSIS CENTER	716 DENBIGH BLVD	STE D1 AND D2	NEWPORT NEWS	VA	23608-4414	7578751125	7578751105	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	49-2617
FRONT ROYAL DIALYSIS	1360 N SHENANDOAH AVE		FRONT ROYAL	VA	22630-3636	5406222413	5406310326	In-Center Hemo, PD Services	16	49-2573
WINCHESTER DIALYSIS	2301 VALOR DR		WINCHESTER	VA	22601-6111	5406670227	5405351605	In-Center Hemo, PD Services	25	49-2523
CAMELOT DIALYSIS CENTER	1800 CAMELOT DR	STE 100	VIRGINIA BEACH	VA	23454-2440	7574816879	7574960187	In-Center Hemo, In-Center Hemo Self Care	25	49-2517
PORTSMOUTH DIALYSIS	2000 HIGH ST		PORTSMOUTH	VA	23704-3012	7573974300	7573976151	In-Center Hemo	15	49-2616
FAIR OAKS DIALYSIS	3955 PENDER DR	STE 110	FAIRFAX	VA	22030-6091	7033855315	7033856731	In-Center Hemo	13	49-2626
FRANCONIA DIALYSIS CENTER	5695 KING CENTRE DR	STE 105	ALEXANDRIA	VA	22315-5746	7039219506	7039219564	In-Center Hemo, In-Center Hemo Self Care	14	49-2623
RESTON DIALYSIS CENTER	530 HUNTMAR PARK DR	STE D	HERNDON	VA	20170-5144	7034370414	7034370498	In-Center Hemo, PD Services	17	49-2625
HARBOUR VIEW DIALYSIS	1039 CHAMPIONS WAY	STE 500	SUFFOLK	VA	23435-3771	7574842814	7574846087	In-Center Hemo, PD Services	16	49-2659
LEIGH DIALYSIS CENTER	420 N CENTER DR	BLDG 11-STE 128	NORFOLK	VA	23502-4019	7574550060	7574550065	In-Center Hemo, Home Hemo, In-Center Hemo Self Care, PD Services	24	49-2629
WILLIAMSBURG DIALYSIS	500 SENTARA CIR	STE 103	WILLIAMSBURG	VA	23188-5727	7572061408	7572061418	In-Center Hemo, In-Center Hemo Self Care, PD Services	16	49-2651
MIDTOWNE NORFOLK DIALYSIS	2201 COLONIAL AVE		NORFOLK	VA	23517-1928	7576263111	7576263341	In-Center Hemo, In-Center Hemo Self Care	28	49-2658
GARRISONVILLE DIALYSIS CENTER	70 DOC STONE RD	STE 101	STAFFORD	VA	22556-4628	5406581135	5406581288	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	49-2637
HAYMARKET DIALYSIS	14664 GAP WAY		GAINESVILLE	VA	20155-1683	7037533520	7037533528	In-Center Hemo, PD Services	13	49-2652
CHARTER COLONY DIALYSIS CENTER	2312 COLONY CROSSING PL		MIDLOTHIAN	VA	23112-4280	8047396383	8047396083	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	49-2650
BUTLER FARM DIALYSIS	501 BUTLER FARM RD	STE A	HAMPTON	VA	23666-1777	7577661921	7577666073	In-Center Hemo, In-Center Hemo Self Care, PD Services	30	49-2653
CHARLOTTESVILLE DIALYSIS	1460 PANTOPS MOUNTAIN PL		CHARLOTTESVILLE	VA	22911-4600	4349795997	4349799409	In-Center Hemo, PD Services	24	49-2564
ALEXANDRIA DIALYSIS	5150 DUKE ST		ALEXANDRIA	VA	22304-2906	7038237940	7038237945	In-Center Hemo	20	49-2589
HENRICO COUNTY DIALYSIS	5270 CHAMBERLAYNE RD		RICHMOND	VA	23227-2950	8042628077	8042629125	In-Center Hemo, In-Center Hemo Self Care, PD Services	26	49-2598
MIDLOTHIAN	14281 MIDLOTHIAN TPKE	BLDG B	MIDLOTHIAN	VA	23113-6560	8045943520	8045943531	In-Center Hemo, In-Center Hemo Self Care, Nocturnal Hemo	17	49-2608
MECHANICSVILLE DIALYSIS	8191 ATLEE RD		MECHANICSVILLE	VA	23116-1807	8047303149	8047304187	In-Center Hemo, In-Center Hemo Self Care	22	49-2605
RADFORD DIALYSIS	600 E MAIN ST	STE F	RADFORD	VA	24141-1826	5406399561	5406399567	In-Center Hemo, PD Services	17	49-2619
CHARLOTTESVILLE NORTH DIALYSIS	1800 TIMBERWOOD BLVD	STE C	CHARLOTTESVILLE	VA	22911-7544	4349738555	4349731088	In-Center Hemo, In-Center Hemo Self Care	13	49-2636
TYSON'S CORNER DIALYSIS	8391 OLD COURTHOUSE RD	STE 160	VIENNA	VA	22182-3819	7038278644	7038270657	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care, PD Services	15	49-2580
AMELIA DIALYSIS	15151 PATRICK HENRY HWY		AMELIA COURT HOUSE	VA	23002-4700	8045616667	8045616738	In-Center Hemo, Home Hemo, PD Services	15	49-2583
CHESTER DIALYSIS	10360 IRON BRIDGE RD		CHESTER	VA	23831-1426	8047686770	8047686775	In-Center Hemo, In-Center Hemo Self Care	24	49-2607
THREE CHOPT DIALYSIS	8813 THREE CHOPT RD		RICHMOND	VA	23229-4774	8042826791	8042824937	In-Center Hemo, In-Center Hemo Self Care	16	49-2506
HIOAKS DIALYSIS	671 HIOAKS RD	STE A	RICHMOND	VA	23225-4072	8042720179	8043201550	In-Center Hemo	20	49-2556
ARLINGTON DIALYSIS	4805 1st ST N		ARLINGTON	VA	22203-2603	7035270652	7035270956	In-Center Hemo, Nocturnal Hemo	20	49-2559
STAUNTON DIALYSIS	29 IDLEWOOD BLVD		STAUNTON	VA	24401-9355	5408858906	5408850824	In-Center Hemo, PD Services	17	49-2528
COVINGTON DIALYSIS	2504 VALLEY RIDGE RD		COVINGTON	VA	24426-6339	5408624419	5408625768	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	49-2522
CULPEPER DIALYSIS	430 SOUTHRIDGE PARKWAY		CULPEPER	VA	22701-3791	5408259332	5408259356	In-Center Hemo, In-Center Hemo Self Care, PD Services	17	49-2543
HARRISONBURG DIALYSIS	871 MARTIN LUTHER KING JR WAY	STE 100	HARRISONBURG	VA	22801-4323	5404341033	5404341192	In-Center Hemo, In-Center Hemo Self Care, PD Services	35	49-2507
LEXINGTON DIALYSIS (VA)	756 N LEE HWY		LEXINGTON	VA	24450-3724	5404631121	5404646302	In-Center Hemo, In-Center Hemo Self Care, PD Services	20	49-2539
MARTINSVILLE DIALYSIS	33 BRIDGE ST S		MARTINSVILLE	VA	24112-6214	2766323743	2766382716	In-Center Hemo, PD Services	20	49-2560
LEESBURG VIRGINIA DIALYSIS	224D CORNWALL ST NW	STE 100	LEESBURG	VA	20176-2700	5712581362	5712581342	In-Center Hemo, PD Services	12	49-2654
PARK HILL DIALYSIS	1151 HOSPITAL DR		FREDERICKSBURG	VA	22401-8408	5403732470	5403745252	In-Center Hemo, PD Services, Nocturnal Hemo	21	49-2692
JEFFERSON AVENUE DIALYSIS	11234 JEFFERSON AVE		NEWPORT NEWS	VA	23601-2207	7575956167	7575956210	In-Center Hemo, PD Services	12	49-2660
PRINCESS ANNE DIALYSIS	3973 HOLLAND RD		VIRGINIA BEACH	VA	23452-2804	7573403526	7573404916	In-Center Hemo	17	49-2675
LITTLE CREEK DIALYSIS	1817 E LITTLE CREEK RD	STE A	NORFOLK	VA	23518-4203	7574803780	7574803783	In-Center Hemo	12	49-2665
FOREST HILL AVENUE DIALYSIS	4900 FOREST HILL AVE		RICHMOND	VA	23225-3146	8042303594	8042303971	In-Center Hemo	16	49-2663

GILES COUNTY DIALYSIS	377 BOXWOOD LN		PEARISBURG	VA	24134-1166	5409211384	5409211864	In-Center Hemo, PD Services	13	49-2671
TWO RIVERS DIALYSIS	100 WINTERS ST	STE 12B	WEST POINT	VA	23181-9534	8048432516	8048432318	In-Center Hemo, PD Services	13	49-2686
ROYAL OAKS DIALYSIS	1587 N MAIN ST		MARION	VA	24354-4317	2767810461	2767810527	In-Center Hemo, PD Services	13	49-2668
PORT WARWICK DIALYSIS	445 ORIANA RD	STE 18	NEWPORT NEWS	VA	23608-3742	7578989212	7578989216	In-Center Hemo, PD Services	17	492706
NANSEMOND DIALYSIS	3009 CORPORATE LN	STE 130	SUFFOLK	VA	23434-8478	7575390618	7579254530	In-Center Hemo, PD Services	13	49-2695
LYNCHBURG HOME TRAINING (PD)	2091 LANGHORNE RD		LYNCHBURG	VA	24501-1443	4348472085	4348461972	PD Services	6	49-2667
LANSDOWNE DIALYSIS	44084 RIVERSIDE PKWY	STE 100	LEESBURG	VA	20176-5102	7037243941	7037249387	In-Center Hemo, Nocturnal Hemo	17	49-2672
NEWINGTON HOME TRAINING	8520 CINDER BED RD	STE 200	LORTON	VA	22079-1471	7033396050	7033396371	PD Services	4	49-2691
HAMPTON ROADS HOME TRAINING	11234 JEFFERSON AVE	STE B	NEWPORT NEWS	VA	23601-2207	7575955469	7575955985	PD Services	8	49-2678
FAIRFAX AT HOME	8501 ARLINGTON BLVD	STE 100	FAIRFAX	VA	22031-4625	7038768445	7038766786	Home Hemo	4	49-2591
ROYAL OAKS AT HOME	1587 N MAIN ST		MARION	VA	24354-4317	2767810461	2737810527	Home Hemo	1	49-2668
DALE CITY AT HOME	2920 DALE BLVD		DALE CITY	VA	22193-1120	7036805837	7037307461	Home Hemo	4	49-2689
NANSEMOND AT HOME	3009 CORPORATE LN	STE 130	SUFFOLK	VA	23434-8478	7575380618	7579254530	Home Hemo	13	49-2695
LANSDOWNE DIALYSIS (PD)	44084 RIVERSIDE PKWY	STE 250	LEESBURG	VA	20176-5102	7037249791	7037297516	PD Services	17	49-2672
CUMBERLAND DIALYSIS	1131 PLAZA DR	STE D	GRUNDY	VA	24614-6780	2769355481	2769352726	In-Center Hemo	9	49-2685
GLENSIDE DIALYSIS	7001 W BROAD ST		RICHMOND	VA	23294-3701	8047552368	8046727612	In-Center Hemo, PD Services, Nocturnal Hemo	21	49-2701
NEWINGTON DIALYSIS (ICHD Only)	8520 CINDER BED RD	STE 100	LORTON	VA	22079-1471	7033396050	7033396371	In-Center Hemo	17	49-2690
SOCO DIALYSIS	1384 ARMORY DR		FRANKLIN	VA	23851-2421	7575622137	7575622085	In-Center Hemo, PD Services	13	49-2688
DALE CITY DIALYSIS	2920 DALE BLVD		DALE CITY	VA	22193-1120	7036805837	7037307461	In-Center Hemo, PD Services, Nocturnal Hemo	17	49-2689
LANGLEY DIALYSIS	5 W MERCURY BLVD		HAMPTON	VA	23669-2508	7577234620	7577283566	In-Center Hemo	20	49-2703
BULL RUN DIALYSIS	9420 FORESTWOOD LN	STE 100	MANASSAS	VA	20110-4757	7032571749	7033679136	In-Center Hemo, PD Services	21	49-2693
LABURNUM DIALYSIS	4352 S LABURNUM AVE		HENRICO	VA	23231-2418	8042364699	8042369235	In-Center Hemo, PD Services	17	49-2710
ANNANDALE DIALYSIS	7060 COLUMBIA PIKE		ANNANDALE	VA	22003-3104	7032562569	7036585395	In-Center Hemo, Home Hemo, PD Services	18	49-2724
OCEANA DIALYSIS	1375 OCEANA BLVD	STE 114	VIRGINIA BEACH	VA	23454-5579	7579616239	7579616665	In-Center Hemo	17	49-2698
RUTHERFORD CROSSING DIALYSIS	141 MARKET ST		WINCHESTER	VA	22603-4750	5406655169	5406671805	In-Center Hemo, PD Services	13	49-2704
KEMPSVILLE DIALYSIS	1920 CENTERVILLE TURNPIKE	STE 122	VIRGINIA BEACH	VA	23464-6859	7575020360	7575021206	In-Center Hemo	17	49-2719
HOPKINS ROAD DIALYSIS	5750 HOPKINS RD		NORTH CHESTERFIELD	VA	23234-6614	8042758631	8042758705	In-Center Hemo	17	49-2712
CHANTILLY DIALYSIS	14225 SULLYFIELD CIR	STE A	CHANTILLY	VA	20151-1688	7032630215	7033787692	In-Center Hemo, PD Services	16	49-2722
GLENVAR DIALYSIS	3737 W MAIN ST	STE 103	SALEM	VA	24153-2073	5403803130	5403803784	In-Center Hemo, PD Services	13	49-2709
PENTAGON CITY DIALYSIS	1785 S HAYES ST		ARLINGTON	VA	22202-2714	7039200980	7039200983	In-Center Hemo	8	49-2720
LEE'S HILL DIALYSIS	4701 SPOTSYLVANIA PKWY	STE 109	FREDERICKSBURG	VA	22407-9435	5408988004	5407109584	In-Center Hemo, PD Services	15	49-2714
STONE RIDGE DIALYSIS	24640 SOUTHPPOINT DR	STE 160	CHANTILLY	VA	20152-4141	7033274357	7035425630	In-Center Hemo, PD Services	13	49-2717
DALEVILLE DIALYSIS	245 COMMONS PKWY		DALEVILLE	VA	24083-1701	5405915235	5405915246	In-Center Hemo, PD Services	17	49-2728
CHATHAM DIALYSIS	13912 US HWY 29		CHATHAM	VA	24531-3669	4344321790	4344321785	In-Center Hemo, PD Services	17	49-2726
ASHBURN DIALYSIS	19980 HIGHLAND VISTA DR	STE 100	ASHBURN	VA	20147-4189	5712230451	5712230395	In-Center Hemo	17	49-2731
CULPEPER AT HOME	430 SOUTHRIDGE PKWY		CULPEPER	VA	22701-3791	5408259332	5408259356	Home Hemo	24	49-2543
MID COLUMBIA KIDNEY CENTER	6825 BURDEN BLVD	STE A	PASCO	WA	99301-5633	5095450205	5095450212	In-Center Hemo, In-Center Hemo Self Care, PD Services	21	50-2504
MT ADAMS KIDNEY CENTER	3220 PICARD PL		SUNNYSIDE	WA	98944-8400	5098372013	5098375270	In-Center Hemo, In-Center Hemo Self Care, PD Services	15	50-2514
KENT DIALYSIS CENTER	21851 84TH AVE S		KENT	WA	98032-1958	2538725474	2538726968	In-Center Hemo, PD Services	19	50-2526
PUYALLUP DIALYSIS	802 30TH AVE SW		PUYALLUP	WA	98373-2755	2538453147	2538450833	In-Center Hemo, PD Services	19	50-2534
WESTWOOD DIALYSIS CENTER	2615 SW TRENTON ST		SEATTLE	WA	98126-3745	2069386738	2069385217	In-Center Hemo, In-Center Hemo Self Care, PD Services	7	50-2544
OLYMPIC VIEW DIALYSIS CENTER	125 16TH AVE E	CHS-5	SEATTLE	WA	98112-5211	2063238900	2063238899	In-Center Hemo, PD Services	20	50-2525
LAKEWOOD COMMUNITY DIALYSIS CENTER	5919 LAKEWOOD TOWNE CENTER BLVD SW	STE A	LAKEWOOD	WA	98499-6513	2535122400	2535120196	In-Center Hemo, PD Services	26	50-2519
FEDERAL WAY COMMUNITY DIALYSIS CENTER	1015 S 348TH ST		FEDERAL WAY	WA	98003-7078	2536619055	2536619093	In-Center Hemo, PD Services	16	50-2513
YAKIMA DIALYSIS CENTER	1221 N 16TH AVE		YAKIMA	WA	98902-1347	5094578333	5094578334	In-Center Hemo, In-Center Hemo Self Care	21	50-2541
UNION GAP DIALYSIS	1236 AHTANUM RIDGE DR	AHTANUM RIDGE BUSINE SS PARK	UNION GAP	WA	98903-1813	5094696292	5094696299	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	50-2543
BELLEVUE DIALYSIS CENTER	3535 FACTORIA BLVD SE	STE 150	BELLEVUE	WA	98006-1293	4256416514	4256416518	In-Center Hemo, PD Services	10	50-2542
TACOMA DIALYSIS CENTER	3401 S 19TH ST		TACOMA	WA	98405-1909	2535731600	2535731601	In-Center Hemo, PD Services	18	50-2551
GRAHAM DIALYSIS CENTER	10219 196TH ST CT E	STE C	GRAHAM	WA	98338-7935	2538755382	2538752616	In-Center Hemo, In-Center Hemo Self Care, PD Services	8	50-2554
VANCOUVER DIALYSIS CENTER	9120 NE VANCOUVER MALL DR	STE 160	VANCOUVER	WA	98662-9401	3608915777	3608911085	In-Center Hemo, PD Services, Nocturnal Hemo	12	50-2550
ELLENSBURG DIALYSIS CENTER	2101 W DOLARWAY RD	STE 1	ELLENSBURG	WA	98926-7846	5099252333	5099252334	In-Center Hemo, In-Center Hemo Self Care, PD Services	7	50-2552



KENNEWICK DIALYSIS	3208 W 19TH AVE	STE 101 BLDG C1	KENNEWICK	WA	99337-2318	5095821677	5095855535	In-Center Hemo	10	50-2572
CHINOOK KIDNEY CENTER	1315 AARON DR		RICHLAND	WA	99352-4678	5099434598	5099438563	In-Center Hemo, Nocturnal Hemo	19	50-2559
ZILLAH DIALYSIS	823 ZILLAH WEST RD	STE 300	ZILLAH	WA	98953-9548	5098290209	5098293052	In-Center Hemo	8	50-2571
PARKLAND DIALYSIS	311 140TH ST S		PARKLAND EAST WENATCHEE	WA	98444-4526	2535365961	2535365967	In-Center Hemo, PD Services	21	50-2566
EAST WENATCHEE DIALYSIS	300 COLORADO AVE			WA	98802-3800	5098864950	5098864957	In-Center Hemo, PD Services	8	50-2569
SEAVIEW DIALYSIS CENTER	101 18TH ST SE		LONG BEACH	WA	98631-2500	3606423442	3606423460	In-Center Hemo, Home Hemo, PD Services	10	50-2562
ECHO VALLEY DIALYSIS	198 PONDEROSA RD		COLVILLE	WA	99114-2003	5096842285	5096843799	In-Center Hemo, PD Services	6	50-2582
OLYMPIA DIALYSIS CENTER	335 COOPER POINT RD NW	STE 105	OLYMPIA	WA	98502-4436	3603576198	3609436878	In-Center Hemo, PD Services	6	50-2555
MILL CREEK DIALYSIS CENTER	18001 BOTHELL EVERETT HWY	STE 112	BOTHELL	WA	98012-1661	4254815258	4254813438	In-Center Hemo, PD Services	9	50-2561
WHIDBEY ISLAND DIALYSIS CENTER	32650 STATE RD 20	BLDG D STE 101	OAK HARBOR	WA	98277-2641	3602401596	3602401730	In-Center Hemo, PD Services	5	50-2564
EVERETT DIALYSIS CENTER	8130 EVERGREEN WAY		EVERETT	WA	98203-6419	4253536036	4253531210	In-Center Hemo, PD Services, Nocturnal Hemo	13	50-2560
WENATCHEE VALLEY DIALYSIS	116 OLDS STATION RD		WENATCHEE	WA	98801-5936	5096620385	5096620656	In-Center Hemo	20	50-2568
DOWNTOWN SPOKANE RENAL CENTER	601 W 5TH AVE	STE 101	SPOKANE	WA	99204-2708	5093630070	5093630073	In-Center Hemo, PD Services	12	50-2547
NORTH SPOKANE RENAL CENTER	7701 N DIVISION ST		SPOKANE	WA	99208-5615	5094651729	5094651812	In-Center Hemo, Nocturnal Hemo, PD Services	12	50-2538
SPOKANE VALLEY RENAL CENTER	12610 E MIRABEAU PKWY	STE 100	SPOKANE	WA	99216-1450	5092289933	5092289399	In-Center Hemo, Nocturnal Hemo, PD Services	10	50-2537
SPOKANE VALLEY RENAL AT HOME	12610 E MIRABEAU PKWY	STE 100	SPOKANE	WA	99216-1450	5092289933	5092289399	Home Hemo	1	50-2537
PILCHUCK DIALYSIS	1250 STATE AVE		MARYSVILLE	WA	98270-3659	3606510780	3606510680	In-Center Hemo, PD Services, Nocturnal Hemo	8	50-2577
RAINIER VIEW DIALYSIS	1822 112TH STREET EAST	STE A	TACOMA	WA	98445-3724	2535395659	2535395950	In-Center Hemo	10	50-2579
REDONDO HEIGHTS DIALYSIS	27320 PACIFIC HWY S		FEDERAL WAY	WA	98003-2413	2535297825	2535280851	In-Center Hemo	12	50-2585
BELFAIR DIALYSIS	23961 NE STATE ROUTE 3		BELFAIR	WA	98528-9698	3602750141	3602756348	In-Center Hemo, PD Services	4	50-2583
TUMWATER DIALYSIS	855 TROSPER RD SW	STE 110	TUMWATER	WA	98512-8108	3603527522	3603527542	In-Center Hemo, PD Services	10	50-2578
CASCADE DIALYSIS	145 CASCADE PL	STE 100	BURLINGTON	WA	98233-3156	3607075373	3607072503	In-Center Hemo, PD Services	3	50-2581
BATTLE GROUND DIALYSIS	720 W MAIN ST	STE 112	BATTLE GROUND	WA	98604-4474	3606874677	3606666623	In-Center Hemo, PD Services	10	50-2584
RENTON DIALYSIS	4110 NE 4TH ST	STE E	RENTON	WA	98059-5045	4252262408	4252262372	In-Center Hemo, PD Services	7	50-2586
COOKS HILL DIALYSIS	1815 COOKS HILL RD		CENTRALIA	WA	98531-9170	3607361188	3608070824	In-Center Hemo, PD Services	6	50-2592
LYNNWOOD DIALYSIS	13619 MUKILTEO SPEEDWAY	STE D-1	LYNNWOOD	WA	98087-1672	4257413616	4257418382	In-Center Hemo, Home Hemo, PD Services	3	50-2595
WAPATO DIALYSIS	502 W 1ST ST		WAPATO	WA	98951-1106	5098772085	5098772035	In-Center Hemo, PD Services	6	50-2596
DAVITA-MOUNT BAKER KIDNEY CENTER	410 BIRCHWOOD AVE	STE 100	BELLINGHAM	WA	98225-1783	3607344243	3607159858	In-Center Hemo, PD Services	26	50-2501
CASCADE AT HOME	145 CASCADE PL	STE 100	BURLINGTON	WA	98233-3156	3607075373	3607072503	Home Hemo	1	50-2581
ST CROIX FALLS DIALYSIS CENTER	744 E LOUISIANA ST		SAINT CROIX FALLS	WI	54024-9501	7154831555	7154839639	In-Center Hemo, In-Center Hemo Self Care	9	52-2519
FOX RIVER DIALYSIS	1910 RIVERSIDE DR		GREEN BAY	WI	54301-2319	9204364910	9204371718	In-Center Hemo, In-Center Hemo Self Care, PD Services	28	52-2501
TITLETOWN DIALYSIS	120 SIEGLER ST		GREEN BAY	WI	54303-2636	9203272120	9203272150	In-Center Hemo, In-Center Hemo Self Care	17	52-2558
GREEN BAY NORTHWOOD DIALYSIS	W 7305 ELM AVE		SHAWANO	WI	54166	7155264310	7155266010	In-Center Hemo, In-Center Hemo Self Care	15	52-2511
OAK CREEK DIALYSIS	8201 S HOWELL AVE	STE 600	OAK CREEK	WI	53154-8336	4147623784	4147624012	In-Center Hemo, In-Center Hemo Self Care	12	52-2578
LOOMIS ROAD DIALYSIS	4120 W LOOMIS RD		GREENFIELD	WI	53221-2052	4147614920	4147614926	In-Center Hemo, In-Center Hemo Self Care	21	52-2507
WISCONSIN AVENUE DIALYSIS	3801 W WISCONSIN AVE		MILWAUKEE	WI	53208-3155	4149378240	4149378248	In-Center Hemo, In-Center Hemo Self Care	24	52-2502
RIVER CENTER DIALYSIS	117 N JEFFERSON ST		MILWAUKEE	WI	53202-6160	4142253740	4142253744	In-Center Hemo, Nocturnal Hemo, In-Center Hemo Self Care	20	52-2509
FOND DU LAC DIALYSIS	210 WISCONSIN AMERICAN DR	ATTN DAVITA DIALYSIS (WEST END OF BLDG)	FOND DU LAC	WI	54937-2999	9209070689	9209070760	In-Center Hemo	9	52-2526
SHEBOYGAN DIALYSIS	1338 N TAYLOR DR		SHEBOYGAN	WI	53081-3042	9204581724	9204581763	In-Center Hemo, PD Services	14	52-2527
LAKE GENEVA DIALYSIS	650 N EDWARDS BLVD		LAKE GENEVA	WI	53147-4595	2622482502	2622480316	In-Center Hemo, PD Services	16	52-2537
CEDARBURG DIALYSIS	N54 W 6135 MILL ST		CEDARBURG	WI	53012-2021	2623768011	2623769369	In-Center Hemo, In-Center Hemo Self Care	10	52-2529
BROOKFIELD DIALYSIS	19395 W CAPITOL DR	BLDG C	BROOKFIELD	WI	53045-2736	2627810273	2627810305	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	52-2532
MARINETTE DIALYSIS	2706 CAHILL RD	STE A	MARINETTE	WI	54143-3886	7157322372	7157322669	In-Center Hemo, PD Services	16	52-2551
GREEN BAY DIALYSIS	1751 DECKNER AVE		GREEN BAY	WI	54302-2630	9204650430	9204651311	In-Center Hemo, PD Services	10	52-2552
STURGEON BAY DIALYSIS	108 S 10TH AVE		STURGEON BAY	WI	54235-1802	9207467955	9207467974	In-Center Hemo, PD Services	6	52-2556
JANESVILLE DIALYSIS	1305 WOODMAN RD		JANESVILLE	WI	53545-1068	6087414181	6087412369	In-Center Hemo, In-Center Hemo Self Care, PD Services	12	52-2503
OSHKOSH WEST DIALYSIS	855 N WESTHAVEN DR		OSHKOSH	WI	54904-7668	9203030650	9203030645	In-Center Hemo	10	52-2560
MANITOWOC DIALYSIS	3303 DEWEY ST		MANITOWOC	WI	54220-5987	9206520593	9206860550	In-Center Hemo, PD Services	13	52-2562

WAUTOMA DIALYSIS	900 EAST DIVISION ST		WAUTOMA	WI	54982-6944	9207871031	9207871055	In-Center Hemo	8	52-2563
AMERY DIALYSIS	970 ELDEN AVE		AMERY	WI	54001-1448	7152684288	7152684689	In-Center Hemo, In-Center Hemo Self Care	14	52-2575
LAKE HALLIE DIALYSIS	3636 EAST MELBY ST		LAKE HALLIE	WI	54729-8392	7158338512	7158338534	In-Center Hemo, PD Services	12	52-2596
CAPITOL COURT DIALYSIS	4176 N 56TH ST		MILWAUKEE	WI	53216-1276	4144452119	4144453794	In-Center Hemo	16	52-2598
CHILTON DIALYSIS	425 M-B LN		CHILTON	WI	53014-1604	9208493390	9208493432	In-Center Hemo, PD Services	12	52-2601
SUN PRAIRIE DIALYSIS	719 BUNNY TRL		SUN PRAIRIE	WI	53590-8507	6088256556	6088252886	In-Center Hemo, PD Services	12	52-2607
HUMBOLDT RIDGE DIALYSIS	2211 N HUMBOLDT BLVD		MILWAUKEE	WI	53212-3507	4143367200	4143367210	In-Center Hemo	24	52-2577
WEST APPLETON DIALYSIS	10130 W APPLETON AVE	STE 500	MILWAUKEE	WI	53225-2579	4143930600	4143930910	In-Center Hemo	26	52-2548
BAY SHORE DIALYSIS	5650 N GREEN BAY AVE	STE 150	GLENDALE	WI	53209-4449	4143511290	4143511244	In-Center Hemo	28	52-2554
SOUTH RIDGE DIALYSIS	7740 W LAYTON AVE		GREENFIELD	WI	53220-3707	4142811313	4142811722	In-Center Hemo	22	52-2543
BLUEMOUND DIALYSIS	601 N 99TH ST	STE 100	WAUWATOSA	WI	53226-4362	4147556300	4147556310	In-Center Hemo	23	52-2566
BLUEMOUND DIALYSIS PD	601 N 99TH ST	STE 300	WAUWATOSA	WI	53226-4362	4147781623	4147781631	PD Services	5	52-2536
PRAIRIE RIVER DIALYSIS	601 S CENTER AVE		MERRILL	WI	54452-3404	7155390613	7155393948	In-Center Hemo	6	52-2585
STEVENS POINT DIALYSIS	1100 MERIDIAN DR		PLOVER	WI	54467-2385	7153431266	7153444179	In-Center Hemo	12	52-2587
WAUPACA DIALYSIS	930 FURMAN DR		WAUPACA	WI	54981-2200	7152580934	7152580926	In-Center Hemo	10	52-2592
WAUSAU DIALYSIS	2600 STEWART AVE	STE 144	WAUSAU	WI	54401-1403	7158411708	7158456353	In-Center Hemo, PD Services	26	52-2593
RHINELANDER DIALYSIS	1306 LINCOLN ST		RHINELANDER	WI	54501-3664	7153623718	7153623765	In-Center Hemo	9	52-2591
WISCONSIN RAPIDS DIALYSIS	10418 HILL ST		WISCONSIN RAPIDS	WI	54494-5221	7154220550	7154220555	In-Center Hemo	18	52-2589
MARSHFIELD DIALYSIS	123 NORTHDRIDGE ST		MARSHFIELD	WI	54449-8341	7153843478	7153874690	In-Center Hemo, PD Services	17	52-2588
NORTHERN STAR DIALYSIS	311 ELM ST		WOODRUFF	WI	54568-9149	7153560132	7153566392	In-Center Hemo, PD Services	24	52-2586
WILLOW CREEK DIALYSIS	1139 WARWICK WAY		RACINE	WI	53406-5661	2628842730	2628842802	In-Center Hemo	12	52-2584
HARBOR VIEW DIALYSIS	3113 WASHINGTON AVE		RACINE	WI	53405-3001	2626320120	2626371441	In-Center Hemo, PD Services	20	52-2583
HUDSON AT HOME	421 STAGELINE RD		HUDSON	WI	54016-7848	7153818240	7153818454	Home Hemo	1	52-2606
HUDSON DIALYSIS	421 STAGELINE RD		HUDSON	WI	54016-7848	7153818240	7153818454	In-Center Hemo, PD Services	12	52-2606
LAKE DELTON DIALYSIS	14 COUNTY ROAD P		WISCONSIN DELLS	WI	53965-9764	6082533597	6082533948	In-Center Hemo, PD Services	12	52-2608
SIREN DIALYSIS	24670 STATE RD 35 70	STE 100	SIREN	WI	54872-4419	7153494220	7153494224	In-Center Hemo, PD Services	8	52-2600
GREEN LAKE COUNTY DIALYSIS	432 OAK ST		BERLIN	WI	54923-1204	9203611177	9203611435	In-Center Hemo, PD Services	12	52-2605
BROWN DEER DIALYSIS	9127 N 76TH ST		MILWAUKEE	WI	53223-1905	4143544319	4143653519	In-Center Hemo, PD Services	20	52-2613
ESTABROOK PARK DIALYSIS	733 EAST CAPITOL DR		MILWAUKEE	WI	53212-1307	4149060144	4149631231	In-Center Hemo	20	
FOX BROOK DIALYSIS	18740 W BLUE MOUND RD		BROOKFIELD	WI	53045-2936	2627829856	2627829984	In-Center Hemo	8	52-2513
FORT ATKINSON DIALYSIS	525 HANDEYSIDE LN		FORT ATKINSON	WI	53538-1281	9205638665	9205638643	In-Center Hemo	15	52-2533
MEQUON ROAD DIALYSIS	W175 N11056 STONEWOOD DR		GERMANTOWN	WI	53022-4799	2622514047	2622514171	In-Center Hemo	12	52-2579
MENOMONEE FALLS DIALYSIS	N87W17301 MAIN ST		MENOMONEE FALLS	WI	53051-2760	2622539768	2622539870	In-Center Hemo	11	52-2523
MUKWONAGO DIALYSIS	400 BAY VIEW RD	STE F	MUKWONAGO	WI	53149-1770	2623633561	2623633564	In-Center Hemo	10	52-2521
OCONOMOWOC DIALYSIS	1253 CORPORATE CENTER DR		OCONOMOWOC	WI	53066-4891	2625600371	2625600399	In-Center Hemo	15	52-2517
WATERTOWN DIALYSIS	123 HOSPITAL DR	STE 1004	WATERTOWN	WI	53098-3390	9202060666	9202060688	In-Center Hemo	11	52-2525
WAUKESHA DIALYSIS	721 AMERICAN AVE	STE 204	WAUKESHA	WI	53188-5071	2625490754	2625490782	In-Center Hemo	12	52-2504
SPRING CITY DIALYSIS	1260 SENTRY DR		WAUKESHA	WI	53186-5974	2624465100	2624465199	In-Center Hemo	12	52-2535
SUN PRAIRIE AT HOME	719 BUNNY TRL		SUN PRAIRIE	WI	53590-8507	6088256556	6088252886	Home Hemo	1	52-2607
WEST VIRGINIA DIALYSIS	300 PROSPERITY LN	STE 150	LOGAN	WV	25601-3743	3047522700	3047525656	In-Center Hemo, In-Center Hemo Self Care, PD Services	13	51-2518
GRAND CENTRAL DIALYSIS	800 GRAND CENTRAL MALL	STE 8	VIENNA	WV	26105-4100	3049174124	3049174136	In-Center Hemo, In-Center Hemo Self Care, PD Services	18	51-2519
GREENBRIER DIALYSIS	9745 SENECA TRL S		LEWISBURG	WV	24901-1580	3046454806	3046473941	In-Center Hemo, PD Services	16	51-2509
WOOD COUNTY DIALYSIS	214 GIHON VLG		PARKERSBURG	WV	26101-7163	3044223687	3044225455	In-Center Hemo, PD Services	12	51-2547
MOUNTAINEER DIALYSIS	2958 ROBERT C BYRD DR		BECKLEY	WV	25801-4448	3042529183	3042529194	In-Center Hemo, PD Services	17	51-2538
POINT PLEASANT DIALYSIS	3683 OHIO RIVER RD		POINT PLEASANT SOUTH	WV	25550-9244	3046751500	3046751505	In-Center Hemo, PD Services	12	51-2530
GREATER CHARLESTON DIALYSIS	24 MACCORKLE AVE SW		CHARLESTON	WV	25303-1476	3047202222	3047202322	In-Center Hemo, PD Services	23	51-2520
GREATER BOONE DIALYSIS	300 4TH ST		DANVILLE	WV	25053	3043076201	3043076210	In-Center Hemo	16	51-2531
GREATER CHARLESTON AT HOME	24 MACCORKLE AVE SW		SOUTH CHARLESTON	WV	25303-1476	3047202222	3047202322	Home Hemo	1	51-2520
HARRISON COUNTY DIALYSIS	95 ROSEBUD PLZ	STE 101	CLARKSBURG	WV	26301-9823	3046240478	3046240640	In-Center Hemo, PD Services	9	51-2540
BEECH FORK DIALYSIS	600 MCGINNIS DR		WAYNE	WV	25570-9696	3042723703	3042723476	In-Center Hemo, PD Services	12	51-2545
WHEELING DIALYSIS	500 MEDICAL PARK	STE 100	WHEELING	WV	26003-7600	3042429135	3042426097	In-Center Hemo, PD Services	17	51-2513
NEW MARTINSVILLE DIALYSIS	1 EAST BENJAMIN DR		NEW MARTINSVILLE	WV	26155-2705	3044552700	3044554151	In-Center Hemo, PD Services	10	51-2514
RENAL CENTER OF KEYSER	1080 NEW CREEK HIGHWAY		KEYSER	WV	26726-9508	3047885057	3047885059	In-Center Hemo, PD Services	12	51-2537
RENAL CENTER OF MOOREFIELD	8 LEE ST	FLR 2	MOOREFIELD	WV	26836-1091	3045301200	3045301212	In-Center Hemo	12	51-2522

## Appendix 3

### Medical Director Agreement

**MEDICAL DIRECTOR AGREEMENT**  
**SCHEDULE 1: SELECTED KEY TERMS**

This Schedule 1 is attached to and a part of this Medical Director Agreement

**1. Parties and Notice:**

<b>Party</b>	<b>Name</b>	<b>Notice Address</b>	<b>Address for Additional Required Copy of Notice</b>
<i>Contractor</i>	The Vancouver Clinic, Inc., P.S.	13898 NE 28 <sup>th</sup> Street Suite A-100 Vancouver, WA 98682	
<i>Company</i>	Total Renal Care, Inc.	c/o Chief Operating Officer 2000 16th Street Denver, CO 80202	c/o Group General Counsel 2000 16th Street Denver, CO 80202

**2. Center:**

<b>Name</b>	<b>Number</b>	<b>Address</b>
Vancouver II Dialysis Center	TBD	15406 Northeast Fourth Plain Boulevard Vancouver, WA 98682

- 3. Date of Last Signature:** The date of last signature shown via DocuSign or, if DocuSign is not used by one or more of the parties, the date of last signature of all parties to this Agreement.
- 4. Initial Term:** The Initial Term of this Agreement will commence on the date on which Center dialyzes and/or trains its first patient, whichever first occurs (the "Commencement Date") and will continue thereafter for a period of 10 years, unless earlier terminated pursuant to the terms of this Agreement. Company will submit notice to Contractor confirming the Commencement Date, which notice will be attached to, and incorporated by this reference in, this Agreement.
- 5. Renewal Term:** At the expiration of the Initial Term and each successive Renewal Term, the term of this Agreement is extended automatically for additional one-year periods (each, a "Renewal Term") unless Contractor or Company gives at least 180 days' prior written notice of the non-extension of the Initial Term or Renewal Term then in effect to the other, in which case, the Term expires and terminates on the last day of the Initial Term or Renewal Term then in effect.
- 6. Medical Director:** Sudha Pidikiti, M.D.
- 7. Preapproved Physicians:** Andrew Reznick, M.D., Sudha Pidikiti, M.D., Haritha Ravi, M.D., Larry Lee, M.D.

**8. Compensation and Modalities:****Pre-Medicare Certification Compensation**

<u>Facility Name</u>	<u>Facility Number</u>	<u>Hemo Monthly</u>	<u>Annual Compensation Hemo</u>	<u>PD Monthly</u>	<u>Annual Compensation PD</u>	<u>HHD Monthly</u>	<u>Annual Compensation HHD</u>
Vancouver II Dialysis	TBD	\$4,000	\$48,000	\$625.00	\$7,500	\$625.00	\$7,500

**Post-Medicare Certification Compensation**

<u>Facility Name</u>	<u>Facility Number</u>	<u>Hemo Monthly</u>	<u>Annual Compensation Hemo</u>	<u>PD Monthly</u>	<u>Annual Compensation PD</u>	<u>HHD Monthly</u>	<u>Annual Compensation HHD</u>
Vancouver II Dialysis	TBD	\$8,000	\$96,000	\$1,250	\$15,000	\$1,250	\$15,000

**9. Non-Competition:**

<b>Modality</b>	<b>Restricted Area* (radius from Center)</b>	<b>Restricted Period</b>
<i>In-Center Hemodialysis and all other Dialysis Services except for Peritoneal Dialysis and Home Hemodialysis which has the Restricted Area defined below</i>	20 miles	Date of Last Signature through Termination Date + 1 year
<i>Peritoneal Dialysis and Home Hemodialysis</i>	30 miles	Date of Last Signature through Termination Date + 1 year

\*Restricted Area will be calculated based upon the final address of Center at time of opening.

## MEDICAL DIRECTOR AGREEMENT

This **Medical Director Agreement** (“Agreement”) is by and between **Total Renal Care, Inc.**, a California corporation (“Company”) and **The Vancouver Clinic, Inc., P.S.**, a Washington professional services corporation (“Contractor”).

### RECITALS

- A. Company is in the business of owning and operating dialysis centers including the center to be known as Vancouver II Dialysis as more particularly described in Schedule 1. In addition to the ICHD Program, Center will provide training support, equipment, and supplies for patients who perform peritoneal dialysis in their homes (the “PD Program”) and undergo hemodialysis in their homes (the “HHD Program”). Contractor is in the business of rendering professional medical services.
- B. During the Term, Company will provide Medical Director with equipment, materials, facilities, and valuable Confidential Information for the purpose of assisting Medical Director in the performance of Medical Director’s obligations and responsibilities under this Agreement.
- C. This Agreement contains the respective rights and obligations of the parties hereto and in connection with Medical Director’s appointment and role in performing the Services hereunder.
- D. Capitalized terms not otherwise defined have the meanings set forth in **Exhibit A**, which is attached to and incorporated in this Agreement.

In consideration of the Recitals, which are incorporated herein, the mutual promises herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Initial Term and Renewals.** The Term of and ability to renew this Agreement are in Schedule 1.

2. **Appointment.**

2.1 **Current Appointment.** The physician listed as Medical Director in Schedule 1 is duly appointed and agrees to serve as the Medical Director of the Center. Without limiting Contractor’s obligations under this Agreement, Medical Director hereby represents and warrants that he or she meets the Medical Director Qualifications and will perform the Services under this Agreement and will comply with all other requirements specifically applicable to Medical Directors hereunder. Subject to the conditions of Section 2.2, the Preapproved Physicians set forth in Schedule 1 are preapproved by Company to serve as the Medical Director of the Center. During the Term, the Services will be provided only through the named Medical Director, except as otherwise expressly set forth herein. At Company’s discretion, and pursuant to a written amendment executed by all parties hereto if appropriate, additional physicians may provide Services as associate medical directors; however, Medical Director or any successor Medical Director is at all times the lead Medical Director and is responsible for oversight of any other physicians providing Services.

2.2 **New Appointments.** Contractor may appoint any Preapproved Physician to serve as a successor Medical Director for Center, provided that such Preapproved Physician meets the Medical Director Qualifications and, pursuant to Company’s then-current compliance standards, such Preapproved Physician has the practice capacity to provide the Services at the Center at the time of his or her appointment as successor Medical Director. Notwithstanding the foregoing, Contractor may not make multiple

appointments of Preapproved Physicians to serve as a successor Medical Director for Center in any 12 month period without written consent from Company. If Contractor wishes to appoint a physician not listed in Schedule 1 as Medical Director or add or remove a Preapproved Physician, Contractor must obtain Company's consent and the compensation set forth in Schedule 1 is subject to modification (see Section 3.2). Contractor will provide Company and the Division Vice President for the division of Company in which Center is located with reasonable advance notice of its intent to appoint a successor Medical Director or add/remove a Preapproved Physician. If such successor is a Preapproved Physician, Company will memorialize its acceptance in a written notification to Contractor. Any appointment (and acceptance) of a successor Medical Director who is not a Preapproved Physician will be memorialized in an amendment duly executed by the parties.

### **3. Compensation.**

3.1 Compensation Structure. Beginning on the Commencement Date, Company will pay Contractor for the performance of the Services the sums set forth in Schedule 1. In the event of any temporary closure of the Center, including an Interruption Event, no payment will be owed for Services from the date the Center closes until it reopens, other than Interruption Services in accordance with Section 13, if any. Company is only obligated to compensate Contractor for Services rendered through the Termination Date. Company is only obligated to begin paying compensation for the Post-Medicare Certification Period for Services rendered with respect to a particular modality on the later of the Medicare Certification Date for such modality or the date on which the Center begins providing treatment or training services under such modality. Company will provide notice to Contractor confirming the Medicare Certification Date with respect to each modality.

On or after the fifth (5th) anniversary of the Commencement Date, the compensation paid under this Section 3.1 will be reviewed and prospectively adjusted in a written amendment, if appropriate, to ensure that such compensation continues to reflect the fair market value of the Services provided and continues to be consistent with DaVita's then current policies and procedures for medical director compensation. For purposes of this section, fair market value will be determined by DaVita's compliance policies and procedures. Notification of any necessary adjustments to compensation will be provided to Contractor prior to the fifth (5th) anniversary of the Commencement Date. Adjustments to compensation made in accordance with this provision will become effective on the earlier of date of last signature to the Amendment, which will occur as promptly as possible after notice of adjustment is received, or the one (1) year anniversary of notification to the Contractor of such needed adjustment. If such amendment is not executed within one (1) year of the notification and Company determines that the amount then being paid is above fair market value that can be justified by Company, Company is entitled to unilaterally reduce compensation to the maximum amount allowable under its then-current compensation structure of medical director agreements in accordance with Company's compliance policies and procedures.

3.2 Adjustment. In the event that Company consents to an appointment of a successor Medical Director, who is not a Preapproved Physician pursuant to Section 2 of this Agreement, a removal of a Preapproved Physician from the Agreement, or any change described in Section 4.1.2, the compensation set forth in Schedule 1 is subject to modification based on Company's assessment of the successor Medical Director's qualifications or remaining Preapproved Physicians, as appropriate, and DaVita's then current policies and procedures for fair market value medical director compensation. One hundred eighty (180) days prior to the first day of each Renewal Term, the parties will begin negotiation of any compensation adjustment to be effective at the commencement of the Renewal Term; however, if no such agreement can be reached during such 180-day period, and negotiation extends beyond the commencement of the Renewal Term, then any such compensation adjustment, if applicable, will not be effective until such time as the agreement or amendment documenting the revised compensation is fully executed, or the commencement

date of such agreement, or amendment, whichever is later, and will only be paid prospectively for services rendered after that date. In the event that Company discontinues a modality, such as an ICHD Program, a HHD Program, or a PD Program at Center, the compensation set forth on Schedule 1 will be reduced accordingly. Further, in the event that Company, through audit or review, determines that a particular modality had no patients or active treatment activity within a particular period of time, Company retains the right to suspend payments for such modality until such time as Center may have active patients and activities related to such modality. In general, Company audits for compliance and patient activity in areas such as peritoneal and home hemodialysis. Any adjustment to the compensation based upon discontinuation of a modality or inactivity will be memorialized in writing.

3.3 Payment. Contractor will utilize Company forms and adhere to policies and procedures regarding invoicing and attestation including, but not limited to, submitting an itemized invoice (dated no earlier than the first day of the month following the month in which the Services being invoiced were rendered). The invoice must be accompanied by an attestation (signed by the Medical Director or Covering Medical Director), in a form provided by Company, that clearly states the Services were performed and the terms and conditions of this Agreement were fully satisfied by the Medical Director (or a Covering Medical Director) during such month. Subject to Section 5.1 herein, Company will review the invoice and pay any amounts not disputed in good faith within 30 days of receipt of such invoice. If any disputed item cannot be resolved by the parties within 15 days after payment of the undisputed amount, the parties will submit to the dispute resolution process set forth in Section 14.2 below. Other than an invoice for Interruption Services, Contractor will not submit an invoice during an Interruption Period from the date Center closes until it reopens. Company may deduct from the amount due the fair market value of any Services set forth in **Exhibit B** not performed by Contractor in any given month and any other unpaid amounts owed to Company by Contractor under this Agreement or any other written agreement among such parties; provided, however, that Company will first provide notice to Contractor of its intention to deduct such amounts and gives Contractor an opportunity to provide evidence of entitlement to full payment.

3.4 Fair Market Value. The parties agree that the compensation provided under this Agreement has been determined based on arm's-length bargaining between the parties and reflects fair market value for the Services. Furthermore, the compensation is not and has not been determined in a manner that takes into account the volume or value of any referrals or business otherwise generated for or with respect to Center or between the parties for which payment may be made in whole or in part under Medicare, Medicaid, or any federal or state health care program or under any other third party payor program. Upon any amendment of this Agreement, the Company will ensure that the compensation paid hereunder continues to reflect Company's internal compliance policies regarding fair market value of the Services being provided and may adjust compensation as necessary.

#### **4. Duties, Responsibilities, and Conditions; Exclusive Use of Center Resources.**

##### **4.1 Duties, Responsibilities, and Conditions.**

4.1.1 Services. Medical Director will provide the Services set forth in **Exhibit B**. The Governing Body of Center retains ultimate authority and responsibility for the standards of, and procedures and practices for, the care provided by Center. Medical Director must maintain unrestricted privileges at Center and will be a voting member of the Governing Body. Copies of the Governing Body Bylaws and the Medical Staff Bylaws (together, the "Bylaws") have been or will be made available to Medical Director prior to the Center opening. In the event of a governmental survey, Medical Director must be present and participate, or arrange for a Covering Medical Director to be present and participate, in assisting and providing the government agent with any requested information. In addition, Medical Director is expected to attend DaVita sponsored educational meetings from time to time. DaVita will reimburse expenses associated with attending these educational meetings in accordance with applicable DaVita policies and the



terms of this Agreement.

4.1.2 Covering Medical Directors. In the event of any temporary absences that would prevent Medical Director from meeting the requirements of **Exhibit B**, Contractor must notify the Center administrator in writing in advance of such absences (except for emergency situations, in which Contractor will notify Company as soon as practicable), and Contractor must arrange for a Covering Medical Director to perform the Services. Any absence in excess of 21 consecutive days or 30 days within any 60 day period requires Company's prior written consent, which will not be unreasonably withheld. If a Covering Medical Director is appointed by Contractor for a period of more than sixty (60) consecutive days the compensation paid under Section 3.1 will be reviewed and prospectively adjusted in a written amendment, if appropriate, to ensure that such compensation continues to reflect the fair market value of the Services provided by the Covering Medical Director and continues to be consistent with DaVita's then current policies and procedures for medical director compensation. Each Covering Medical Director is to be deemed to be an agent of Contractor. In accordance with this Agreement, Company will pay Contractor for the Services provided by the Covering Medical Director and Contractor will pay the Covering Medical Director for such services. Company has no responsibility for compensating the Covering Medical Director or supervising the Covering Medical Director, other than that responsibility retained by the Governing Body of Center under **Exhibit B**. Each Covering Medical Director must: (a) meet the Medical Director Qualifications, (b) meet all Company criteria for membership on the Center's medical staff, and (c) be duly approved by the Governing Body of the Center prior to performing Services pursuant to this Agreement. Contractor will ensure that Covering Medical Director complies with the terms of this Agreement, including but not limited to the obligations set forth in Section 5 hereof. Once approved, a Covering Medical Director also can provide routine or emergency, unplanned coverage for Medical Director; provided, however, that Covering Medical Director gives the Center administrator his/her necessary contact information and provides notice if/when the Covering Medical Director is covering for Medical Director, when possible. Center Administrator may use the assigned Covering Medical Director as a backup if Medical Director is unavailable for any reason.

4.2 Exclusive Use of Center Resources. Contractor will use the Center and its supplies, equipment, and non-physician employees solely and exclusively for providing the Services. Contractor or any Related Physician will use no portion of the Center, its supplies or equipment, or the time of any Company employee or contractor for the general practice of medicine, invoice preparation, or for any other purpose not expressly set forth in this Agreement except as otherwise agreed in advance in a written agreement setting forth the applicable terms and conditions, which complies with applicable regulatory requirements, and which is duly executed by both parties. Company may deduct from the compensation payable under this Agreement the fair market value of Company space, facilities, supplies, equipment, time of non-physician staff, or any other item or service actually utilized by Contractor or any Related Physician for the general practice of medicine or for any other purpose not expressly set forth in this Agreement, provided that Company first provides notice to Contractor of its intention to deduct such amounts and gives Contractor an opportunity to provide evidence of entitlement to full payment. Nothing in this Section 4.2 restricts Contractor from generally using the physical plant of the Center for purposes of rounding on its patients.

## 5. Compliance.

5.1 Compliance. The parties enter into this Agreement with the intent of conducting their relationship in full compliance with applicable federal, state, and local law, including without limitation the Anti-Kickback Statute, and certify that no party will violate the Anti-Kickback Statute with respect to the performance of this Agreement. Notwithstanding any unanticipated effect of any of the provisions of this Agreement, neither party will intentionally conduct itself under the terms of this Agreement in a manner that would violate any such law. Contractor, Medical Director and each Covering Medical Director will

comply with and ensure that the Center is operated in accordance with:

(i) the Bylaws and all of Company's and DaVita's Policies and Procedures (as defined below) and the Company's and DaVita's Code of Conduct; Contractor will be provided copies and/or access to the foregoing electronically;

(ii) Company's written and the community's accepted standards of care, (Contractor will be provided copies and/or access to the written standards electronically);

(iii) the requirements of a medical director imposed by the Conditions for Coverage Section 42 C.F.R. §494.150 et. seq. as may be amended from time to time;

(iv) all clinical initiatives of Company and DaVita and initiatives by DaVita's Office of Chief Medical Officer, provided that Contractor is made aware of each of the foregoing;

(v) all Company and DaVita compliance initiatives and initiatives by DaVita's Chief Compliance Officer, including audits, internal reviews, investigations, protocol monitoring documentation programs, education, and other related initiatives that Contractor is made aware of or provided access to;

(vi) all applicable laws, regulations and governmental standards relating to licensing, certification, and operation, including without limitation any federal and state ESRD programs, the disclosure requirements and self-referral prohibitions of the Federal Ethics in Patient Referrals Act, 42 U.S.C. §1395nn (known as the "Stark Law") and any applicable state self-referral laws, the anti-fraud and abuse statute, 42 U.S.C. §1320a-7b(b) (known as the "Anti-Kickback Statute") and any applicable state anti-kickback laws;

(vii) HIPAA, including Privacy and Security Standards;

(viii) any other applicable federal and state laws; and

(ix) Company's and DaVita's corporate compliance program (including, but not limited to, its HIPAA Policies, Code of Conduct, and Policies and Procedures) provided that Contractor will be provided copies and/or access to the foregoing electronically.

Medical Director and each Covering Medical Director will participate in and complete on an annual basis compliance training (online and otherwise) that Company provides to such parties on an annual basis. The compliance training includes training on Company policies and procedures designed to ensure compliance with relevant Federal health care program requirements that are applicable to the activities of such parties as required by this Agreement ("Policies and Procedures"), DaVita's/the Center's compliance program, and DaVita's/Center's Code of Conduct. At least one hour of compliance training discusses the Anti-Kickback Statute and provide examples of arrangements that potentially implicate the Anti-Kickback Statute. Company will provide copies of the Policies and Procedures and the Code of Conduct in electronic or hardcopy form as part of the compliance training or in advance of the training.

Contractor, Medical Director and each Covering Medical Director must certify in writing or electronic form that each party has received, read, understood and will abide by the Company Code of Conduct and must complete and return such certification to Company.

Contractor, Medical Director and each Covering Medical Director will provide access to billing documentation, participate in contract and claims audits, and other aspects of Company's and DaVita's compliance program, and, upon request, cooperate and assist during any internal compliance review,

investigation, monitoring protocol and/or audit. In addition, Contractor will comply with the obligations set forth in the BAA. Contractor and Medical Director will ensure that all persons who perform Services under this Agreement adhere to the terms of this Section 5 throughout the Term.

5.1.1 Timeliness. The required persons listed above must complete the above training (a) within 30 days after the Commencement Date and any approved appointment of a successor Medical Director, and then (b) annually by April 15<sup>th</sup> of each subsequent year of the Term (each, a “Training Deadline”). Contractor and Medical Director will ensure that any Covering Medical Director who is appointed to serve for greater than 60 consecutive days during the Term completes such training within 30 days of his or her appointment, or in the event of a Covering Medical Director whose appointment was anticipated to be less than 60 days and who serves for 60 consecutive days or longer, such training completed within 30 days of that Medical Director exceeding 60 days of consecutive coverage. Company will send a courtesy reminder, via electronic mail, to Contractor prior to the Training Deadline to notify Contractor of the outstanding training requirement. Notwithstanding the foregoing, if a required person fails to complete the required training by the Training Deadline, Company will send written notice to Contractor and may thereafter, in addition to all other rights and remedies available to Company under this Agreement, withhold compensation for Services until such training has been completed. The withholding contemplated under this Section, and any invoice not paid as a result thereof, is not considered a disputed invoice under Section 3.3 or a breach of Section 12.1.1. If such training is not completed within a reasonable time thereafter, it is considered a breach of this Agreement subject to the remedies contained in Section 12 and the notice required under 12.2.5 does not apply.

5.1.2 Notification. Contractor will immediately notify DaVita’s Chief Compliance Officer of any violation of any applicable law, regulation, third party payor requirement, or breach of Company’s or DaVita’s compliance program, Code of Conduct, or Policies and Procedures of which Contractor or its employees or agents become aware of during the Term. Contractor will instruct its employees and agents working in or with Center of this obligation.

5.1.3 Cooperation. Contractor will cooperate with Company in responding to or resolving any complaint, investigation, inquiry, or review initiated by a governmental agency, Company, or otherwise. Contractor will also cooperate with any insurance company providing coverage to Company in connection with the foregoing. Nothing herein will be deemed to require a waiver of the attorney-client privilege by any party.

5.2 Non-Exclusion. Contractor represents and warrants to Company that neither Contractor, Medical Director, nor any of their employees, officers, directors, equity owners, or Affiliates engaged to provide Services under this Agreement: (i) is or has been excluded from participation in any federal health care program, as defined under 42 U.S.C. §1320a-7b(f), for the provision of items or services for which payment may be made under such federal health care programs and is not currently excluded, debarred, suspended, or otherwise ineligible to participate in Federal procurement or nonprocurement programs; (ii) has arranged or contracted (by employment or otherwise) with any employee, contractor, or agent that such party or its Affiliates know or should know is excluded from participation in any federal health care program to provide items or services hereunder; or (iii) has been convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

In the event that any of (i)-(iii) above has occurred, this Agreement will, as of the effective date of such exclusion or breach, automatically terminate.

5.2.1 Contractor and Medical Director further represent and warrant to Company that during the 6 years preceding the Date of Last Signature, no Final Adverse Action has occurred, is pending

or, to Contractor's knowledge, is threatened against Contractor or a Related Physician, or any of their Affiliates or, to their knowledge, against any employee, contractor, or agent engaged to provide items or services under this Agreement. "Final Adverse Action" means any of the following involving Contractor or any Related Physician: (a) any final civil judgments in federal or state court related to the delivery of a health care item or service; (b) any federal or state criminal convictions related to the delivery of a health care item or service; (c) any final actions by federal or state agencies responsible for the licensing and certification of health care providers, suppliers, and licensed health care practitioners, including: (1) formal or official actions, such as revocation or suspension of a license (and the length of any such suspension), reprimand, censure, or probation; (2) any other temporary or final loss of license or the right to apply for, or renew, a license of the provider, supplier, or practitioner, whether by operation of law, voluntary surrender, non-renewability, or otherwise; (3) any other negative action or finding by such federal or state agency; or (d) exclusion from participation in any federal or state health care programs, being listed as an excluded provider or banned contractor by the United States Department of Health and Human Services Office of Inspector General or United States General Services Administration, or being listed in the Office of Foreign Assets Control's "Specially Designated Nationals and Blocked Persons" list. The term "Final Adverse Action" does not include any action or judgment solely with respect to a professional malpractice claim.

5.2.2 During the Term and for a period of 6 years following the Term, Contractor will notify Company of (a) any Final Adverse Action or basis for a Final Adverse Action that relates to or arises from actions occurring during the periods prior to and during the Term or relating to the Services, or (b) any complaint, investigation, inquiry, or review by any governmental agency or third party payor relating to or arising from actions occurring during the periods prior to and during the Term or relating to the Services. Such notice must be provided within 2 business days of learning of the event giving rise to such notice and must include a description of the matters at issue.

## **6. Indemnification and Insurance.**

### **6.1 Indemnification.**

6.1.1. Company Indemnity for Acts within Scope of Medical Director Duties. Company will indemnify Contractor, Medical Director and Covering Medical Director for any liability arising from the provision of Services which are provided in accordance with the terms of this Agreement except in circumstances of gross negligence or intentional actions by the Medical Director or Covering Medical Director.

6.1.2. Contractor Indemnity for Acts of Medical Director Outside Scope of Medical Director Duties. Contractor hereby agrees to indemnify and defend Company for any liability arising from the actions, acts, or omissions of the Medical Director and any Covering Medical Director in providing professional medical services to patients other than in the capacity as Medical Director or Covering Medical Director.

6.1.3. Other Indemnity between the Parties. Each party hereby covenants and agrees to indemnify, defend, and hold harmless ("Indemnifying Party") any other party ("Indemnified Party") to this Agreement from any and all liability, losses, costs, obligations, and expenses, including reasonable attorneys' fees, which the Indemnified Party may incur as a result of the negligence, fraud, or other misconduct of the Indemnifying Party to this Agreement, or its respective agents or employees, including, but not limited to, such acts and claims against the Indemnifying Party as assault, battery, intentional infliction of emotional distress, negligence while operating motor vehicles to or from Center or in the parking lot of Center, libel, slander, and other acts not associated with the provision of the Services. Additionally, each party agrees to indemnify, defend, and hold harmless the other party for the breach by

the Indemnifying Party of its respective obligations under this Agreement, including but not limited to, breaches of Sections 5, 7, 8, 9, 10, 11, and 14.5.

6.1.4. Rights and Duties of Indemnifying Party. The Indemnifying Party will not settle any such claim or alleged claim hereunder without first obtaining the Indemnified Party's prior written consent in all instances where the settlement concerned might adversely affect the Indemnified Party's rights (under this Agreement or otherwise); and such consent will not be unreasonably withheld. If the Indemnifying Party assumes the defense and settlement of the claims it is responsible for as set forth above, then the Indemnifying Party's only obligation is to satisfy the claim, judgment or approved settlement, and provide reasonable costs and fees as detailed herein. Under no circumstances will an Indemnifying Party be responsible for an Indemnified Party's consequential damages, liquidated damages, lost profits, or otherwise, except as part of a judgment or settlement with a third party.

6.1.5. Notice. In the event of any such claim as described in this Section 6, the Indemnified Party will (a) promptly notify the Indemnifying Party of the claim; (b) allow the Indemnifying Party to direct the defense and settlement of such claim with counsel of the Indemnifying Party's choosing (subject to Section 6.1.4); and (c) provide the Indemnifying Party, at the Indemnifying Party's expense, with information and assistance that is reasonably necessary for the defense and settlement of the claim. The Indemnified Party reserves the right to retain its own counsel, at the Indemnified Party's sole expense, and to participate with Indemnifying Party in the defense of any such claim.

## 6.2 Insurance.

6.2.1 Company's Coverage. At its expense, Company will maintain general and professional liability insurance, during the Term, with a minimum annual coverage limitation of \$1,000,000 per occurrence and \$3,000,000 in the aggregate, or such higher coverage as may be required by law through policies obtained from third party insurance carriers or through a program of self-insurance. Within 30 days of a written request from Contractor, Company will produce documentation substantiating the existence of such insurance. The parties acknowledge and agree that the insurance coverage maintained by Company in accordance with this Section 6.2.1 will cover Medical Director or Covering Medical Director for the Services that Medical Director or Covering Medical Director is providing pursuant to this Agreement, but will not extend to any claims of professional malpractice against Contractor, Medical Director or Covering Medical Director not arising from the Services, or any private practice of medicine by any Related Physician. Company will maintain workers' compensation insurance in accordance with statutory limits for Company employees.

6.2.2 Contractor's Coverage. At its expense, Contractor will maintain policies of professional and general liability insurance, during the Term, covering Contractor, Medical Director, Preapproved Physicians, and Contractor's employees and agents. Such insurance will insure against liability for damages caused by the acts or omissions of Contractor, Medical Director, Preapproved Physicians, and employees and agents in the performance of their respective professional practices of medicine. Such coverage will include, but not be limited to, professional liability insurance with a minimum annual coverage limitation of \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate, or such higher coverage as may be required by law. In addition, Contractor will ensure that each Covering Medical Director maintains the professional and general liability insurance coverage described in this Section 6.2.2. Such policy or policies will specifically cover Contractor, Medical Director, Preapproved Physicians, or Covering Medical Director, as applicable. Within 30 days of request by Company, Contractor will provide Company with documentation substantiating the existence of such insurance and the rating of the insurance carrier. Contractor will maintain workers' compensation insurance in accordance with statutory limits for

Contractor employees. Contractor's coverage will be with an insurance carrier that maintains an A.M. Best rating of "A-" or higher unless otherwise approved by DaVita's Corporate Risk Department.

**7. Limitations on Use and Disclosure of Confidential Information.** Contractor and Related Physicians acknowledge and agree as follows:

(a) Restricted Person(s) will use Confidential Information only as necessary to provide Services and will not disclose, Directly or Indirectly, any Confidential Information in any manner whatsoever, in whole or in part, without the prior written consent of Company. Contractor will ensure that each Restricted Person is aware of and agrees to the limitations on the use and disclosure of Confidential Information set forth in this Section 7. Contractor and each other Restricted Person will promptly notify Company of any breach of this Section 7 which becomes known. For the avoidance of doubt, this Section 7 prohibits disclosure of Confidential Information to any third party (other than to Contractors' agents and attorneys, who must be made aware of, and agree to abide by, the confidentiality provisions of this Agreement) whether or not permitted by applicable law, regardless of whether the Restricted Person is compensated by such third party. In addition to the foregoing, under no circumstances will any Restricted Person relay any Confidential Information, whether orally or in any form of writing or electronic submission, to (i) any physician affiliated with Contractor or any employee of Contractor who is not providing Services or who has not signed this Agreement or a joinder hereto and (ii) any individual or entity in connection with any ESCO, managed care, outcome based or shared savings arrangement that such Restricted Person is involved in. This includes any Covering Medical Director, who must return any and all Confidential Information in his/her possession upon completion of his/her covering period and such Covering Medical Director may not use the Confidential Information for any other purposes than the covering medical directors services hereunder

(b) If a Restricted Person is requested or required, in connection with any proceeding, to disclose any Confidential Information, such Restricted Person will give Company prompt notice of such request or requirement so that Company may seek an appropriate protective order or other remedy and/or waive compliance with the provisions of this Section 7, and the Restricted Person will cooperate with Company to obtain such protective order. In the event that such protective order or other remedy is not obtained or Company grants a waiver, the Restricted Person will furnish only that portion of the Confidential Information which, in the written opinion of Company's counsel, is legally required to be disclosed and the Restricted Person will use best efforts to obtain assurances that the information will be treated as confidential. The confidentiality provisions of this Agreement will be effective as of the Date of Last Signature.

**8. Records.**

8.1 Removal of Records or Charts. Medical Director, Covering Medical Director, or any of Contractor's other agents or employees may not remove patient records or charts from Center premises at any time. Unauthorized removal of said records or failure to immediately return said records after notice is a material breach of this Agreement and, in addition to all other legal and/or equitable remedies available to Company, constitute grounds for immediate termination of this Agreement by Company.

8.2 Record Review and Retention.

8.2.1 Each party permits, and will ensure that any subcontractor permits, the United States Department of Health and Human Services and General Accounting Office to review appropriate books and records relating to the performance of this Agreement to the extent required under Section 1861(v)(1)(I) of the Social Security Act, 42 U.S.C. Section 1395x(v)(1)(I), or any successor law or

regulation for a period of 4 years following the Termination Date. The access will be provided in accordance with the provisions of 42 C.F.R. Part 420, Subpart D.

8.2.2 If Contractor carries out any of the duties of this Agreement through a subcontract, with a value or cost of \$10,000 or more over a 12 month period, with a related organization, such subcontract must contain a clause to the effect that until the expiration of 4 years after the furnishing of such services pursuant to such subcontract, the related organization will make available, upon written request to the Secretary of the United States Department of Health and Human Services or upon request to the Comptroller General of the United States, or any of their duly authorized representatives, the subcontract, and books, documents, and records of such organization that are necessary to verify the nature and extent of the costs incurred pursuant to such subcontract. In addition, the subcontract will require the related organization to comply with and be bound by Company's privacy, compliance, and record retention policies.

8.2.3 Contractor will notify Company immediately of the nature and scope of any request for access to books and records described above and will provide copies of any books, records, or documents to Company prior to the provision of same to any governmental agent to give Company an opportunity to lawfully oppose such production of documents. In addition, Contractor will indemnify and hold Company harmless from any liability arising out of any refusal by Contractor or any Related Physician or any subcontractors of the foregoing to grant access to books and records as required above. Nothing herein will be deemed to be a waiver of the attorney-client privilege by any party.

**9. No Conflicts.** Contractor (on its own behalf and on behalf of any Related Physicians) represents, warrants, and covenants to Company that, as of the Date of Last Signature and throughout the Term, Contractor, Medical Director and any Related Physician: (a) is not a party to, and will not become a party to, any other medical director agreement, consulting agreement, or other agreement that would be prohibited under Section 10; (b) is and will remain under no obligation or commitment, contractual or otherwise, that would prohibit or prevent it, him, or her from entering into or performing under this Agreement; (c) has no Financial Relationships with any vendors or suppliers of goods or services or providers of Dialysis Services which would cause a conflict of interest with regard to the Services provided under this Agreement; and (d) is and will remain free to enter into and perform all of its, his, or her respective duties and obligations under this Agreement. Without limiting the foregoing, or any of the provisions of Section 11, during the Term, Contractor will not join any medical practice, or permit any other physician to join Contractor's medical practice if such affiliation would result in a breach of any representation, warranty, or covenant contained in this Agreement. Company is entering into this Agreement based upon the representations and warranties in this Section and throughout the Agreement. For purposes of this Section 9, "Financial Relationship" is defined as any relationship which causes a medical director to recommend or use any product or service through any third party which benefits the medical director financially. If any such Financial Relationship exists or comes into existence during the Term of this Agreement, Contractor will inform Company of such interest as soon as Contractor becomes aware of any such interest.

**10. Non-Competition and Non-Solicitation.**

10.1 Non-Competition.

10.1.1 Contractor and each Related Physician acknowledge and agree (a) that each will be exposed to valuable Confidential Information of Company and will participate at Company's expense in building and maintaining its goodwill with employees, vendors, and others, and (b) that Company and Center will suffer serious, irreparable, competitive injury if Contractor or any Related Physician were to engage in any business or activities in competition with Company or Center.

10.1.2 Contractor and each Related Physician covenant and agree that each will not, during the Restricted Period, Directly or Indirectly take, prepare to take, or permit to be taken any action that results in or may reasonably be expected to result in owning (other than as a passive shareholder of less than a 2% interest in a public company), operating, managing, leasing, extending credit to, engaging in or preparing to engage in, being employed by, or otherwise participating in (including, without limitation, as a medical director, contractor, consultant, or employee) the business of any Competitor, in the Restricted Area other than in connection with rendering Services under this Agreement or any other agreement with Company or its Affiliates.

“**Dialysis Services**” means all dialysis and renal care services and related services, including but not limited to, hemodialysis, acute dialysis, apheresis services, peritoneal dialysis of any type, staff assisted hemodialysis, dialysis related laboratory and pharmacy services, the provision of home dialysis services and supplies, administration of dialysis-related pharmaceuticals (including, without limitation, EPO, Aranesp, iron supplements, vitamin D supplements, or other products related to the treatment of anemia and secondary hyperparathyroidism) to ESRD patients or to patients treated in an acute care hospital due to temporary kidney failure. The Restricted Period and the Restricted Area are set forth in Schedule 1.

10.1.3 Section 10.1.2 does not prevent Contractor or any Related Physician from earning a living by engaging in the professional practice of medicine or nephrology or prevent any licensed physician from exercising sound, professional medical judgment, including with respect to a patient’s right to choose where he or she desires to receive dialysis.

10.1.4 Contractor or any Related Physician is not prohibited from engaging in managed care contracting, including an ESCO, as a participating provider of professional services or otherwise under this Section 10, so long as such relationship does not: (a) provide such party with remuneration related or attributable, Directly or Indirectly, to Dialysis Services, or (b) involve such party contracting with any person or entity that, Directly or Indirectly, is owned, managed, operated or controlled by, or affiliated with any person or entity (other than Company) that provides Dialysis Services.

10.2 Non-Solicitation. Contractor and each Related Physician agree that each will not, during the Restricted Period, Directly or Indirectly, take any action that constitutes, results, or may reasonably be expected to result in:

10.2.1 Soliciting the termination of, diverting, or interfering with any relationship that Company has with any person or entity who is an independent contractor, supplier, or provider to Company; or

10.2.2 Soliciting, inducing, or encouraging any person (who is presently, or within the most recent 12 month period, affiliated with or employed by Company or an Affiliate of Company) to curtail or terminate such person’s affiliation or employment with Company or at a Center.

10.3 Interpretation.

10.3.1 For the avoidance of doubt, no party to this Agreement is required to treat patients at or refer any patients to, Center or any Affiliate of Company, whether during or after the Term.

10.4 Modification. If any restriction contained in this Section 10 is held by any court to be unenforceable or unreasonable as a matter of law as to time, geographic area, or business limitation, the parties agree that such restriction will be and hereby is reformed to the maximum time, geographic area, or



business limitation permitted by applicable laws and that any court of proper jurisdiction may issue all orders necessary to accomplish such reformation.

10.5 Necessary and Reasonable. The parties acknowledge that the restrictions set forth in this Section 10 are reasonable and necessary to protect the legitimate business interests of Company, including but not limited to Company's interest in protecting its Confidential Information and its investment in the development of goodwill at Center, and that Company would not have entered into this Agreement in the absence of such restrictions.

10.6 Joinder. Contractor is responsible for and will ensure that each person who is a Related Physician as of the Date of Last Signature has executed this Agreement or a Joinder as of the Date of Last Signature. Contractor will also be responsible for and ensure that each person who becomes a Related Physician during the Restricted Period executes the Joinder upon becoming a Related Physician. Contractor will notify Company promptly of new Related Physicians so that compliance with the joinder process may be monitored.

## **11. Assignment and Subcontracting.**

11.1 No Assignment by Contractor. Contractor will not, Directly or Indirectly, assign or otherwise transfer this Agreement, or any rights, obligations, or interest in this Agreement without the prior written consent of Company, which may be withheld in Company's sole discretion. Upon any assignment, Contractor and Related Physicians will continue to be bound by those provisions which survive termination, including but not limited to Sections 5, 6, 7, 8, 10, 11, 14.2, and 14.3, after such assignment is completed and upon the agreement by the transferee, in writing, to assume all of the transferring party's obligations under this Agreement.

11.2 No Series of Transactions. In the event that more than 50% of the equity in (or other ownership interests) OR Assets of the medical practice of Contractor is to be sold, transferred, or issued, whether in a single transaction or series of related transactions, Contractor will provide Company with notice at least 180 days prior to such sale, transfer, or issuance. Company may, in its sole discretion, terminate this Agreement at any time within such 180 day period. In the event that Contractor fails to provide Company with such 180 days' notice, Company has the right to terminate this Agreement upon learning of such transfer or proposed transfer, and to seek such other remedies as may be available in law or equity.

11.3 No Subcontracting. Contractor will not subcontract to provide Services under this Agreement without the prior written consent of Company, which may be withheld in Company's sole discretion.

11.4 Company's Right to Assign. Company will be permitted, without the consent of Contractor to assign or otherwise transfer this Agreement or any of its rights hereunder.

**12. Termination.** This Agreement will terminate upon the expiration of the Term or as provided in this Section 12.

12.1 Termination by Contractor. Contractor may terminate this Agreement prior to expiration of the Initial Term or any Renewal Term upon notice to Company specifying the Termination Date, for any of the following reasons:

12.1.1 A failure by Company to pay any undisputed compensation due under this Agreement within 30 days of Company's receipt of notice from Contractor.

12.1.2 Upon the revocation of Center's Medicare certification, unless Company is actively attempting to cure such revocation, in which case Company will have six (6) months to cure such revocation or such longer period as Contractor may determine in its sole, reasonable discretion is appropriate, or unless such revocation is materially due in whole or in part to acts or omissions of Contractor, a Related Physician, or any of their agents, subcontractors, or employees.

12.1.3 Any other material breach of this Agreement by Company, provided that Contractor provides Company 30 days' advance notice detailing such breach and such breach is not cured within such 30 day period or, if Company is actively engaged in attempting to cure such breach and such breach cannot reasonably be cured in 30 days, then Company has such longer period as is reasonably required to cure the breach.

12.1.4 Upon the filing of a case by or against Company under the Bankruptcy Code which is not stayed or terminated within 30 days.

12.1.5 Immediately upon the final, non-appealable exclusion of Company from any federal healthcare program, as defined under 42 U.S.C. §1320a-7b(f).

12.2 Termination by Company. Company may terminate this Agreement prior to expiration of the Term upon notice to Contractor specifying the Termination Date, for any of the following reasons:

12.2.1 For Misconduct. "Misconduct" means the occurrence of any of the following (except subsections (a) through (d) below will be considered cured if Contractor immediately removes such physician and appoints another Preapproved Physician or other qualified replacement in accordance with Section 2.2 or 4.1.2):

(a) Misconduct of either a personal or professional nature, including, without limitation, violation of the Bylaws or any applicable laws or regulations, or Company's or DaVita's policies or procedures, by Medical Director or a Covering Medical Director, which in Company's reasonable opinion interferes with Medical Director's or Contractor's ability to fulfill their obligations under this Agreement directly or through said Medical Director or Covering Medical Director;

(b) the revocation or suspension of any medical license of Medical Director or a Covering Medical Director, or the restriction or elimination of practice privileges of Medical Director or a Covering Medical Director at the Center for any reason set forth in the Bylaws and other rules for practice privileges at the Center, or the restriction or elimination of privileges of Medical Director or a Covering Medical Director at any hospital for any reason related to the quality of the patient care provided by Medical Director or said Covering Medical Director;

(c) any felony charge, indictment, or conviction of Medical Director or a Covering Medical Director, or any charge, indictment, or conviction involving moral turpitude of Medical Director or a Covering Medical Director;

(d) any failure by Medical Director or a Covering Medical Director to correct other acts or omissions which, in Company's reasonable opinion, materially interfere with the normal conduct of Center's operations in accordance with Company's or DaVita's policies and procedures, including endangering patient care or interfering with teammate welfare;

(e) as contemplated in Section 8, the unauthorized removal of records from Center by Medical Director, Covering Medical Director, or any of Contractor's other agents or employees or other

noncompliance with Section 8;

(f) the unlawful alteration or falsification of the Center's records by Contractor or any Related Physician;

(g) the failure of Contractor or a Covering Medical Director to secure or maintain the insurance required under Section 6;

(h) upon the breach of Section 10;

(i) upon an unauthorized assignment of this Agreement, including subcontracting of Services, by Contractor or Medical Director in violation of Section 11; or

(j) upon the occurrence of a Final Adverse Action.

12.2.2 Upon the death or disability of the physician serving as Medical Director and Contractor's failure to immediately appoint a Covering Medical Director and thereafter permanently name another Preapproved Physician within 60 days after the Medical Director's death; or upon the occurrence of a disability of a permanent nature which, in the reasonable opinion of a physician appointed by Company, would interfere with Medical Director's ability to serve in the capacity of Medical Director, unless Contractor immediately removes such disabled Medical Director and appoints a Covering Medical Director, and thereafter designates a Preapproved Physician within 60 days after determination of disability. Contractor or the disabled Medical Director will notify Company at the onset of any such disability, provided, however, that a failure to do so does not deprive Company of its rights under this Section 12.2.2.

12.2.3 Upon Contractor's failure to cause a Covering Medical Director to cease performing duties as permitted under this Agreement within 15 days of notice from Company detailing Company's concerns with Covering Medical Director's performance unless Contractor and Medical Director address such concerns to Company's satisfaction before the end of such 15 day period.

12.2.4 Upon the dissolution of Contractor's medical practice or upon appointment of a receiver or custodian to take possession of all or any material part of the assets of Contractor, a general assignment by Contractor for the benefit of Contractor's creditors, or the filing of a case by or against Contractor which is not stayed or terminated within 30 days.

12.2.5 In the event of any other material breach of this Agreement by Contractor, a Related Physician or Covering Medical Director, provided that Company provides Contractor 30 days' advance notice detailing such breach and such breach is not cured to the satisfaction of Company, in its sole discretion, within such 30 day period or, if Contractor is actively attempting to cure such breach and such cure cannot reasonably be accomplished within said 30 day period, then such longer period as Company may determine in its sole discretion is appropriate.

12.2.6 In the event that Medical Director is absent from Center for any reason for more than 21 consecutive days or for more than 30 days within any 60 day period without the prior written approval of Company; or, (to ensure Medical Director maintains availability and access to Center employees, patients and clinical needs) the Medical Director's residence or clinical office is not within a reasonable proximity of Center as reasonably determined by Company.

12.2.7 In the event that Medical Director fails to comply with Section 13.2.

12.2.8 Upon the termination of Center's business or Company's decision not to open

Center.

12.2.9 In the event that Company does not reopen or relocate Center following an Interruption Event, Company will terminate this Agreement upon 30 days' prior notice to Contractor and Medical Director, and the compensation to be paid for Services provided hereunder will be reduced accordingly.

12.2.10 If the Certificate of Need ("CON") from the applicable governmental agency required for Center is not obtained by Company, or if obtained by Company but subsequently withdrawn by such governmental agency, then this Agreement is null and void and of no effect.

12.3 Remedies. Upon termination by Contractor pursuant to Section 12.1.1 or 12.1.3, Contractor is entitled to pursue such legal or equitable remedies as may be available to it to collect its actual and consequential damages suffered as a result thereof. Upon termination by Company pursuant to Sections 12.2.1 through 12.2.7 Company is entitled to pursue such legal or equitable remedies as may be available to it to collect its actual and consequential damages suffered as a result thereof.

12.4 Relocation of Center. A Relocation of Center during the Term of this Agreement will not result in termination of this Agreement.

12.5 Termination Due to a Regulatory Event. Notwithstanding any other provision in this Agreement, Company or Contractor may terminate this Agreement upon the occurrence of a Regulatory Event if such Regulatory Event cannot be corrected after each party has made a good faith effort to do so within 10 days after notice thereof by a party. Termination under this Section 12.5 will be effective immediately upon the expiration of such 10 day period.

12.6 Consequences of Termination/Expiration, and Termination of Relationship with Contractor. Upon any termination of this Agreement, the appointment terminates and all obligations of Company to Contractor and all Related Physicians immediately terminates, including without limitation all obligations to compensate Contractor or Medical Director for Services after the Termination Date, except for the obligation to pay for Services performed prior to the termination date. Upon any such termination or expiration of this Agreement, Contractor's and Related Physicians' obligations which are intended to survive the termination of this Agreement, including but not limited to those in Sections 5, 6, 7, 8, 10, 11, 14.2, and 14.3, survive. Notwithstanding the above, if Contractor's employment of, or affiliation with (as applicable), a Related Physician terminates (regardless of the reason for such termination) at any time during the Term, such Related Physician's obligations which are intended to survive the termination of this Agreement, including but not limited to those in Sections 5, 6, 7, 8, 10, 11, 14.2, and 14.3, survive until the end of his/her Restricted Period.

12.7 Termination within First Year. If this Agreement is terminated for any reason within 1 year of the Commencement Date, the parties will not enter into any agreement with each other for the same or similar Services at Center until after the expiration of the 1 year anniversary of the Commencement Date, if ever.

### **13. Force Majeure; Interruption Event**

13.1 Force Majeure. In the event that any party is prevented from performing or is unable to perform any of its obligations under this Agreement due to any Force Majeure, and if such party has used commercially reasonable efforts to mitigate its effects, such party will give prompt notice to the other party, its performance will be excused, and the time for the performance will be extended for the period of delay or inability to perform due to such occurrences.

13.2 Interruption Event Services. Notwithstanding Section 13.1, in the event of an Interruption Event during the Term, Company may reasonably require that Medical Director provide services during the Interruption Period that Company deems necessary or helpful for Center's reopening or relocation and for Center patients and teammates.

13.3 Compensation Adjustment and Time Sheets. The hourly compensation to be paid to Contractor during the Interruption Period will be \$220 per hour. During the Interruption Period, Contractor must submit a time sheet on the first day of each month with the invoice described in Section 3. The time sheet must include a description of services provided and the specific days and hours worked by Medical Director during the previous month. Company will reimburse Contractor for the hours worked by Medical Director under this Section and any reasonable, pre-authorized/pre-approved out-of-pocket expenses incurred by Contractor in the course of performing services during the Interruption Period if in compliance with the requirements of Company's then-current applicable policies.

#### **14. Miscellaneous**

14.1 Governing Law. This Agreement is governed by the laws of the State of Washington, without regard to the conflict of laws principles thereof.

14.2 Dispute Resolution. Except for alleged breaches of Sections 7, 8, 9, and 10, any dispute between or among the parties will be resolved as provided in this Section 14.2. Nothing in this section limits or delays a party's termination rights.

14.2.1 Informal Resolution. Notice of the dispute will be delivered from one party to the other parties and, thereafter, the parties' business representatives will meet in person and attempt to resolve the dispute in face-to-face negotiations. This meeting will occur within 30 days of the time the notice of such dispute is received by the other party.

14.2.2 Resolution Through Mediation. If a dispute is not resolved pursuant to Section 14.2.1, the parties will, within 45 days of the meeting referred to in Section 14.2.1, attempt to settle such dispute by formal mediation. If the parties cannot otherwise agree upon a mediator and the place of the mediation within such 45 day period, the American Health Lawyers' Association will administer the mediation in the State of Washington. In the event that the mediation does not resolve the dispute, the parties are entitled to seek any and all available legal remedies.

14.3 Injunctive Relief. The parties acknowledge that the breach or threatened breach of this Agreement, including, without limitation, Sections 6 through 10 and Section 13, would cause irreparable injury to the injured party that could not be adequately compensated by money damages. Accordingly, the injured party will be entitled to obtain from any court of competent jurisdiction a restraining order and/or injunction prohibiting a breach or threatened breach of the provisions of this Agreement, in addition to any other legal or equitable remedies that may be available. In the event a party seeks such injunctive or other relief with respect to a violation of this Agreement by another party, the injured party will be entitled to recover the costs of such action, including but not limited to reasonable attorney's fees. Notwithstanding the above, Company agrees and acknowledges it will not enforce any injunctive relief or restraining orders with regard to Sections 11.1 and 11.2 that would prevent the transfer of ownership in the Contractor, including the assignment of an MDA as a result of such transfer of ownership.

14.4 Notice. All notices must be in writing and must be addressed to each receiving party at the addresses set forth in Schedule 1 and must be (i) delivered by hand (ii) sent by recognized overnight courier, or (iii) sent by certified mail, return receipt requested, postage prepaid. Notices are deemed effective as

follows: (1) if by hand, when delivered; (2) if by overnight courier, on the next business day; and (3) if by certified mail, on the fifth business day. Each party may change its notice address provided in Schedule 1 by providing written notice of its new address to the other party.

14.5 Independent Contractor. During the performance of any Services hereunder, Medical Director is acting and discharging Medical Director's duties and responsibilities as the Contractor or an employee or equity owner of Contractor, and Contractor during the Term will be acting and discharging its duties as an independent contractor of Company. Company will provide all applicable tax documents to Contractor and will not withhold any local, state, or federal employment taxes on Contractor's behalf. Contractor is responsible for paying all taxes due on all amounts paid to it under this Agreement, and for paying all local, state, and federal employment taxes, including unemployment insurance, social security taxes, and local, state, and federal withholding taxes for all employees of Contractor. If any taxing authority asserts that Contractor is not an independent contractor under this Agreement, the parties will cooperate in addressing such assertion. Except as expressly set forth in this Agreement or as may be required by applicable law, Company neither has nor will exercise any control or direction over the methods by which any Medical Director performs the Services hereunder.

14.6 Waivers; Severable Provisions; Headings. The failure of any party to insist in any one or more instances upon performance of any terms or conditions of this Agreement will not be construed as a waiver of future performance of any such term, covenant, or condition, and the obligations of such party with respect thereto continue in full force and effect. The provisions of this Agreement are severable. The invalidity or unenforceability of any term or provisions hereto in any jurisdiction in no way affects the validity or enforceability of any other terms or provisions in that jurisdiction, or of this entire Agreement in that jurisdiction. The headings in this Agreement are for convenience and reference only and are not intended to, and do not, define or limit the scope of the provisions to which they relate.

14.7 Agreement Collectively Prepared by Parties. Each party to this Agreement (i) has participated in the preparation of this Agreement, (ii) has read and understands this Agreement, and (iii) has been represented by counsel of its own choice (if such party so selects) in the negotiation and preparation of this Agreement. Each party represents that this Agreement is executed voluntarily and should not be construed against any party hereto solely because it drafted all or a portion hereof.

14.8 Entire Agreement; Binding Effect. This Agreement, including Exhibits hereto and the BAA, incorporated herein by reference, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all other agreements, either written or oral, among the parties including, without limitation, any prior agreement among Contractor, Medical Director, and Company or any of its subsidiaries or affiliates with respect to the subject matter hereof. This Agreement may be amended only by a writing that is executed by all of the parties. Subject to Section 11, this Agreement is binding upon and inure to the benefit of the parties and their respective successors, assigns, heirs, executors and legal representatives. Contractor has full power and authority to execute and deliver this Agreement and the related documents, if any, and to perform its obligations under this Agreement and related documents, if any, and such action has been duly authorized by all requisite action on the part of Contractor.

14.9 Counterparts; Approval by DaVita as to Form. This Agreement may be executed in one or more counterparts, each of which is deemed to be an original, but all of which together constitute one and the same instrument. Facsimile or electronic signature are permitted, except where prohibited by law. The parties acknowledge and agree that this Agreement is legally binding upon the parties only upon full execution hereof by the parties and by DaVita as to the form hereof, however, DaVita's signature as to form will not be considered when calculating the Date of Last Signature as it is not a party hereto.

14.10 Incorporation of Exhibits and Schedules; Priority in Event of a Conflict. The Exhibits and

Schedules attached to this Agreement and the BAA are incorporated into the Agreement by reference. In the event of a conflict between the BAA and this Agreement, this Agreement controls unless applicable law requires that the BAA control.

[signatures follow]

IN WITNESS WHEREOF, the parties have caused this Medical Director Agreement to be executed and delivered as of the Date of Last Signature.

**COMPANY:**

TOTAL RENAL CARE, INC., a California corporation

DocuSigned by:  
Jennie Funk  
By: ~~Jennie Funk~~  
Its: Division Vice President  
Dated: May 31, 2019

**CONTRACTOR:**

THE VANCOUVER CLINIC, INC., P.S., a Washington professional service corporation

DocuSigned by:  
Mark Mantei  
By: ~~Mark Mantei~~  
Its: Chief Executive Officer  
Email Address: mmantei@tvc.org  
Dated: May 31, 2019

**APPROVED AS TO FORM:**  
DAVITA INC.

DocuSigned by:  
Doyna V. Ballew  
By: ~~Doyna V. Ballew~~  
Its: Assistant General Counsel



**EXHIBIT A**  
**DEFINITIONS**

The terms below have the meanings below for the purposes of the Agreement:

<b>TERM</b>	<b>DEFINITION</b>
<b>Affiliate</b>	A person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with a person or entity, or who has the power to direct or cause the direction of the management of a person or entity, whether through voting rights, ownership, by contract, or otherwise. Affiliate also includes any combination of persons or entities that meet the definition of a “Controlled Group of Corporations,” as defined in 26 U.S.C. § 1563(a), “two or more trades or business under common control,” as defined in 26 CFR 1.414(c), or an “Affiliated Service Group,” as defined in 26 U.S.C. § 414(m).
<b>Agreement</b>	This Medical Director Agreement, including all incorporated schedules and exhibits.
<b>Assets</b>	For the purposes of this Section 11.2, “ <b>Assets</b> ” means those Contractor assets that relate to professional nephrology, and include, but are not limited to, physician agreements, accounts receivable, goodwill, and services offered in-office and in hospitals to patients, but specifically excludes any assets that are used by the Contractor or its Affiliates that are related to the Direct or Indirect ownership in dialysis units/facilities (such as joint ventures with Company), and that include, but are not limited to, assets of vascular centers, ambulatory surgery centers, labs and research.
<b>BAA</b>	The Business Associate Agreement executed by Company and Contractor as of the Effective Date contained therein.
<b>Bylaws</b>	The Governing Body Bylaws and the Medical Staff Bylaws.
<b>Center</b>	The facility or facilities identified as such in Schedule 1. Center also includes the applicable programs identified in Schedule 1.
<b>CMS</b>	The Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services.
<b>Commencement Date</b>	The date identified as such in Schedule 1.
<b>Company</b>	The entity identified as such in Schedule 1.
<b>Competitor</b>	Any person, clinic, corporation, partnership, management services organization, proprietorship, independent practice association, firm, entity, or association which engages in or derives any economic benefit from, or is preparing to engage in or derive any economic benefit from, the business of providing, offering, arranging, or subcontracting Dialysis Services.
<b>Conditions for Coverage</b>	The Medicare Conditions for Coverage for End-Stage Renal Disease Facilities at 42 C.F.R. Part 494, as amended from time to time.
<b>Confidential Information</b>	Confidential or proprietary information or trade secrets including (a) any information, in whatever form, relating directly or indirectly to the business of Center, Company or any Affiliate of Company, whether prepared by Company or by any other person, that is, has been, or will be made available to Restricted Persons; (b) the medical and other identifying information, in whatever form, of any patient currently receiving treatment or having previously received treatment at Center, which is compiled by, obtained by, or furnished to any of the Restricted Persons in the course of performing services hereunder; (c) specialized training materials and information to assist Medical Director in the performance of the Services including, but not limited to, information and training in Company’s pricing structures and guidelines for the services it provides, Company’s cost structure (including, without limitation, profits and margins) for the services it provides, Company’s methods of operating, Company’s methods, strategies, and specific operating techniques related to integrated kidney care, managed care, or related areas, and Company’s products and marketing techniques and strategies, Internet strategies, plans, and business models; (d) shift patterns; (e) commercial insurance information; and (f) any of the terms of this Agreement, including without limitation the compensation

	payable under the Agreement.  Confidential Information does not include (a) any information that is or becomes generally available to the public other than as a direct or indirect result of the disclosure of any of such information by any Restricted Person; (b) any information that becomes available to a Restricted Person from a source other than Company, provided that such source is not bound by any contractual or other obligation of confidentiality to Company or any other person with respect to any of such information; or (c) any information previously known to Medical Director, provided such information was not subject to protection by a separate agreement with Company or any Affiliate of Company, and subject to Medical Director's patient privacy and security obligations under Section 5 of this Agreement, and as set forth in the BAA.
<b>Contractor</b>	The party or parties listed in Schedule 1.
<b>Covering Medical Director</b>	A physician who performs Services pursuant to Section 4.1.2 in the event of a temporary absence of Medical Director.
<b>DaVita</b>	DaVita Inc., Company's parent company.
<b>Dialysis Services</b>	"Dialysis Services" is defined in Section 10.1.2.
<b>Directly or Indirectly</b>	Any and all activities undertaken by, through or on behalf of Contractor or any Related Physicians, and/or any of their Affiliates, and any and all entities with respect to which Contractor or any Related Physician, and/or any of their Affiliates serves as a contractor, agent, employee, or representative or has a direct or indirect financial interest.
<b>ESCO</b>	An abbreviation for End Stage Renal Disease Seamless Care Organization.
<b>ESRD</b>	An abbreviation for End Stage Renal Disease that means the stage of renal impairment that appears irreversible and permanent, and requires a regular course of dialysis or kidney transplantation to maintain life, which definition is set forth in 42 C.F.R. Section 405.2102. To the extent such regulation is changed or amended, ESRD has the meaning set forth in the amended regulation or any successor regulation.
<b>Final Adverse Action</b>	"Final Adverse Action" is defined in Section 5.2.2.
<b>Force Majeure</b>	An act of God, fire, casualty, flood, earthquake, war, strike, lockout, epidemic, destruction of Center, riot, insurrection, material unavailability, or any other cause beyond the reasonable control of the party invoking Section 13 of the Agreement.
<b>Governing Body</b>	The governing body of Center as set forth in Center's Medical Staff Bylaws.
<b>HHD Program</b>	The home hemodialysis program, for patients who undergo hemodialysis in their homes, when and if offered at Center.
<b>HIPAA</b>	The Health Insurance Portability and Accountability Act of 1996, and its related regulations, as amended by the federal Health Information Technology for Economic and Clinical Health Act and its implementing regulations, all as may be amended from time to time, including by the future issuance of regulations and guidance by the United States Department of Health and Human Services.
<b>HIPAA Policies</b>	DaVita's health information privacy and security policies and procedures, as currently in effect and as updated from time to time.
<b>ICHD Program</b>	The in-center staff-assisted hemodialysis program at Center.
<b>Initial Term</b>	The period identified as such in Schedule 1.
<b>Interruption Event</b>	The temporary closure of Center <b>or</b> destruction of Center or a reduction or interruption in Center services due to any force majeure described in Section 13.
<b>Interruption Period</b>	The time period following such Interruption Event until such time as Center is reopened or relocated.
<b>Joinder</b>	The Joinder to the Medical Director Agreement, the form of which is set forth at <b>Exhibit C</b> .
<b>Medical Director</b>	A physician duly appointed by Contractor and approved by Company in accordance with this Agreement to serve as the Medical Director for Center.
<b>Medical Director Qualifications</b>	The following qualifications: (a) be qualified and licensed to practice medicine in the state in which the Center is located; (b) be board-certified by either the American Board of Internal Medicine ("ABIM"), the American Osteopathic Association ("AOA"), or such other board-

	certification entities as approved by Company in writing, in one or more of nephrology, pediatrics, or internal medicine, or to have received a waiver that the certification is not needed and such waiver is approved by Company; (c) have completed a board-approved training program in nephrology; (d) specialize in the treatment of individuals with ESRD; (e) have at least 12 consecutive months of experience or training in the care of patients at ESRD facilities immediately preceding the Commencement Date; and (f) be experienced in the medical administration of ESRD facilities.
<b>Medicare Certification Date</b>	The date on which Company receives written notice of Medicare certification for Center.
<b>Misconduct</b>	“Misconduct” is defined in Section 12.2.1.
<b>PD Program</b>	Program for patients who perform peritoneal dialysis in their homes, when and if offered at the Center.
<b>PHI</b>	Protected Health Information, including but not limited to electronic Protected Health Information as defined in HIPAA.
<b>Policies and Procedures</b>	“Policies and Procedures” is defined in Section 5.1.
<b>Preapproved Physicians</b>	The specific physicians, including the Medical Director(s), named on Schedule 1, as may be updated from time to time in an amendment signed by the parties.
<b>Pre-Medicare Certification</b>	The time period from first date of treatment for each modality program until the date that Center receives written notice of Medicare certification.
<b>Post-Medicare Certification Period</b>	The time period after the date on which Center receives written notice of Medicare certification.
<b>Regulatory Event</b>	The occurrence of any of the following: (a) the performance by a party hereto of any term, covenant, condition, or provision of this Agreement that (1) jeopardizes the certification of Center by or under any federal or state ESRD program, or by or under any other regulatory program; (2) is or, in the reasonable opinion of a party’s counsel will become, illegal or in violation of any statute, regulation, or ordinance; or (3) does or, in the reasonable opinion of either party’s counsel will, result in a reduction in or elimination of the amount or the rate of reimbursement paid to Company from the Medicare program, any Medicaid program, or any other third party payor program, whether governmental or non-governmental; or (b) the enactment of legislation or issuance of regulations or interpretations thereof, by the federal government or the state government in which Center is located, or the issuance of judicial orders or decrees or governmental ruling or opinion, or any change in the rules and regulations of any third party payment program, or any other similar event which in the reasonable judgment of either party’s counsel adversely impacts the operations of the Center or requires Company to divest itself of interests in investments such as the Center or which would result in a reduction in or elimination of the amount of or rate of reimbursement to Company from the Medicare program or any state Medicaid program or any other third-party payor program, whether governmental or non-governmental.
<b>Related Physician</b>	Any physician who is employed by or engaged in medical practice with Contractor (including Medical Director and each Preapproved Physician), Medical Director, a Preapproved Physician or any Affiliate thereof, or who is a shareholder, partner, member, or other equity holder of Contractor, Medical Director, Preapproved Physician, such medical practice, or Affiliate of any of the foregoing.
<b>Relocation</b>	The closure of Center and the physical relocation of substantially all staff of Center to another center that is not a then-existing center operated under the same Medicare provider number as the closed Center.
<b>Renewal Term</b>	The period identified as such in Schedule 1.
<b>Restricted Area</b>	The area set forth as such in Schedule 1.
<b>Restricted Period</b>	The period from the Date of Last Signature through the time period set forth in Schedule 1; provided, however, that with respect to any physician who ceases to be a Related Physician during the Term, the Restricted Period ends on the first anniversary of the date on which such

	physician ceases to be a Related Physician.
<b>Restricted Person</b>	Contractor, Related Physicians, any Covering Medical Director, any Affiliate of Contractor or a Related Physician, and any of their respective agents, independent contractors, or employees.
<b>Services</b>	The duties and responsibilities set forth in <b>Exhibit B</b> , together with all other services to be provided by Medical Director under this Agreement.
<b>Term</b>	The period during which this Agreement is in effect, and which consists of the Initial Term and any and all Renewal Terms through the date on which the Agreement expires due to non-renewal or is terminated in accordance with the terms of the Agreement.
<b>Termination Date</b>	The date on which this Agreement terminates, whether such termination occurs as a result of the expiration of the Term due to non-renewal or otherwise under the terms of the Agreement.

**EXHIBIT B**  
**SUMMARY OF DUTIES FOR A MEDICAL DIRECTOR**  
**OF AN IN-CENTER DAVITA DIALYSIS FACILITY**

**Training, Certification, Credentialing & Privileges**

- Completed board approved training in nephrology (unless specific waiver received)
- Completed 12 months of experience or training in end stage renal disease (ESRD)
- Licensed to practice in the state where Center is located
- Maintain CMS-recognized Board certification in nephrology or pediatric nephrology,
- Maintain current credentials and privileges at Center and unrestricted staff privileges at a healthcare provider (e.g. hospital) providing acute hospitalization and back-up to patients of Center

**Availability**

- Be “on call” 24/7 to respond to emergencies
- Arrange for a Covering Medical Director when unavailable

**Company Meetings and Committees**

- Actively participate in meetings, education sessions and events as required by Company.
- Attend administrative meetings with Facility Administrator, ROD or DVP.

**Center Clinical & Professional Leadership**

- Promote DaVita’s Medical Staff Bylaws, safe working environment, compliance with laws, regulations, and DaVita policies & procedures
- Be accountable for Associate Medical Directors, if any
- Assure attendance by all attending physician at monthly patient care meetings (Interdisciplinary Team meetings)
- Attend and serve as a member and clinical leader of all planned and *ad hoc* Governing Body (“GB”) meetings
- Be accountable to GB for quality and safety of medical care provided

**Policies and Procedures**

- Participate in development, implementation, review and approval of (and adherence by Center providers to) all Center policies and procedures including, but not limited to, those addressing:
  - Patient admission, discharge and transfer, rights and confidentiality, and care
  - Quality assessment and performance improvement
  - Infection control and safety
  - Documentation maintenance and retention
  - Center staff education, training and performance

**Patient Admission**

- Review patient summaries for new patient admissions in a timely fashion
- Confirm patients have initial dialysis prescriptions, orders, baseline physical and nursing assessments
- Confirm patients can be safely treated at Center prior to dialysis treatment

**Patient Discharge and Transfers**

- Direct interdisciplinary team (“IDT”) in management of patients with disruptive behavior
- Address issues of non-compliance with patient’s attending physician
- Review, approve, and sign each involuntary patient discharge or transfer

**Patient Rights and Confidentiality and Patient Care**

- Confirm Center maintains an internal grievance mechanism that is communicated to patients
- Review all patient grievances during FHM
- Provide general oversight and responsibility of all patient care, outcomes and safety including that the water system will produce AAMI quality water

**Quality Assessment and Performance Improvement (QAPI)**

- Actively oversee, lead and participate in the Center’s monthly Facility Health Meeting (“FHM”)

- Lead quality and process improvement activities at Center
- Oversight of Integrated Care Initiatives**
- Actively oversee, lead and participate in the Company's Integrated Care initiatives, protocol, policies and procedures including, but not limited, to:
  - Cost of Care Reduction
  - Re-hospitalization avoidance
  - Managed Care Initiatives

**Infection Control**

- Review infectious disease data monthly (e.g. during FHM)
- Review and sign water culture and *Limulus amoebocyte lysate* test results monthly (e.g. during FHM)
- Conduct and document investigations into infectious disease outbreaks and drug resistant organisms

**Safety**

- Provide general oversight for safety activities at Center
- Work with Center staff to monitor potential safety issues at Center

**Physical Environment**

- Work with Center staff to maintain a safe treatment environment (including emergency equipment, dialysis machines and equipment, the water treatment system and dialyzer reprocessing equipment)
- Assure there is a process for the general oversight of maintenance

**Documentation Maintenance and Retention**

- Direct Center staff to document thoroughly and accurately every incident of non-compliance
- Assure all patient medical records are current and maintained in accordance with Center's policies and procedures, Medical Staff Bylaws and applicable regulations

**Center Staff Education, Training and Performance**

- Assure Center staff members receive the appropriate education and training to competently perform their job responsibilities
- Review and attest to Center staff competency files at least quarterly for existing staff and upon completion of training for new hires.
- Participate in Center's and Company's education and in-service programs.
- Oversee appropriate orientation of medical staff (e.g. attending physicians) and other providers, to Center policies and procedures, clinical benchmarks, guidelines, protocols, and quality processes
- Review privilege requests and credentialing files and assure maintenance of privileges at local hospitals by medical staff.
- Counsel in-person or in-writing any member of the medical staff not complying with Medical Staff Bylaws or meeting Company and DaVita performance standards and requirements
- Act in coordination with Company, the Physician Council, the Credentialing and Peer Review Committee, DaVita's Office of Chief Medical Officer ("OCMO"), Facility Administrator and GB in matters of concern to Center, and participate in the medical staff peer review process as provided for in the Medical Staff Bylaws

**Protection of Confidential Information and Goodwill**

- Assure that the Confidential Information and the goodwill associated with Center's and Company's relationships with patients, employees, vendors, consultants and others, are protected and preserved to the maximum extent possible.

**Compliance with Conditions for Coverage, Laws, and DaVita's Compliance Programs**

- Perform any duties required to be in compliance with *42 C.F.R. Part 494 Medicare Conditions for Coverage for End-Stage Renal Disease Facilities*, other applicable laws and regulations, DaVita's Code of Conduct, Medical Staff Bylaws, Company's and DaVita's compliance program, initiatives, policies, training, and Privacy & Security Standards
- Participate in interviews with Medicare Surveyors to clarify any issues regarding Center and staff's

practices related, but not limited, to infection control, water and dialysate, dialyzer reprocessing of hemodialyzers and bloodlines, and governance.

- Review survey reports, both internal and external, and participate as needed in Plans of Correction.

**EXHIBIT C**

*Sample only – Do Not Sign*

**SAMPLE JOINDER**

**JOINDER TO MEDICAL DIRECTOR AGREEMENT**

This joinder (“Joinder”) is made as of the last date of signature by a party hereto (the “Effective Date”), by and among the undersigned. Reference is made to the Medical Director Agreement (the “Agreement”), by and between **Total Renal Care, Inc.**, a California corporation (“Company”) and **The Vancouver Clinic, Inc., P.S.**, a Washington professional service corporation (“Contractor”) relating to the free-standing dialysis center to be known as Vancouver II Dialysis Center to be located at 15406 Northeast Fourth Plain Boulevard, Vancouver, WA 98682 (“Center”), including the PD Program and the HHD Program. All terms not otherwise defined herein have the meaning given to them in the Agreement.

The undersigned acknowledges that [he/she] is a Related Physician (as defined in the Agreement) and receives and will receive compensation and benefits from Contractor based on such employment or equity ownership. Therefore, and as a condition of [his/her] status as a Related Physician, the undersigned agrees with and guarantees to Contractor that the undersigned will abide by the terms and conditions of the Agreement, as such may be amended over time, including, without limitation, the non-competition and non-solicitation covenants contained in Section 10 and the compliance representations, warranties and covenants contained in Section 5 of the Agreement.

The undersigned further acknowledges that Company has entered into the Agreement in reliance on the assurance, as reflected in Section 10.6 of the Agreement that the undersigned will execute this Joinder.

In the event the undersigned ceases to be a Related Physician during the Term of the Agreement, the Restricted Period called for in the Agreement ends on the first year anniversary of the date on which such physician ceases to be a Related Physician. The non-compete restrictions do not extend beyond the first year anniversary of the undersigned leaving the Contractor, or affiliation therewith, if such event occurs prior to the termination of the Agreement.

The undersigned agrees that Company will be a direct third party beneficiary of the covenants made in this Joinder and entitled to enforce the provisions of this Joinder.

The undersigned further acknowledges that the Agreement, including Exhibit B, may from time to time be amended by the Company and Contractor and agrees that [he/she] is bound by any such amendment in the same manner and to the same extent as if [he/she] had signed such amendment.

[SIGNATURES FOLLOW]



Sample only – Do Not Sign

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the Effective Date, defined above.

SPECIMEN - DO NOT SIGN

\_\_\_\_\_, M.D.  
**SAMPLE**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

**CONTRACTOR:**

THE VANCOUVER CLINIC, INC., P.S., a Washington professional service corporation

SPECIMEN - DO NOT SIGN

\_\_\_\_\_  
**SAMPLE**

By: \_\_\_\_\_

Name: Mark Mantei

Title: Chief Executive Officer

Dated: \_\_\_\_\_

**Acknowledged:**

**COMPANY:**

TOTAL RENAL CARE, INC., a California corporation

SPECIMEN - DO NOT SIGN

**SAMPLE**

\_\_\_\_\_  
By: Jennie Funk

Its: Division Vice President

Dated: \_\_\_\_\_

## Certificate of Completion

Envelope Id: 3D881B4266124972AB0242F8AA070749	Status: Completed
Subject: Please DocuSign: (WA) Vancouver II CON MDA-The Vancouver Clinic 5-30-19 V6.pdf--URGENT!!!!	
Source Envelope:	
Document Pages: 38	Signatures: 11
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Kathy Hill
Time Zone: (UTC-07:00) Mountain Time (US & Canada)	2000 16th Street
	Denver, CO 80202
	kathy.hill@davita.com
	IP Address: 71.206.103.123

## Record Tracking

Status: Original	Holder: Kathy Hill	Location: DocuSign
5/31/2019 8:56:21 AM	kathy.hill@davita.com	

## Signer Events

Mark Mantei  
mmantei@tvc.org  
Security Level: Email, Account Authentication (None)

## Signature

DocuSigned by:  
*Mark Mantei*  
C893CF114324462...

Signature Adoption: Pre-selected Style  
Using IP Address: 162.223.126.16

## Timestamp

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Signed: 5/31/2019 5:20:54 PM

**Electronic Record and Signature Disclosure:**  
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ID: 8b15386e-0516-439d-b10b-de1864b58048

Jennie Funk  
jennie.funk@davita.com  
DVP  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
*Jennie Funk*  
923E8DF6860847B...

Signature Adoption: Pre-selected Style  
Using IP Address: 73.221.195.250

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Doyna V. Ballew  
doyna.ballew@davita.com  
Assistant General Counsel  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
*Doyna V. Ballew*  
F953732A721A434...

Signature Adoption: Pre-selected Style  
Using IP Address: 174.211.17.121  
Signed using mobile

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Signed: 5/31/2019 7:05:16 PM

**Electronic Record and Signature Disclosure:**  
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ID: 182dcb02-9615-4bfb-acd7-2d2b68dd0a51

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
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Medical Director Fees Medical.DirectorFees@davita.com Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Accepted: 4/5/2016 12:33:39 PM ID: 42911c8b-4f80-48e0-9501-3a6855fd2c0c	COPIED	Sent: 5/31/2019 7:05:18 PM
TQQC tqqc@davita.com Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Accepted: 8/9/2016 7:20:26 AM ID: c5bdce90-3465-4836-9574-1316003a5917	COPIED	Sent: 5/31/2019 7:05:18 PM

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/31/2019 7:05:18 PM
Certified Delivered	Security Checked	5/31/2019 7:05:18 PM
Signing Complete	Security Checked	5/31/2019 7:05:18 PM
Completed	Security Checked	5/31/2019 7:05:18 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, DaVita (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

**How to contact DaVita:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [emily.briggs@davita.com](mailto:emily.briggs@davita.com)

**To advise DaVita of your new e-mail address**

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at [jennifer.vanhyning@davita.com](mailto:jennifer.vanhyning@davita.com) and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

**To request paper copies from DaVita**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to [emily.briggs@davita.com](mailto:emily.briggs@davita.com) and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with DaVita**

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to [emily.briggs@davita.com](mailto:emily.briggs@davita.com) and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

**Required hardware and software**

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> <li>•Allow per session cookies</li> <li>•Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection</li> </ul>

\*\* These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

**Acknowledging your access and consent to receive materials electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify DaVita as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by DaVita during the course of my relationship with you.

## Appendix 4

### Patients by Zip Code

**Not Applicable to this Application**



# Appendix 5

## Letter of Intent



November 1, 2019

Certificate of Need Program  
Washington State Department of Health  
Attn: Nancy Tyson, Executive Director  
PO Box 47852  
Olympia, WA 98504-7852

Dear Ms. Tyson:

Total Renal Care, Inc., a subsidiary of DaVita Inc. (hereafter "DaVita"), hereby submits a letter of intent for Nonspecial Circumstances Cycle 2 to apply for a Certificate of Need to establish a new twenty-six (26) Certificate of Need-approved station, plus one (1) exempt isolation station, dialysis facility in the Clark County ESRD Planning Area (hereafter "Clark County"). In accordance with WAC 246-310-080 and 246-310-806, the following information is provided:

A Description of the Services Proposed:

DaVita proposes to establish a new twenty-six (26) station, plus one (1) Certificate of Need-exempt isolation station, dialysis facility that will provide and support in-center hemodialysis. Although it may not be necessary to provide this additional information in the LOI, in an abundance of caution we also note that this project will include creating the capability to offer home hemodialysis and peritoneal dialysis in the future at this facility.

Estimated Cost of the Proposed Project:

DaVita's capital expenditure associated with this project is estimated to be **\$3,764,121**.

Description of the Service Area:

The service area will be the Clark County ESRD Planning Area.

We look forward to continuing to serve dialysis patients in Washington.

Sincerely,

A handwritten signature in blue ink that reads "Rudy Lai".

Rudy Lai  
Director – Special Projects  
DaVita, Inc.

## Appendix 6

### Operational and Financial Commitment Letter



April 8, 2019

Ms. Janis Sigman, Program Manager  
Certificate of Need Program  
State of Washington Department of Health  
111 Israel Rd. SE  
Tumwater, WA 98501

Dear Ms. Sigman:

DaVita, Inc. is planning new projects for the Washington State area. The DaVita, Inc. Board of Directors has authorized management to make strategic investments in operations throughout the United States. The estimated capital expenditure for each project is outlined in a project specific capital expenditure summary and pro forma submitted with each Certificate of Need application. Each project will be funded with cash on hand that has been generated through operations. The capital expenditure is not an advance or loan and none of the parent company's debt will be assigned to the facility at any point after the project is complete.

As the Chief Operating Officer - Kidney Care for DaVita, Inc., I have the authority to both authorize individual Certificate of Need applications and commit DaVita to long-term lease agreements, consistent with the investment policies and financial controls that have been established for the corporation.

DaVita has authorized its Special Projects Director responsible for Washington State to submit Certificate of Need applications in that state.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Staffieri".

Michael Staffieri  
Chief Operating Officer - Kidney Care  
DaVita, Inc.

1-303-876-6007 office  
1-866-309-3548 fax

# Appendix 7

## Credentialed Staff

**Not Applicable to this Application**

## Appendix 8

### Historical & Current Financials

**Not Applicable to this Application**



## Appendix 9

### Detailed Projected Operating Statement (Pro Forma)

# Appendix 9

Pro-Forma Operating Statement

## DaVita Vancouver Camas Dialysis

	2023	2024	2025	2026
	Partial Year (Janua 2023	Full Year 2024	Full Year 2025	Full Year 2026
Years				
Total Stations (end of the year - excludes CON-exempt iso station)	26	26	26	26
Total Shifts	6	6	6	6
Total Chronic Capacity (end of year)	156	156	156	156
Total Chronic Patients (end of the year)	20	42	83	128
<i>% of Capacity</i>	12.8%	26.7%	53.3%	81.9%
Average Annual Chronic Patients (avg of beginning & end of year)	11	31	62	106
Total Chronic Treatments	1,560	4,565	9,248	15,635
Total Home Patients (end of the year)	0	0	0	0
Total Home Treatments	0	0	0	0
Total Patients	20	42	83	128
Total Treatments	1,560	4,565	9,248	15,635
<b>Revenue</b>				
Dialysis Revenue	\$ 716,650	\$ 2,096,415	\$ 4,247,282	\$ 7,180,902
EPO	\$ 31,815	\$ 93,067	\$ 188,552	\$ 318,785
Other	\$ 50,323	\$ 147,210	\$ 298,244	\$ 504,242
<b>Total Gross Revenue</b>	<b>\$ 798,788</b>	<b>\$ 2,336,692</b>	<b>\$ 4,734,078</b>	<b>\$ 8,003,930</b>
Charitable Care	\$ 10,384	\$ 30,377	\$ 61,543	\$ 104,051
<b>Total Net Revenue</b>	<b>\$ 788,404</b>	<b>\$ 2,306,315</b>	<b>\$ 4,672,535</b>	<b>\$ 7,899,879</b>
<b>Expenses</b>				
Salaries & Wages	\$ 368,330	\$ 785,951	\$ 1,399,955	\$ 2,237,410
Employee Benefits, Taxes & Non-Base	\$ 218,198	\$ 465,596	\$ 829,332	\$ 1,325,439
<b>Total Salaries, Wages &amp; Benefits</b>	<b>\$ 586,529</b>	<b>\$ 1,251,547</b>	<b>\$ 2,229,287</b>	<b>\$ 3,562,849</b>
Professional Dues	\$ 163	\$ 478	\$ 968	\$ 1,637
Medical Director	\$ 111,000	\$ 111,000	\$ 111,000	\$ 111,000
Medical Supplies	\$ 41,713	\$ 122,023	\$ 247,215	\$ 417,967
Pharmacy (Other Drugs)	\$ 9,700	\$ 28,376	\$ 57,489	\$ 97,197
EPO	\$ 35,040	\$ 102,502	\$ 207,666	\$ 351,102
Non-Medical Supplies	\$ 4,805	\$ 14,056	\$ 28,478	\$ 48,148
Utilities	\$ 11,410	\$ 33,377	\$ 67,621	\$ 114,327
Lab Tests	\$ 16,055	\$ 46,967	\$ 95,154	\$ 160,877
Repairs & Maintenance	\$ 13,028	\$ 38,111	\$ 77,212	\$ 130,542
Water Service	\$ 3,338	\$ 9,766	\$ 19,785	\$ 33,450
Other Purchased Services	\$ 3,511	\$ 10,272	\$ 20,810	\$ 35,184
Other Direct Expenses	\$ 8,901	\$ 26,039	\$ 52,755	\$ 89,194
Depreciation	\$ 347,850	\$ 347,850	\$ 347,850	\$ 347,850
Lease Expenses	\$ 274,500	\$ 549,000	\$ 569,375	\$ 597,900
Bad Debt	\$ 38,555	\$ 112,786	\$ 228,502	\$ 386,329
Taxes and Licenses	\$ 10,968	\$ 32,084	\$ 65,002	\$ 109,900
<b>Total Other Operating Expenses</b>	<b>\$ 930,539</b>	<b>\$ 1,584,686</b>	<b>\$ 2,196,881</b>	<b>\$ 3,032,603</b>
<b>Total Direct Expenses</b>	<b>\$ 1,517,068</b>	<b>\$ 2,836,234</b>	<b>\$ 4,426,168</b>	<b>\$ 6,595,452</b>
<b>Pre-G&amp;A EBIT</b>	<b>\$ (728,664)</b>	<b>\$ (529,918)</b>	<b>\$ 246,367</b>	<b>\$ 1,304,426</b>
G&A Allocation	\$ 77,179	\$ 225,771	\$ 457,406	\$ 773,339
EBIT	\$ (805,843)	\$ (755,689)	\$ (211,039)	\$ 531,087
EBITDA	\$ (457,993)	\$ (407,840)	\$ 136,811	\$ 878,937
<b>Initial Investment Expense</b>				
CapEx	\$ 3,764,121	\$ -	\$ -	\$ -
<b>Total Initial Investment Expense</b>	<b>\$ 3,764,121</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Cash Flows</b>	<b>\$ (3,764,121)</b>	<b>\$ (457,993)</b>	<b>\$ (407,840)</b>	<b>\$ 878,937</b>

## Assumptions:

**First Full Year:** 2024, based on a first patient date in January 2023.

**Total Stations:** CON Approved stations. One CON-exempt isolation station is also included in driving relevant category calculations (bio-med FTE, overall facility depreciation).

**Total Chronic Capacity:** 6 shift capacity of CON-approved stations is assumed to be 100% utilization.

**Patient Census Projections:** Census projections are based on a 5-year projection of planning area patients using a regression of 5 years historical data and DaVita's own experience and expertise. This is the same trend line (based on the Department's methodology as applied through 2023), but extended out through the projection period to project planning area census throughout. DaVita uses projected planning area census, existing planning area capacity, and additional market and experiential knowledge to project new facility census.

**Charity Care:** estimated at 1.3% of gross revenue, consistent with DaVita's historical experience.

**Total Treatments:** Total Treatment Volume is assumed to be based on average yearly census, a 5% missed treatment rate consistent with DaVita's own experience and expertise, and three treatments weekly for 52 weeks per year.

**Revenue per treatment:** No inflation is applied to revenue per treatment, which is based on the last full year of operation for the comparable facilities, 2018, and their payer mix.

**General expenses:** Based on cost per treatment for the last full calendar year (2018) for comparable facilities by category. This excludes lease expenses (noted below), depreciation expense (based on projected capital expenditures and existing depreciation), medical director expense (noted below), and labor costs (noted below).

**Cost inflation:** DaVita does not assume inflation in any expense category except where otherwise noted – no current contract cost increases are known except where otherwise noted, and thus are not included.

**Medical Director Expense:** based on contracted, known expenses in latest medical director agreement that runs through the extent of the three-year projection window.

**Lease Expense:** base rent for the projection period is directly pulled from the lease contract at \$40.75 per square foot for the first 5 lease years, rising by 2% annually. The first lease year is based on commencement in July 2020 – note that abatement occurs prior to the pro forma period. Tax and CAM are established at \$5.00 per square foot per the terms of the lease.

**Labor Assumptions:** Based on safe, fair, and efficient staffing ratios for projected census and required staff type. Benefits, taxes, and non-base pay are assumed at a rate of 59.24% of base salaries and wages based on 2018 comparable facility data. No inflation is assumed.

# Appendix 10

## Audited Financial Statement

SEC 10k – 2016, 2017, 2018

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-K**

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For the Fiscal Year Ended December 31, 2016

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

Commission File Number: 1-14106

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**DAVITA INC.**

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2000 16th Street  
Denver, Colorado 80202  
Telephone number (303) 405-2100

Delaware  
(State of incorporation)

51-0354549  
(I.R.S. Employer  
Identification No.)

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

Class of Security:  
Common Stock, \$0.001 par value

Registered on:  
New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) 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 (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of June 30, 2016, the number of shares of the Registrant's common stock outstanding was approximately 206.9 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 \$16.0 billion.

As of January 31, 2017, the number of shares of the Registrant's common stock outstanding held by non-affiliates was approximately 194.6 million shares.

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**Documents incorporated by reference**

Portions of the Registrant's proxy statement for its 2017 annual meeting of stockholders are incorporated by reference in Part III of this Form 10-K.

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## PART I

### Item 1. Business

*We were incorporated as a Delaware corporation in 1994. Our 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 our website, located at <http://www.davita.com>, as soon as reasonably practicable after the reports are filed with or furnished to the Securities and Exchange Commission (SEC). The SEC also maintains a website at <http://www.sec.gov> where these reports and other information about us can be obtained. The contents of our website are not incorporated by reference into this report.*

#### Overview of DaVita Inc.

The Company consists of two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG, formerly known as HealthCare Partners or HCP). Kidney Care is comprised of our U.S. dialysis and related lab services, our ancillary services and strategic initiatives, including our international operations and our corporate administrative support. Our U.S. dialysis and related lab services business is our largest line of business, which is a leading provider of kidney dialysis services in the U.S. for patients suffering from chronic kidney failure, also known as end stage renal disease (ESRD). Our DMG division is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of providing coordinated, outcomes-based medical care in a cost-effective manner.

For financial information about our reportable segments see Note 25 to the consolidated financial statements included in this report.

#### Kidney Care Division

##### *U.S. dialysis and related lab services business overview*

Our U.S. dialysis and related lab services business is a leading provider of kidney dialysis services for patients suffering from ESRD. As of December 31, 2016, we provided dialysis and administrative services in the U.S. through a network of 2,350 outpatient dialysis centers in 46 states and the District of Columbia, serving a total of approximately 187,700 patients. We also provide acute inpatient dialysis services in approximately 900 hospitals and related laboratory services throughout the U.S. All references in this document to dialysis and related lab services refer only to our U.S. dialysis and related lab services business.

The loss of kidney function is normally irreversible. Kidney failure is typically caused by Type I and Type II diabetes, high blood pressure, polycystic kidney disease, long-term autoimmune attack on the kidney and prolonged urinary tract obstruction. ESRD is the stage of advanced kidney impairment that requires continued dialysis treatments or a kidney transplant to sustain life. Dialysis is the removal of toxins, fluids and salt from the blood of patients by artificial means. Patients suffering from ESRD generally require dialysis at least three times a week for the rest of their lives.

According to the United States Renal Data System, there were approximately 477,000 ESRD dialysis patients in the U.S. in 2014. The underlying ESRD dialysis patient population has grown at an approximate compound rate of 3.8% from 2000 to 2014, the latest period for which such data is available. The growth rate is attributable to the aging of the U.S. 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.

Since 1972, the federal government has provided healthcare coverage for ESRD patients under the Medicare ESRD program regardless of age or financial circumstances. ESRD is the first and only disease state eligible for Medicare coverage both for dialysis and dialysis-related services and for all benefits available under the Medicare program. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate. See page 5 for further details.

Although Medicare reimbursement limits the allowable charge per treatment, it provides industry participants with a relatively predictable and recurring revenue stream for dialysis services provided to patients without commercial insurance. For the year ended December 31, 2016, approximately 88% of our total dialysis patients were covered under some form of government-based programs, with approximately 75% of our dialysis patients covered under Medicare and Medicare-assigned plans.

##### *Treatment options for ESRD*

Treatment options for ESRD are dialysis and kidney transplantation.

## *Dialysis options*

- *Hemodialysis*

Hemodialysis, the most common form of ESRD treatment, is usually performed at a freestanding outpatient dialysis center, at a hospital-based outpatient center, or at the patient's 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 back into the patient's body. Each hemodialysis treatment that occurs in the outpatient dialysis centers typically lasts approximately three and one-half hours and is usually performed three times per week.

Hospital inpatient hemodialysis services are required for patients with acute kidney failure primarily resulting from trauma, patients in early stages of ESRD and ESRD patients who require hospitalization for other reasons. Hospital inpatient hemodialysis is generally performed at the patient's bedside or in a dedicated treatment room in the hospital, as needed.

Some ESRD patients who are healthier and more independent may perform home-based hemodialysis in their home or residence through the use of a hemodialysis machine designed specifically for home therapy that is portable, smaller and easier to use. Patients receive training, support and monitoring from registered nurses, usually in our outpatient dialysis centers, in connection with their dialysis treatment. Home-based hemodialysis is typically performed with greater frequency than dialysis treatments performed in outpatient dialysis centers and on varying schedules.

- *Peritoneal dialysis*

Peritoneal dialysis uses the patient's peritoneal or abdominal cavity to eliminate fluid and toxins and is typically performed at home. The most common methods of peritoneal dialysis are continuous ambulatory peritoneal dialysis (CAPD), and continuous cycling peritoneal dialysis (CCPD). Because it does not involve going to an outpatient dialysis center three times a week for treatment, peritoneal dialysis is an alternative to hemodialysis for patients who are healthier, more independent and desire more flexibility 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.

## *Kidney transplantation*

Although kidney 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.

## ***Dialysis and related lab services we provide***

### *Outpatient hemodialysis services*

As of December 31, 2016, we operated or provided administrative services through a network of 2,350 outpatient dialysis centers in the U.S. that are designed specifically for outpatient hemodialysis. In 2016, our overall network of U.S. outpatient dialysis centers increased by 99 primarily as a result of the opening of new dialysis centers, net of center closures and divestitures, and acquisitions, representing a total increase of approximately 4.4% from 2015.

As a condition of our enrollment in Medicare for the provision of dialysis services, we contract with a nephrologist or a group of associated nephrologists to provide medical director services at each of our dialysis 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.

Under Medicare regulations, we cannot promote, develop or maintain any kind of contractual relationship with our patients that would directly or indirectly obligate a patient to use or continue to use our dialysis services, or that would give us any preferential rights other than those related to collecting payments for our dialysis services. Our total patient turnover, which is based upon all causes, averaged approximately 25% in both 2016 and 2015. However, in 2016, the overall number of patients to whom we provided services in the U.S. increased by approximately 4.5% from 2015, primarily from the opening of new dialysis centers and acquisitions, and continued growth within the industry.

#### *Hospital inpatient hemodialysis services*

As of December 31, 2016, we provided hospital inpatient hemodialysis services, excluding physician services, to patients in approximately 900 hospitals throughout the U.S. We render these services based on a contracted per-treatment fee that is 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, as needed. In 2016, hospital inpatient hemodialysis services accounted for approximately 4.7% of our U.S. dialysis revenues and 4.0% of our total U.S. dialysis treatments.

#### *Home-based hemodialysis services*

Many of our outpatient dialysis centers offer certain support services for dialysis patients who prefer and are able to perform either home-based hemodialysis or peritoneal dialysis in their homes. Home-based hemodialysis support services consist of providing equipment and supplies, training, patient monitoring, on-call support services and follow-up assistance. Registered nurses train patients and their families or other caregivers to perform either home-based hemodialysis or peritoneal dialysis.

#### *ESRD laboratory services*

We own two separately incorporated, licensed, clinical laboratories which specialize in ESRD patient testing. These specialized laboratories provide routine laboratory tests for dialysis and other physician-prescribed laboratory tests for ESRD patients and are an integral component of overall dialysis services that we provide. Our laboratories provide these tests predominantly for our network of ESRD patients throughout the U.S. These tests are performed to monitor a patient's ESRD condition, including the adequacy of dialysis, as well as other medical conditions of the patient. Our laboratories utilize information systems which provide information to certain members of the dialysis centers' staff and medical directors regarding critical outcome indicators.

#### *Management services*

We currently operate or provide management and administrative services pursuant to management and administrative services agreements to 34 outpatient dialysis centers located in the U.S. in which we either own a noncontrolling interest or are wholly-owned by third parties. Management fees are established by contract and are recognized as earned typically based on a percentage of revenues or cash collections generated by the outpatient dialysis centers.

#### *Quality care*

Centers for Medicare and Medicaid Services' (CMS) Five-Star Quality Rating system, is a rating system that assigns one to five stars to rate the quality of outcomes for dialysis facilities. The rating system provides patients reported information about any given dialysis facility and identifies differences in quality between facilities so that patients can make more informed decisions about where to receive treatment. For the third consecutive year, we are a leader in the industry under the CMS Five-Star Quality Rating system.

In addition, CMS promotes high quality services in outpatient dialysis facilities treating patients with ESRD through its Quality Incentive Program (QIP). QIP associates a portion of payment directly with a facility's performance on quality of care measures. Payment reductions result when a facility's overall score on applicable measures does not meet established standards. For the fourth year in a row, we are an industry leader in QIP standards.

Our facilities employ registered nurses, licensed practical or vocational nurses, patient care technicians, social workers, registered dietitians, biomedical technicians and other administrative and support teammates whom aim to achieve superior clinical outcomes at our centers.

Our physician leadership in the Office of the Chief Medical Officer (OCMO) for our dialysis and related lab services business includes 13 senior nephrologists, led by our Chief Medical Officer, with a variety of academic, clinical practice, and clinical research backgrounds. Our Physician Council is an advisory body to senior management composed of nine physicians with extensive experience in clinical practice. In addition, we currently have nine Group Medical Directors.

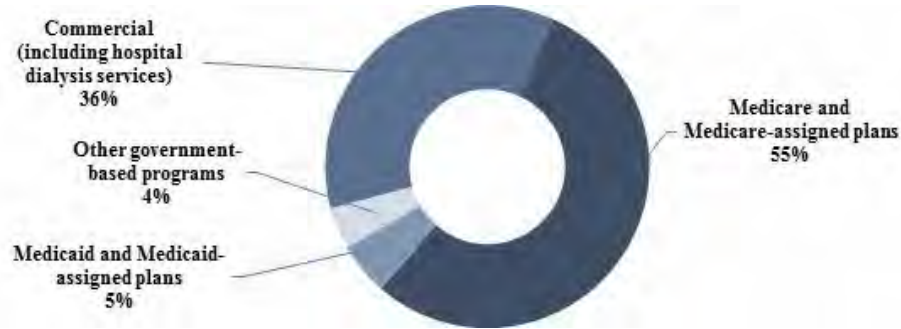


**Sources of revenue—concentrations and risks**

Our U.S. dialysis and related lab services business net revenues represent approximately 62% of our consolidated net revenues for the year ended December 31, 2016. Our U.S. dialysis and related lab services revenues are derived primarily from our core business of providing dialysis services and related laboratory services and, to a lesser extent, the administration of pharmaceuticals and management fees generated from providing management and administrative services to certain outpatient dialysis centers, as discussed above.

The sources of our dialysis and related lab services revenues are principally from government-based programs, including Medicare and Medicare-assigned plans, Medicaid and Medicaid-assigned plans and commercial insurance plans.

The following graph summarizes our U.S. dialysis services revenues by source for the year ended December 31, 2016:



The following graph summarizes our U.S. dialysis services revenues by modality for the year ended December 31, 2016:



**Medicare revenue**

Government dialysis related payment rates in the U.S. are principally determined by federal Medicare and state Medicaid policy. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate which provides a fixed payment rate to encompass all goods and services provided during the dialysis treatment, including certain pharmaceuticals, such as Epogen® (EPO), vitamin D analogs and iron supplements, irrespective of the level of pharmaceuticals administered to the patient or additional services performed. Most lab services are also included in the bundled payment. Under the ESRD Prospective Payment System (PPS), the bundled payments to a dialysis facility may be reduced by as much as 2% based on the facility’s performance in specified quality measures set annually by CMS through QIP, which was established by the Medicare Improvements for Patients and Providers Act of 2008. The bundled payment rate is also adjusted for certain patient characteristics, a geographic usage index and certain other factors.

An important provision in the law is an annual adjustment, or market basket update, to the PPS base rate. Absent action by Congress, the PPS base rate is automatically updated annually by a formulaic inflation adjustment. In December 2013, CMS issued the 2014 final rule for the ESRD PPS, which phases in the payment reductions mandated by the American Taxpayer Relief Act of 2012 (ATRA), as modified by the Protecting Access to Medicare Act of 2014, which reduced our market basket inflation adjustment by

1.25% in 2016 and will reduce our market basket inflation adjustment by 1.25% in 2017 and by 1% in 2018. In November 2016, CMS published the 2017 final rule for the ESRD PPS, which increased dialysis facilities' bundled payment rate for 2017 relative to prior years. In particular, CMS projects that the 2017 final rule for the ESRD PPS will (i) increase the total payments to all ESRD facilities by 0.73% in 2017 compared to 2016; (ii) increase total payments to hospital-based ESRD facilities by 0.9% in 2017 compared to 2016; and (iii) increase total payments for freestanding facilities by 0.7% in 2017 compared to 2016. The 2017 final rule for the ESRD PPS also implements the Trade Preferences Extension Act of 2015 provisions regarding the coverage and payment of renal dialysis services furnished by ESRD facilities to individuals with acute kidney injury.

As a result of the Budget Control Act of 2011 (BCA) and subsequent activity in Congress, a \$1.2 trillion sequester (across-the-board spending cuts) in discretionary programs took effect in 2013 reducing Medicare payments by 2%, which was subsequently extended through fiscal year 2025. These across-the-board spending cuts have affected and will continue to adversely affect our revenues, earnings and cash flows.

The CMS Center for Medicare & Medicaid Innovation Center (Innovation Center) is currently working with various healthcare providers to develop, refine and implement Accountable Care Organizations (ACOs) and other innovative models of care for Medicare and Medicaid beneficiaries. We are currently uncertain of the extent to which the long-term operation and evolution of these models of care, including ACOs, Bundled Payments for Care Improvement Initiative, Comprehensive ESRD Care (CEC) Model (which includes the development of ESRD Seamless Care Organizations (ESCOs)), the Comprehensive Primary Care Initiative, the Duals Demonstration, or other models, will impact the healthcare market over time. Our U.S. dialysis business may choose to participate in one or several of these models either as a partner with other providers or independently. We currently participate in the CEC Model with the Innovation Center, including the ESCO organizations in the Arizona, Florida, and adjacent New Jersey and Pennsylvania markets. In areas where our U.S. dialysis business is not directly participating in this or other Innovation Center models, some of our patients may be assigned to an ACO, another ESRD Care Model, or another program, in which case the quality and cost of care that we furnish will be included in an ACO's, another ESRD Care Model's or other program's calculations.

The Department of Health and Human Services (HHS) has also pledged to tie 50% of Medicare payments to quality or alternate payment models by the end of 2018. As new models of care emerge and evolve, we may be at risk for losing our Medicare patient base, which would have a materially adverse effect on our revenues, earnings and cash flow. Other initiatives in the government or private sector may also arise, including the development of models similar to ACOs, independent practice associations (IPAs) and integrated delivery systems or evolutions of those concepts which could adversely impact our business.

We anticipate that we will continue to experience increases in our operating costs in 2017 that will outpace any net Medicare rate increases that we may receive, which could significantly impact our operating results. In addition, we expect to continue experiencing increases in operating costs that are subject to inflation, such as labor and supply costs, regardless of whether there is a compensating inflation-based increase in Medicare payment rates or in payments under the bundled payment rate system.

ESRD patients receiving dialysis services become eligible for primary Medicare coverage at various times, depending on their age or disability status, as well as whether they are covered by a commercial insurance plan. Generally, for a patient not covered by a commercial insurance plan, Medicare becomes the primary payor for ESRD patients receiving dialysis services either immediately or after a three-month waiting period. For a patient covered by a commercial insurance plan, Medicare generally becomes the primary payor after 33 months, which includes the three-month waiting period, or earlier if the patient's commercial insurance plan coverage terminates. When Medicare becomes the primary payor, the payment rates we receive for that patient shift from the commercial insurance plan rates to Medicare payment rates, which are significantly lower than commercial insurance rates.

Medicare pays 80% of the amount set by the Medicare system for each covered dialysis treatment. The patient is responsible for the remaining 20%. 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 through a program offered by the American Kidney Fund. If a patient does not have secondary insurance coverage, we are generally unsuccessful in our efforts to collect from the patient the remaining 20% portion of the ESRD composite rate that Medicare does not pay. However, we are able to recover some portion of this unpaid patient balance from Medicare through an established cost reporting process by identifying these Medicare bad debts on each center's Medicare cost report.

The 21st Century Cures Act, enacted in December 2016, included a provision that will allow Medicare beneficiaries with ESRD to choose a Medicare Advantage plan. Until the effective date of this law, this choice is available only to Medicare beneficiaries without ESRD. The ESRD related provisions of the 21st Century Cures Act are scheduled to take effect in 2021.

### *Medicaid revenue*

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. These programs also serve as supplemental insurance programs for co-insurance payments due from Medicaid-eligible patients with primary coverage under the Medicare program. Some Medicaid programs also pay for additional services, including some oral medications that are not covered by Medicare. We are enrolled in the Medicaid programs in the states in which we conduct our business.

### *Commercial revenue*

Before a patient becomes eligible to have Medicare as their primary payor for dialysis services, a patient's commercial insurance plan, if any, is responsible for payment of such dialysis services for the first 33 months, as discussed above. Although commercial payment rates vary, average commercial payment rates established under commercial contracts are generally significantly higher than Medicare rates. The payments we receive from commercial payors generate nearly all of our profits. Payment methods from commercial payors can include a single lump-sum per treatment, referred to as bundled rates, or in other cases separate payments for dialysis treatments and pharmaceuticals, if used as part of the treatment, referred to as Fee-for-Service (FFS) rates. Commercial payment rates are the result of negotiations between us and insurers or third-party administrators. Our out-of-network payment rates are on average higher than in-network commercial contract payment rates. We continue to enter into some commercial contracts, covering certain patients that will primarily pay us under a single bundled payment rate for all dialysis services provided to these patients. However, some contracts will pay us for certain other services and pharmaceuticals in addition to the bundled payment. These contracts typically contain annual price escalator provisions. We are continuously in the process of negotiating agreements with our commercial payors and if our negotiations result in overall commercial contract payment rate reductions in excess of our commercial contract payment rate increases, our revenues and operating results could be negatively impacted. In addition, if there is an increase in job losses in the U.S., or depending upon changes to the healthcare regulatory system by CMS and/or the impact of healthcare insurance exchanges, we could experience a decrease in the number of patients covered under traditional commercial insurance plans. Patients with commercial insurance who cannot otherwise maintain coverage frequently rely on financial assistance from charitable organizations, such as the American Kidney Fund. If these patients are unable to obtain or continue to receive such financial assistance, our revenues, earnings, and cash flow could be substantially reduced.

Approximately 31% of our dialysis services revenues and approximately 12% of our dialysis treatments and patients are associated with non-acute commercial payors for the year ended December 31, 2016. Non-acute commercial patients as a percentage of our total dialysis patients increased 1% as compared to 2015. Less than 1% of our dialysis and related lab services revenues are due directly from patients. There is no single commercial payor that accounted for more than 10% of total dialysis and related lab services revenues for the year ended December 31, 2016. See Note 23 to the consolidated financial statements included in this report for disclosure on our concentration related to our commercial payors on a total consolidated net revenue basis.

The healthcare reform legislation enacted in 2010 introduced healthcare insurance exchanges which provide a marketplace for eligible individuals and small employers to purchase healthcare insurance. The business and regulatory environment continues to evolve as the exchanges mature, and regulations are challenged, changed and enforced. If commercial payor participation in the exchanges continues to decrease, our revenues, earnings and cash flows could be adversely affected. Although we cannot predict the short- or long-term effects of these factors, we believe the healthcare insurance exchanges could result in a reduction in ESRD patients covered by traditional commercial insurance policies and an increase in the number of patients covered through the exchanges under more restrictive commercial plans with lower reimbursement rates or higher deductibles and co-payments that patients may not be able to pay. To the extent that the ongoing implementation of such exchanges or changes in regulations or enforcement of regulations regarding the exchanges results in a reduction in reimbursement rates for our services from commercial and/or government payors, our revenues, earnings and cash flows could be adversely affected.

In addition, CMS published an interim final rule that establishes new Conditions for Coverage standards for dialysis facilities that require any facility making payments of premiums for individual market health plans to notify patients of potential coverage options and educate them about the benefits of each option. The interim final rule requires facilities to ensure that insurers are informed of and have agreed to accept the payments. On January 25, 2017, the federal court issued a preliminary injunction on CMS's interim final rule. At this time CMS has not appealed the court's ruling and we await the final decision from the court. This and any other guidance or rule issued that limits or prohibits the use of charitable premium assistance and/or the ability of patients with access to alternative coverage from selecting a marketplace plan on or off exchange could have a material adverse effect on our revenue, earnings and cash flows.

### *Revenue from other pharmaceuticals and EPO*

The impact of physician-prescribed pharmaceuticals on our overall revenues that are separately billable has significantly decreased since Medicare's single bundled payment system went into effect beginning in January 2011, as well as some additional

commercial contracts that pay us a single bundled payment rate. Approximately 2% of our total dialysis and related lab services revenues for the years ended December 31, 2016 and 2015, are associated with the administration of separately-billable physician-prescribed pharmaceuticals. Of this, the administration of EPO that was separately billable, accounted for approximately half of our separately billable pharmaceuticals of our dialysis and related lab services revenues for both years. EPO is produced by a single manufacturer, Amgen USA Inc. (Amgen). In January 2017, we entered into a six year Sourcing and Supply Agreement with Amgen that expires on December 31, 2022, replacing our prior agreement that was to expire in 2018. Under the terms of the agreement, we will purchase EPO in amounts necessary to meet no less than 90% of our requirements for ESAs. The actual amount of EPO that we will purchase from Amgen will depend upon the amount of EPO administered during dialysis as prescribed by physicians and the overall number of patients that we serve. Any interruption in the supply of EPO or product cost increases could impact our operations.

Evaluations on the utilization and reimbursement for erythropoiesis stimulating agents (ESAs), like EPO, which have occurred in the past and may occur in the future, and related actions by the U.S. Congress and federal agencies, could result in further restrictions on the utilization and reimbursement for ESAs. Additionally, commercial payors have also increasingly examined their administration policies for EPO and, in some cases, have modified those policies. Changes in labeling of EPO and other pharmaceuticals in a manner that alters physician practice patterns or accepted clinical practices, changes in private and governmental payment criteria, including the introduction of EPO administration policies or the conversion to alternate types of administration of EPO or other pharmaceuticals that result in further decreases in utilization of EPO for patients covered by commercial payors, which pay for pharmaceuticals separately, could have a material impact on our operating results. Further increased utilization of EPO for patients for whom the cost of EPO is included in a bundled reimbursement rate could also have a material impact on our operating results.

### *Physician relationships*

An ESRD patient generally seeks treatment at an outpatient dialysis center near his or her home where 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 our dialysis operations. Approximately 5,100 nephrologists currently refer patients to our outpatient dialysis centers. As is typical in the dialysis industry, one or a few physicians, including the outpatient dialysis center's medical director, usually account for all or a significant portion of an outpatient dialysis center's patient base.

Participation in the Medicare ESRD program requires that dialysis services at an outpatient dialysis center be under the general supervision of a medical director who is a licensed physician. We have engaged physicians or groups of physicians to serve as medical directors for each of our outpatient dialysis centers. At some outpatient dialysis centers, we also separately contract with one or more other physicians to serve as assistant or associate medical directors or to direct specific programs, such as home dialysis training programs. We have approximately 970 individual physicians and physician groups under contract to provide medical director services.

Medical directors for our dialysis centers enter into written contracts with us that specify their duties and fix their compensation generally for periods of 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, responsibilities, professional qualifications and experience, among others.

Our medical director contracts for our dialysis centers generally include covenants not to compete. Also, except as described below, when we acquire an outpatient dialysis center from one or more physicians or where one or more physicians own minority interests in our outpatient dialysis centers, these physicians have agreed to refrain from owning interests in other competing outpatient dialysis centers within a defined geographic area for various time periods. These non-compete agreements restrict the physicians from owning or providing medical director services to other outpatient dialysis centers, but do not prohibit the physicians from referring patients to any outpatient dialysis center, including competing centers. Many of these non-compete agreements continue for a period of time beyond expiration of the corresponding medical director agreements, although some expire at the same time as the medical director agreement. Occasionally, we experience competition from a new outpatient dialysis center established by a former medical director following the termination of his or her relationship with us. As part of our Corporate Integrity Agreement (CIA), as described below, we also have agreed not to enforce investment non-compete restrictions relating to dialysis clinics or programs that were established pursuant to a partial divestiture joint venture transaction. Therefore, to the extent a joint venture partner or medical director has a contract(s) with us covering dialysis clinics or programs that were established pursuant to a partial divestiture, we will not enforce the investment non-compete provision relating to those clinics and/or programs.

If a significant number of physicians, including an outpatient dialysis center's medical directors, were to cease referring patients to our outpatient dialysis centers, our business could be adversely affected.

### *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 payment programs, dialysis facilities and equipment, management of centers, personnel qualifications, maintenance of proper records, and quality assurance programs and patient care.

Because we are subject to a number of governmental regulations, our business could be adversely impacted by any of the following:

- Loss or suspension of required government certifications;
- Loss or suspension of licenses under the laws of any state or governmental authority from which we generate substantial revenues;
- Suspension or termination of our participation in government healthcare programs;
- Exclusion from government healthcare programs, including Medicare and Medicaid;
- Significant reductions or lack of inflation-adjusted increases in payment rates or reduction of coverage for dialysis and ancillary services and related pharmaceuticals;
- Civil or criminal liability, fines, damages and monetary penalties for violations of healthcare fraud and abuse laws, including the federal Anti-Kickback Statute, the Physician Self-Referral law (Stark Law), the federal False Claims Act (FCA) and other violations of law or failures to meet regulatory requirements;
- Enforcement actions by governmental agencies and/or claims for monetary damages from patients who believe their protected health information (PHI) or other confidential health information has been used or disclosed in violation of federal and state patient privacy laws;
- Mandated changes to our practices or procedures that significantly increase operating expenses;
- Refunds of payments received from government payors and government healthcare program beneficiaries in violation of law or because of any failures to meet applicable requirements;
- Imposition of and compliance with corporate integrity agreements that could subject us to ongoing audits and reporting requirements as well as increased scrutiny of our billing and business practices and potential fines;
- Termination of relationships with medical directors; or
- Harm to our reputation which could impact our business relationships, affect our ability to obtain financing and decrease access to new business opportunities.

We expect that 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. This regulation and scrutiny could have a material adverse impact on us.

### *Licensure and certification*

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

To date, we have not experienced significant difficulty in maintaining our licenses or enrolling in state Medicaid programs. However, we have experienced some delays in obtaining Medicare certifications from CMS.

## *Federal Anti-Kickback Statute*

The federal anti-kickback statute contained in the Social Security Act of 1935, as amended (Anti-Kickback Statute), prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration, directly or indirectly, in cash or kind, to induce or reward either the referral of an individual for, or the purchase, or order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid.

Federal criminal penalties for the violation of the federal Anti-Kickback Statute include imprisonment, fines and exclusion of the provider from future participation in the federal healthcare programs, including Medicare and Medicaid. Violations of the federal Anti-Kickback Statute are punishable by imprisonment for up to five years and fines of up to \$25,000 or both. Larger fines can be imposed upon corporations under the provisions of the U.S. Sentencing Guidelines and the Alternate Fines Statute. Individuals and entities convicted of violating the federal Anti-Kickback Statute are subject to mandatory exclusion from participation in Medicare, Medicaid and other federal healthcare programs for a minimum of five years. Civil penalties for violation of this law 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. Court decisions have held that the statute may be violated even if only one purpose of remuneration is to induce referrals. The Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010 (Affordable Care Act (ACA)) amended the federal Anti-Kickback Statute to clarify the intent that is required to prove a violation. Under the statute as amended, the defendant does not need to have actual knowledge of the federal Anti-Kickback Statute or have the specific intent to violate it. In addition, the ACA amended the federal Anti-Kickback Statute to provide that any claims for items or services resulting from a violation of the federal Anti-Kickback Statute are considered false or fraudulent for purposes of the FCA.

The federal Anti-Kickback Statute includes statutory exceptions and regulatory safe harbors that protect certain arrangements. Business transactions and arrangements that are structured to comply fully with an applicable safe harbor do not violate the federal Anti-Kickback Statute. However, transactions and arrangements that do not satisfy all elements of a relevant safe harbor do not necessarily violate the law. When an arrangement does not satisfy a safe harbor, the arrangement must be evaluated on a case-by-case basis in light of the parties' intent and the arrangement's potential for abuse. Arrangements that do not satisfy a safe harbor may be subject to greater scrutiny by enforcement agencies.

We enter into several arrangements with physicians that potentially implicate the Anti-Kickback Statute, such as:

*Medical Director Agreements.* Because our medical directors refer patients to our dialysis centers, our arrangements with these physicians are designed to substantially comply with the safe harbor for personal service arrangements. Although the Medical Director Agreements we enter into with physicians substantially comply with the safe harbor for personal service arrangements, including the requirement that compensation be consistent with fair market value, the safe harbor requires that when services are provided on a part-time basis, the agreement must specify the schedule of intervals of services, and their precise length and the exact charge for such services. Because of the nature of our medical directors' duties, it is impossible to fully satisfy this technical element of the safe harbor. We believe that our fair market value arrangements with physicians who serve as medical directors do not violate the federal Anti-Kickback Statute; however, these arrangements could be subject to scrutiny since they do not expressly describe the schedule of part-time services to be provided under the arrangement.

*Joint Ventures.* We own a controlling interest in numerous U.S. dialysis related joint ventures. For the year ended December 31, 2016, these joint ventures represented approximately 24% of our dialysis and related lab services revenues. We may continue to increase the number of our joint ventures. Our relationships with physicians and other referral sources relating to these joint ventures do not fully satisfy the safe harbor for investments in small entities. Although failure to comply with a safe harbor does not render an arrangement illegal under the federal Anti-Kickback Statute, an arrangement that does not operate within a safe harbor may be subject to scrutiny and the Department of Health and Human Services' Office of Inspector General (OIG) has warned in the past that certain joint venture relationships have a potential for abuse. Based upon the foregoing, physician joint ventures that fall outside the safe harbors are not, by definition, prohibited by law. Instead, such joint ventures require case-by-case evaluation under the federal Anti-Kickback Statute.

In this regard, we have structured our joint ventures to satisfy as many elements of the safe harbor for investments in small entities as we believe are commercially reasonable. For example, we believe that these investments are offered and made by us on a fair market value basis and provide returns to the investors in proportion to their actual investment in the venture. We believe that our joint venture arrangements do not violate the federal Anti-Kickback Statute; however, since the arrangements do not satisfy all of the requirements of an applicable safe harbor, these arrangements could be subject to challenge on the ground that they are intended to induce patient referrals. In that regard, we were subject to investigation by the United States Attorney's Office for the District of Colorado, the Civil Division of the United States Department of Justice (DOJ) and the OIG related to our relationships with physicians, including our joint ventures, and whether those relationships and joint ventures comply with the federal Anti-Kickback Statute and the FCA. In October 2014, we entered into a Settlement Agreement with the United States and relator David Barbeta to

resolve the then pending 2010 and 2011 U.S. Attorney physician relationship investigations. In connection with the resolution of this matter, and in exchange for the OIG's agreement not to exclude us from participating in the federal healthcare programs, we have entered into a five-year CIA with the OIG. The CIA (i) requires that we maintain certain elements of our compliance programs; (ii) imposes certain expanded compliance-related requirements during the term of the CIA; (iii) requires ongoing monitoring and reporting by an independent monitor, imposes certain reporting, certification, records retention and training obligations, allocates certain oversight responsibility to the Board's Compliance Committee, and necessitates the creation of a Management Compliance Committee and the retention of an independent compliance advisor to the Board; and (iv) contains certain business restrictions related to a subset of our joint venture arrangement. The costs associated with compliance with the CIA could be substantial and may be greater than we currently anticipate. In addition, in the event of a breach of the CIA, we could become liable for payment of certain stipulated penalties, and could be excluded from participation in federal healthcare programs.

*Lease Arrangements.* We lease space for numerous dialysis centers from entities in which physicians, hospitals or medical groups hold ownership interests, and we sublease space to referring physicians at approximately 250 of our dialysis centers as of December 31, 2016. These arrangements comply with the federal Anti-Kickback Statute safe harbor for space rentals in all material respects. Therefore, we believe that these lease arrangements should not be subject to challenge under the federal Anti-Kickback Statute.

*Common Stock.* Some medical directors and other referring physicians may own our common stock. We believe that these interests materially satisfy the requirements of the Anti-Kickback Statute safe harbor for investments in large publicly traded companies. Therefore, we believe that these investments should not be subject to challenge under the federal Anti-Kickback Statute.

*Discounts.* Our dialysis centers sometimes acquire certain items and services that may be reimbursed by a federal healthcare program at a discount. We believe that our vendor contracts that include discount or rebate provisions are in compliance with the federal Anti-Kickback Statute safe harbor for discounts, and accordingly, we believe that our discounted vendor contracts should not be subject to challenge under the federal Anti-Kickback Statute.

If any of our business transactions or arrangements, including those described above, were found to violate the federal Anti-Kickback Statute, we could face criminal, civil or administrative sanctions, including possible exclusion from participation in Medicare, Medicaid and other state and federal healthcare programs. Any findings that we have violated these laws could have a material adverse impact on our operations.

#### *Stark Law*

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 providing Designated Health Services (DHS), from referring Medicare and Medicaid patients to such entities for the furnishing DHS, unless an exception applies. DHS includes enumerated items and services, including home health services, outpatient prescription drugs, inpatient and outpatient hospital services and clinical laboratory services. The types of financial arrangements between a physician and a DHS entity that trigger the self-referral prohibitions of the Stark Law are broad and include direct and indirect ownership and investment interests and compensation arrangements. The Stark Law also prohibits the DHS entity receiving a prohibited referral from presenting, or causing to be presented, 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; unlike the federal Anti-Kickback Statute, intent to induce referrals is not required. Sanctions for violation of the Stark Law include denial of payment for claims for services provided in violation of the prohibition, refunds of amounts collected in violation of the prohibition, a civil penalty of up to \$15,000 for each service arising out of the prohibited referral, a civil penalty of up to \$100,000 against parties that enter into a scheme to circumvent the Stark Law prohibition, civil assessment of up to three times the amount claimed, and potential exclusion from the federal healthcare programs, including Medicare and Medicaid. Amounts collected for prohibited claims must be reported and refunded generally within 60 days after the date on which the overpayment was identified. Furthermore, Stark Law violations and failure to return overpayments timely can form the basis for FCA liability as discussed below.

The definition of DHS under the Stark Law excludes services paid under a composite rate, even if some of the components bundled in the composite rate are DHS, unless the DHS services are themselves payable through a composite rate. Although the ESRD bundled payment system is no longer titled a composite rate, we believe that the former composite rate payment system and the current bundled system are both composite systems excluded from the Stark Law. Since most services furnished to Medicare beneficiaries provided in our dialysis centers are reimbursed through a composite or bundled rate, the services performed in our facilities generally are not DHS, and the Stark Law referral prohibition does not apply to those services. Likewise, the definition of inpatient hospital services, for purposes of the Stark Law, also excludes inpatient dialysis performed in hospitals that are not certified to provide ESRD services. Consequently, our arrangements with such hospitals for the provision of dialysis services to hospital inpatients do not trigger the Stark Law referral prohibition.

In addition, although prescription drugs are DHS, there is an exception in the Stark Law for EPO and other specifically enumerated dialysis drugs when furnished in or by an ESRD facility such that the arrangement for the furnishing of the drugs does not violate the federal Anti-Kickback Statute, and all billing and claims submission for the drugs does not violate any laws or regulations governing billing or claims submission. The exception is available only for drugs included on a list of Current Procedural Terminology/Healthcare Common Procedure Coding System (CPT/HCPCS) codes published by CMS, and for EPO, Aranesp® and equivalent drugs dispensed by the ESRD facility for use at home. While we believe that most drugs furnished by our dialysis centers are covered by the exception, dialysis centers may administer drugs that are not on the list of CPT/HCPCS codes and therefore do not meet this exception. In order for a physician who has a financial relationship with a dialysis center to order one of these drugs from the center and for the center to obtain Medicare reimbursement, another exception must apply.

We have entered into several types of financial relationships with referring physicians, including compensation arrangements. If an arrangement does not meet a Stark Law exception, we could in the future be required to change our practices, face civil penalties, pay substantial fines, return certain payments received from Medicare and beneficiaries or otherwise experience a material adverse effect as a result of a challenge to payments made pursuant to referrals from these physicians under the Stark Law.

*Medical Director Agreements.* We believe that our medical director agreements satisfy the personal services arrangement exception to the Stark Law. While we believe that the compensation provisions included in our medical director agreements are the result of arm's length negotiations and result in fair market value payments for medical director services, an enforcement agency could nevertheless challenge the level of compensation that we pay our medical directors.

*Lease Agreements.* 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. The Stark Law provides an exception for lease arrangements if specific requirements are met. We believe that our leases and subleases with referring physicians satisfy the requirements for this exception.

*Common Stock.* Some medical directors and other referring physicians may own our common stock. We believe that these interests satisfy the Stark Law exception for investments in large publicly traded companies.

*Joint Ventures.* Some of our referring physicians also own equity interests in entities that operate our dialysis centers. None of the Stark Law exceptions applicable to physician ownership interests in entities to which they make DHS referrals apply to the kinds of ownership arrangements that referring physicians hold in several of our subsidiaries that operate dialysis centers. Accordingly, these dialysis centers do not bill Medicare for DHS referrals from physician owners. If the dialysis centers bill for DHS referred by physician owners, the dialysis center would be subject to the Stark Law penalties described above.

While we believe that most of our operations do not implicate the Stark Law, particularly under the ESRD bundled payment system, and that to the extent that our dialysis centers furnish DHS, they either meet an exception or do not bill for services that do not meet a Stark Law exception, if CMS determined that we have submitted claims in violation to the Stark Law, we would be subject to the penalties described above. In addition, it might be necessary 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 DHS from these physicians. Any such penalties and restructuring could have a material adverse effect on our operations.

#### *Fraud and abuse under state law*

Many states in which we operate dialysis centers have statutes prohibiting physicians from holding financial interests in various types of medical facilities to which they refer patients. Some of these statutes could potentially be interpreted broadly 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 their patients. States also have laws similar to or stricter than 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 state anti-kickback statutes also include civil and criminal penalties. Some of these statutes include exemptions that may be 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, to referring physicians with whom we hold joint ownership interests or to physicians who hold interests in DaVita Inc. limited solely to our 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 criminal, civil and administrative sanctions, refund requirements and exclusions from government healthcare programs, including Medicare and Medicaid. Such events could negatively affect the decision of referring physicians to refer patients to our centers.



### *The False Claims Act*

The federal FCA is a means of policing false bills or false requests for payment in the healthcare delivery system. In part, the FCA authorizes the imposition of up to three times the government's damages and civil penalties on any person who, among other acts:

- 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 material to a false or fraudulent claim;
- Knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay the government, or knowingly conceals or knowingly and improperly, avoids or decreases an obligation to pay or transmit money or property to the federal government; or
- Conspires to commit the above acts.

In addition, amendments to the FCA impose severe penalties for the knowing and improper retention of overpayments collected from government payors. Under these provisions, within 60 days of identifying an overpayment, a provider is required to notify CMS or the Medicare Administrative Contractor of the overpayment and the reason for it and return the overpayment. An overpayment impermissibly retained could subject us to liability under the FCA, exclusion, and penalties under the federal Civil Monetary Penalty statute. As a result of these provisions, our procedures for identifying and processing overpayments may be subject to greater scrutiny. We have made significant investments to accelerate the time it takes us to identify and process overpayments and we may be required to make additional investments in the future. Acceleration in our ability to identify and process overpayments could result in us refunding overpayments to government or other payors sooner than we have in the past. A significant acceleration of these refunds could have a material adverse effect on our operating cash flows.

The penalties for a violation of the FCA range from \$5,500 to \$11,000 (adjusted for inflation) for each false claim, plus up to three times the amount of damages caused by each false claim, which can be as much as the amounts received directly or indirectly from the government for each such false claim. On February 3, 2017, the DOJ issued a final rule announcing adjustments to FCA penalties, under which the per claim penalty range increases to \$10,957 to \$21,916 for penalties assessed after February 3, 2017, so long as the underlying conduct occurred after November 2, 2015. The federal government has used the FCA to prosecute a wide variety of alleged false claims and fraud allegedly perpetrated against Medicare and state healthcare programs, including coding errors, billing for services not rendered, the submission of false cost reports, billing for services at a higher payment 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 considered medically necessary. The ACA provides that claims tainted by a violation of the federal Anti-Kickback Statute are false for purposes of the FCA. Some courts have held that filing claims or failing to refund amounts collected in violation of the Stark Law can form the basis for liability under the FCA. In addition to the provisions of the FCA, which provide for civil enforcement, the federal government can use several criminal statutes to prosecute persons who are alleged to have submitted false or fraudulent claims for payment to the federal government.

### *Privacy and Security*

The Health Insurance Portability and Accountability Act of 1996 and its implementing privacy and security regulations, as amended by the federal Health Information Technology for Economic and Clinical Health Act (HITECH Act), (collectively referred to as HIPAA), require us to provide certain protections to patients and their health information. The HIPAA privacy and security regulations extensively regulate the use and disclosure of PHI and require covered entities, which include healthcare providers, to implement and maintain administrative, physical and technical safeguards to protect the security of such information. Additional security requirements apply to electronic PHI. These regulations also provide patients with substantive rights with respect to their health information.

The HIPAA privacy and security regulations also require us to enter into written agreements with certain contractors, known as business associates, to whom they disclose PHI. Covered entities may be subject to penalties as a result of a business associate violating HIPAA if the business associate is found to be an agent of the covered entity and acting within the scope of the agency. Business associates are also directly subject to liability under the HIPAA privacy and security regulations. In instances where our centers act as a business associate to a covered entity, there is the potential for additional liability beyond the center's covered entity status.

Covered entities must report breaches of unsecured PHI to affected individuals without unreasonable delay but not to exceed 60 days of discovery of the breach by a covered entity or its agents. Notification must also be made to the HHS, and, for breaches of unsecured PHI involving more than 500 residents of a state or jurisdiction, to the media. All non-permitted uses or disclosures of

unsecured PHI are presumed to be breaches unless the covered entity or business associate establishes that there is a low probability the information has been compromised. Various state laws and regulations may also require us to notify affected individuals in the event of a data breach involving individually identifiable information without regard to whether there is a low probability of the information being compromised.

Penalties for impermissible use or disclosure of PHI were increased by the HITECH Act by imposing tiered penalties of more than \$50,000 per violation and up to \$1.5 million per year for identical violations. In addition, HIPAA provides for criminal penalties of up to \$250,000 and ten years in prison, with the severest penalties for obtaining and disclosing PHI with the intent to sell, transfer or use such information for commercial advantage, personal gain or malicious harm. Further, state attorneys general may bring civil actions seeking either injunction or damages in response to violations of the HIPAA privacy and security regulations that threaten the privacy of state residents. We believe our HIPAA Privacy and Security Program sufficiently addresses HIPAA and state privacy law requirements.

#### *Healthcare reform*

In March 2010, broad healthcare reform legislation was enacted in the U.S. Although many of the provisions of the legislation did not take effect immediately and continue to be implemented, and some have been and may be modified before or during their implementation, the reforms could have an impact on our business in a number of ways. We cannot predict how employers, private payors or persons buying insurance might react to these changes or what form many of these regulations will take before implementation.

The law requires that all non-grandfathered individual and small group health plans sold in a state, including plans sold through the state-based exchanges created pursuant to the healthcare reform laws, cover essential health benefits (EHBs) in ten general categories. The scope of the benefits is intended to equal the scope of benefits under a typical employer plan.

In December 2011, the CMS Center for Consumer Information and Insurance Oversight published an Essential Health Benefits Bulletin (EHB Bulletin) describing the approach it was taking regarding the implementation of the EHB Bulletin requirement. For the two year transition period (from 2014 through 2015) the law required states to define an EHB benchmark plan that would set the general standards for the EHB that must be covered by plans in the state, subject to certain overarching federal requirements. States that did not define an EHB benchmark plan must use the small group plan with the largest enrollment in the state.

On February 25, 2013, for example, HHS issued the final rule governing the standards applicable to EHB benchmark plans, new definitions, actuarial value requirements and methodology, and published a list of plan benchmark options that states can use to develop EHBs. The rule describes specific coverage requirements that (i) prohibit discrimination against individuals because of pre-existing or chronic conditions on health plans applicable to EHBs, (ii) ensure network adequacy of essential health providers, and (iii) prohibit benefit designs that limit enrollment and that prohibit access to care for enrollees. Subsequent regulations relevant to the EHB have continued the benchmark plan approach for 2016 and future years and have implemented clarifications and modifications to the existing EHB regulations, including the prohibition on discrimination, network adequacy standards and other requirements. In recent years, CMS has issued an annual Notice of Benefit and Payment Parameters rulemaking and related guidance setting for standards for insurance plans provided through the exchanges.

Other aspects of the 2010 healthcare reform laws may affect our business, as well, including changes affecting the Medicare and Medicaid programs. We note, however, that the 2016 Presidential and Congressional elections have caused the future state of the exchanges and other ACA reforms to be very unclear. The Republicans, who now control the Administration and Congress, have repeatedly expressed a desire to repeal and replace the ACA. As a result, there is considerable uncertainty regarding the future with respect to the exchanges, and, indeed, many core aspects of the current health care marketplace. While specific changes and their timing are not yet apparent, it does appear likely that there will be significant changes to the healthcare environment in the near and short term. The enacted reforms as well as future legislative changes could have a material adverse effect on our results of operations, including lowering our reimbursement rates and increasing our expenses.

#### *Other regulations*

Our dialysis and related lab services 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 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.

#### **Capacity and location of our U.S. dialysis centers**

Typically we are able to increase our capacity by extending hours at our existing dialysis centers, expanding our existing dialysis centers, relocating our dialysis centers, developing new dialysis centers and by acquiring dialysis centers. The development of a typical outpatient dialysis center by us generally requires approximately \$2.8 million for leasehold improvements, equipment and first-year working capital. Based on our experience, a new outpatient dialysis center typically opens within a year after the property lease is signed, normally achieves operating profitability in the second year after Medicare certification and normally reaches maturity within three to five years. Acquiring an existing outpatient dialysis center requires a substantially greater initial investment, but profitability and cash flows are generally accelerated and more predictable. To a limited extent, we enter into agreements to provide management and administrative services to outpatient dialysis centers in which we either own a noncontrolling equity investment, or are wholly-owned by third parties in return for management fees, which are typically based on a percentage of revenues or cash collections of the managed center's operations.

The table below shows the growth of our U.S. dialysis operations by number of dialysis centers.

	2016	2015	2014	2013	2012
Number of centers at beginning of year	2,251	2,179	2,074	1,954	1,809
Acquired centers	8	6	18	26	93
Developed centers	100	72	105	98	70
Net change in centers with management and administrative services agreements <sup>(1)(4)</sup>	—	2	—	4	(8)
Sold and closed centers <sup>(2)</sup>	(4)	(3)	(2)	(5)	(1)
Closed centers <sup>(3)</sup>	(5)	(5)	(16)	(3)	(9)
Number of centers at end of year	<u>2,350</u>	<u>2,251</u>	<u>2,179</u>	<u>2,074</u>	<u>1,954</u>

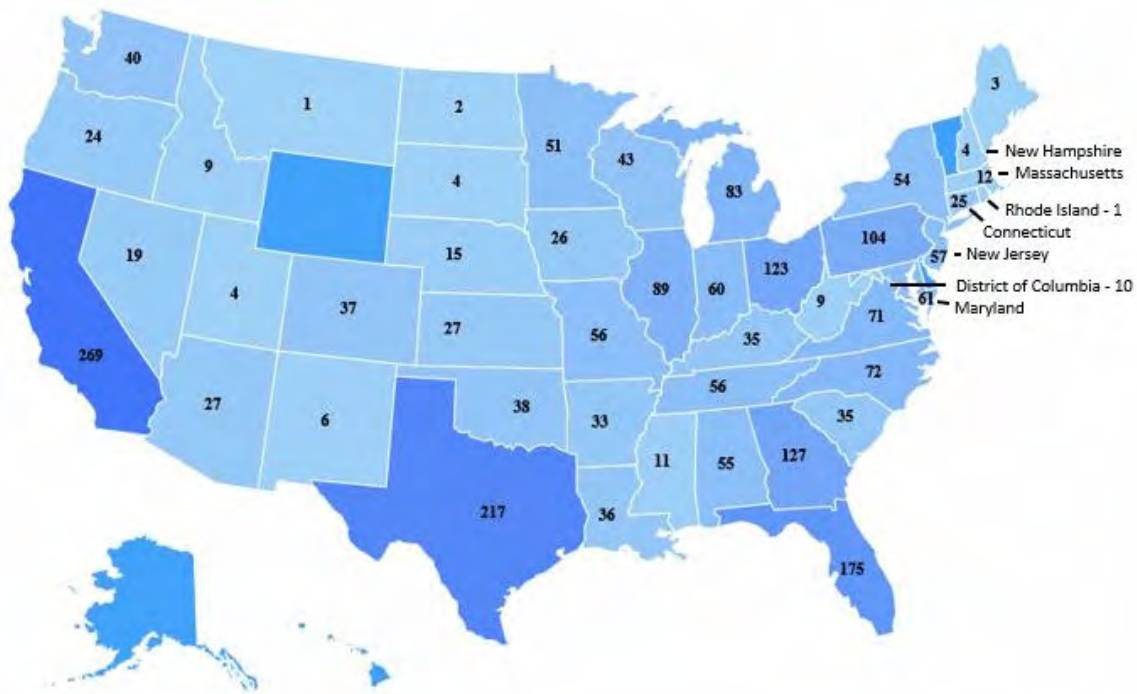
(1) Represents dialysis centers in which we either own a noncontrolling equity investment, or are wholly-owned by third parties.

(2) Represents dialysis centers that were sold and/or closed for which patients were not retained.

(3) Represents dialysis centers that were closed for which the majority of patients were retained and transferred to one of our other existing outpatient dialysis centers.

(4) Includes dialysis centers in which we deconsolidated and transferred to management services agreements.

As of December 31, 2016, we operated or provided administrative services to a total of 2,350 U.S. outpatient dialysis centers. A total of 2,316 of such centers are consolidated in our financial statements. Of the remaining 34 unconsolidated U.S. outpatient dialysis centers, we own a noncontrolling interest in 27 centers and provide management and administrative services to seven centers that are wholly-owned by third parties. The locations of the 2,316 U.S. outpatient dialysis centers consolidated in our financial statements at December 31, 2016 were as follows:



***Ancillary services and strategic initiatives businesses, including our international operations***

As of December 31, 2016, our ancillary services and strategic initiatives consisted primarily of pharmacy services, disease management services, vascular access services, clinical research, physician services, direct primary care and our international dialysis operations and relate primarily to our core business of providing kidney care services.

Ancillary services and strategic initiatives consist primarily of the following as of December 31, 2016:

- *Pharmacy services.* DaVita Rx is a pharmacy that specializes in providing oral medications and medication management services to patients with ESRD and other chronic diseases. The main objective of the pharmacy is to improve clinical outcomes and reduce total healthcare costs by facilitating increased patient compliance and to provide our patients a convenient way to fill their prescription needs. Revenues are recognized as prescriptions are filled and shipped to patients or when services are completed.
- *Disease management services.* VillageHealth provides advanced integrated care management services to health plans and government programs for members/beneficiaries diagnosed with ESRD and/or chronic kidney failure. Through a combination of clinical coordination, innovative interventions, medical claims analysis and information technology, we endeavor to assist our customers and patients in obtaining superior renal healthcare and improved clinical outcomes, as well as helping to reduce overall medical costs. Integrated care management revenues are typically based upon an established contract fee and are recognized as earned over the contract period and can include additional fees for cost savings recognized by certain customers. VillageHealth also operates Medicare Advantage ESRD Special Needs Plans in partnership with payors that work with CMS to provide ESRD patients full service healthcare. We are at risk for all medical costs of the program in excess of the capitation payments. Furthermore, in October 2015, VillageHealth entered into a management service agreement to support three ESCO joint ventures in which we are an investor through certain wholly- or majority-owned dialysis clinics. The ESCOs were formed under the Innovation Center's CEC Model to demonstrate the coordination of care for ESRD patients in a dialysis-center oriented ACO setting. Each ESCO joint venture has a shared risk arrangement with CMS for this program.
- *Vascular access services.* Lifeline provides management and administrative services to physician-owned vascular access clinics that provide vascular services for dialysis and other patients. Lifeline is also the majority-owner of nine vascular access clinics and wholly-owns one vascular access clinic. Management fees generated from providing management and administrative services are recognized as earned typically based on a percentage of revenues or cash collections generated by the clinics. Revenues associated with the vascular access clinics that are majority-owned are recognized in the period when the services are provided.
- *Clinical research programs.* DaVita Clinical Research (DCR) is a provider-based specialty clinical research organization with a full spectrum of services for clinical drug research and device development. DCR uses its extensive, applied database and real-world healthcare experience to assist in the design, recruitment and completion of retrospective, prospective pragmatic and clinical trials. Revenues are based upon an established fee per study, as determined by contract with drug companies and other sponsors and are recognized as earned according to the contract terms.
- *Physician services.* Nephrology Practice Solutions (NPS) is an independent business that partners with physicians committed to providing outstanding clinical and integrated care to patients. NPS provides nephrologist employment opportunities in select markets and offers physician practice management services to nephrologists under administrative services agreements. These services include physician practice management, billing and collections, credentialing, coding, and other support services that enable physician practices to increase efficiency and manage their administrative needs. Fees generated from these services are recognized as earned typically based upon flat fees or cash collections generated by the physician practice. NPS also provides leading nephrology recruitment and staffing services which are billed on a per search basis.
- *Direct primary care.* Paladina Health is a healthcare services organization that operates membership-based primary care clinics mainly through employer-based on-site and near-site clinics. The clinics offer patients more personalized and improved access to primary care physicians, including unlimited visits and same-day or next-day appointments. Physicians focus on clinical outcomes and patient satisfaction. Revenues are recognized over the membership period.

### International dialysis operations

As of December 31, 2016, we operated or provided administrative services to a total of 154 outpatient dialysis centers, which includes consolidated and nonconsolidated centers, located in 11 countries outside of the U.S., serving approximately 15,100 patients. Our international dialysis operations continue to grow steadily and expand as a result of developing and acquiring outpatient dialysis centers in various strategic markets. Our international operations are included as a component of our ancillary services and strategic initiatives. The table below summarizes the number and locations of our international outpatient dialysis centers.

	2016	2015	2014	2013	2012
Number of centers at beginning of year	118	91	73	36	11
Acquired centers	21	21	9	38	13
Developed and hospital operated centers	15	7	11	2	9
Managed centers, net	—	(1)	—	—	3
Closed centers	—	—	(2)	(3)	—
Number of centers at end of year	<u>154</u>	<u>118</u>	<u>91</u>	<u>73</u>	<u>36</u>

The locations of our international outpatient dialysis centers are as follows:

Malaysia(1)	38
Germany	34
India(1)	19
Colombia	18
Saudi Arabia	15
Poland	8
Brazil	8
Portugal	5
Taiwan(1)	5
China(1)	3
Singapore(1)	1
	<u>154</u>

(1) Includes centers that are operated or managed by our Asia Pacific Joint Venture (APAC JV).

### Corporate Administrative Support

Corporate administrative support consists primarily of labor, benefits and long-term incentive compensation costs for departments which provide support to all of our different operating lines of business. These expenses are included in our consolidated general and administrative expenses and are partially offset by the allocation of management fees.

### DaVita Medical Group (DMG) Division

#### DMG business overview

DMG is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of experience providing coordinated, outcomes-based medical care in a cost-effective manner. As of December 31, 2016, DMG served approximately 749,300 members under its care in southern California, central and south Florida, southern Nevada and central New Mexico through capitation contracts with some of the nation's leading health plans. Of these members, approximately 305,200 individuals were patients enrolled in Medicare and Medicare Advantage, and the remaining approximately 444,100 individuals were managed care members whose health coverage is provided through their employer or who have individually acquired health coverage directly from a health plan or as a result of their eligibility for Medicaid benefits. In addition to its managed care business, during the year ended December 31, 2016, DMG provided care across all markets to over 896,200 patients whose health coverage is structured on a FFS basis, including patients enrolled through traditional Medicare and Medicaid programs, preferred provider organizations and other third party payors.

DMG patients as well as the patients of DMG's associated physicians, physician groups and IPAs benefit from an integrated approach to medical care that places the physician at the center of patient care. As of December 31, 2016, DMG delivered services to its members via a network of approximately 700 primary care physicians, over 2,500 associated group and other network primary care physicians, approximately 200 network hospitals, and several thousand associated group and network specialists. Together with hundreds of case managers, registered nurses and other care coordinators, these medical professionals utilize a comprehensive

information technology system, sophisticated risk management techniques and clinical protocols to provide high-quality, cost-effective care to DMG's members.

U.S. healthcare spending has increased steadily over the past twenty years. These increases have been driven, in part, by the aging of the baby boomer generation, lack of healthy lifestyle both in terms of exercise and diet, rapidly increasing costs in medical technology and pharmaceutical research, and provider reimbursement structures that may promote volume over quality in a FFS environment. These factors, as well as the steady growth of the U.S. population, have made the healthcare industry a growing market. In 2015, CMS reported that healthcare accounted for 17.8% of the U.S. gross domestic product and that healthcare spending increased 5.8% to reach \$3.2 trillion. Medicare spending grew 4.5% to \$646 billion in 2015 or 20% of National Health Expenditures, according to CMS. Medicare's share of the federal budget was 14.8% in 2015 according to the Congressional Budget Office (CBO). Medicare is frequently the focus of discussions on how to moderate the growth of both federal spending and healthcare spending in the U.S.

Growth in Medicare spending is expected to continue due to population demographics. According to the U.S. Census Bureau, the U.S. population aged 65 and over is expected to be 83.7 million in 2050 — almost double its estimated population of 43.1 million in 2012.

Medicare Advantage is an alternative to the traditional FFS Medicare program, which permits Medicare beneficiaries to receive benefits from a managed care health plan. Medicare Advantage plans contract with CMS to provide benefits that are at least comparable to those offered under the traditional FFS Medicare program in exchange for a fixed monthly premium payment per member from CMS. The monthly premium varies based on the county in which the member resides, as adjusted to reflect the plan members' demographics and the members' risk scores. Individuals who elect to participate in the Medicare Advantage program typically receive greater benefits than traditional FFS Medicare Part B beneficiaries, including additional preventive services, vision, dental and prescription drug benefits, and often have lower deductibles and co-payments than traditional FFS Medicare.

CMS pays Medicare Advantage health plans under a bidding process. Plans bid against county-level benchmarks. If a plan's bid is higher than the benchmark, enrollees pay the difference in the form of a monthly premium. If the bid is lower than the benchmark, the plan receives the difference between its payment amount and its bid as a rebate, which must be returned to enrollees in the form of additional benefits, reduced premiums, or lower cost sharing.

Managed care health plans were developed, primarily during the 1980s, in an attempt to mitigate the rising cost of providing healthcare benefits to populations covered by traditional health insurance. These managed care health plans often enroll members through their employers. As a result of the prevalence of these health plans, many seniors now becoming eligible for Medicare have been interacting with managed care companies through their employers for the last 30 years. Individuals turning 65 now are likely to be far more familiar with the managed care setting than previous Medicare populations. According to Kaiser Family Foundation, in 2016, Medicare Advantage represented 31% of total Medicare members, creating a significant opportunity for additional Medicare Advantage penetration of newly eligible seniors.

In an effort to reduce the number of uninsured and to begin to control healthcare expenditures, President Obama signed the ACA into law in March 2010, which was affirmed, in substantial part, by the U.S. Supreme Court in June 2012. As of the end of 2015, the number of uninsured nonelderly Americans was 28.5 million, a decrease of nearly 13 million since 2013. These previously uninsured Americans and potentially newly eligible Medicaid beneficiaries represent a significant new market opportunity for health plans. We believe that health plans looking to cover these newly eligible individuals under fixed premium arrangements will seek provider arrangements that can effectively manage the cost and quality of the care being provided to these newly eligible individuals, although the 2016 Presidential and Congressional elections have caused the future state of the ACA to be unclear.

One of the primary ways in which the ACA funded increased health insurance coverage is through cuts in Medicare Advantage reimbursement. County benchmarks are transitioning to a system in which each county's benchmark in 2017 will be a certain percentage (ranging from 95% to 115%) of FFS. In a March 2016 report to Congress, the Medicare Payment Advisory Commission (MedPAC) estimated that 2016 Medicare Advantage benchmarks (including the average 4% for quality bonuses), bids, and payments would average 107%, 94%, and 102% of FFS spending, respectively.

Despite the fact that the plan bids average less than FFS spending, payments for enrollees in these plans usually exceed FFS spending because the benchmarks are high relative to FFS spending. For example, health maintenance organizations (HMOs) as a group bid an average of 90% of FFS spending, yet 2016 payments for HMO enrollees are estimated to average 101% of FFS spending because the benchmarks, including the quality bonuses, average 106% of FFS spending.

Nonetheless, changes in benchmarks and/or bids that lower payments to Medicare Advantage plans could adversely affect DMG's operating results.

Many health plans recognize both the opportunity for growth from senior members as well as the potential risks and costs associated with managing additional senior members. In regions operated by DMG and numerous other markets, many health plans subcontract a significant portion of the responsibility for managing patient care to integrated medical networks such as DMG. These integrated healthcare networks, whether medical groups or IPAs, offer a comprehensive medical delivery system and sophisticated care management know-how and infrastructure to more efficiently provide for the healthcare needs of the population enrolled with that health plan. While reimbursement models for these arrangements vary around the country, health plans in California, Florida, Nevada and New Mexico often prospectively pay the integrated healthcare network a fixed Per Member Per Month (PMPM) amount, or capitation payment, which is often based on a percentage of the amount received by the health plan. The capitation payment is for much—and sometimes virtually all—of the care needs of the applicable membership. Capitation payments to integrated healthcare networks, in the aggregate, represent a prospective budget from which the network manages care-related expenses on behalf of the population enrolled with that network. To the extent that these networks manage care-related expenses under the capitated levels, the network realizes an operating profit. On the other hand, if care-related expenses exceed projected levels, the network will realize an operating deficit. Since premiums paid represent a significant amount per person, there is a significant revenue opportunity for an integrated medical network like DMG that is able to effectively manage its costs under a capitated arrangement.

Integrated medical networks, such as DMG, that have scale are positioned to spread an individual member's cost experience across a wider population and realize the benefits of pooling medical risk among large numbers of patients. In addition, integrated medical networks with years of managed care experience can utilize their sizeable medical experience data to identify specific medical care and quality management strategies and interventions for potential high cost cases and aggressively manage them to improve the health of its population base and, thus, lower cost. Many integrated medical networks, like DMG, have also established physician performance metrics that allow them to monitor quality and service outcomes achieved by participating physicians in order to reward efficient, high quality care delivered to members and initiate improvement efforts for physicians whose results can be enhanced.

### ***Brand name***

In 2016, we started the transition of the medical group brand name from HealthCare Partners (HCP) and several other names to DaVita Medical Group (DMG). The marketing plan as it relates to the transition will be a phased approach and will occur over the course of one to two years with the exception of the Washington market which is still in the planning stages. Coming together under one name is part of DMG's vision to strive to be the leading independent medical group in the U.S.

### ***Healthcare reform***

The U.S. healthcare system, including the Medicare Advantage program, is subject to a broad array of new laws and regulations as a result of the ACA. This legislation made significant changes to the Medicare program and to the health insurance market overall. The ACA is considered by some to be the most dramatic change to the U.S. healthcare system in decades. The U.S. Supreme Court found that the individual mandate to obtain health insurance coverage under this legislation is constitutional and also found that the expanded Medicaid benefit included in the legislation is constitutional if states can opt out of the expanded Medicaid benefit without losing their funding under the pre-reform Medicaid program. In a separate, subsequent case, the U.S. Supreme Court also upheld the use of subsidies to individuals in federally-facilitated healthcare exchanges, rejecting an argument that such subsidies would apply only in the state-run healthcare exchanges.

The ACA reflects sweeping legislation that, once fully implemented, may have a significant impact on the U.S. healthcare system generally and the operations of DMG's business. There are numerous steps required to implement the ACA, and implementation remains ongoing. Congress also has enacted, and may continue to seek, legislative changes that alter, delay, or eliminate some of their provisions. For example, under the 2016 Omnibus budget agreement, Congress voted to delay certain new taxes that the ACA had enacted, including the excise tax on certain high-cost health plans, the medical device tax, and the tax on health insurers. In addition, the 2016 Presidential and Congressional elections have caused the future state of the ACA to be unclear. While specific changes and their timing are not yet apparent, the enacted reforms as well as future legislative changes could have a material adverse effect on our results of operations, including lowering our reimbursement rates and increasing our expenses.

One provision of the ACA required CMS to establish a Medicare Shared Savings Program (MSSP) that promotes accountability and coordination of care through the creation of ACOs. The program allows certain providers and suppliers (including hospitals, physicians and other designated professionals) to voluntarily form ACOs and work together along with other ACO participants to invest in infrastructure and redesign delivery processes to achieve high quality and efficient delivery of services. In 2014, DMG entered into an agreement with CMS to participate in the MSSP in California, Florida and Nevada. Under this program, which ran through 2016, DMG strove to attain improved clinical outcomes to its Medicare FFS patients in a more cost-effective manner, and had the opportunity to share with CMS in any financial savings created. To date, DMG has not received a shared savings payment associated with this program, with one final measurement period still remaining. As part of our commitment to the Medicare ACO space, DMG applied for and was selected to participate in the CMS Innovation Center's Next Generation ACO in our California market, which begins in 2017.



## ***Payor environment***

### ***Government programs***

DMG derives a significant portion of its revenues from services rendered to beneficiaries of Medicare (including Medicare Advantage), Medicaid, and other governmental healthcare programs.

*Medicare.* The Medicare program was established in 1965 and became effective in 1967 as a federally funded U.S. health insurance program for persons aged 65 and older, and it was later expanded to include individuals with ESRD and certain disabled persons, regardless of income or age. Since its formation, Medicare has grown to an approximately \$646 billion program in 2015, covering approximately 57 million Americans and, based on the growing number of eligible beneficiaries and increases in the cost of healthcare, CBO projects that net Medicare spending will increase from \$592 billion in 2016 to \$1.1 trillion in 2026.

Initially, Medicare was offered only on a FFS basis. Under the Medicare FFS payment system, an individual can choose any licensed physician enrolled in Medicare and use the services of any hospital, healthcare provider or facility certified by Medicare. CMS reimburses providers for covered services if CMS considers them medically necessary.

FFS Medicare pays for physician services according to a physician fee schedule (PFS) set each year by CMS in accordance with formulas mandated by Congress. Historically, CMS annually adjusted the Medicare Physician Fee Schedule (Medicare PFS) payment rates based on an updated formula that included application of the Sustainable Growth Rate (SGR). On April 16, 2015, President Obama signed and enacted into law H.R. 2, the Medicare Access and CHIP Reauthorization Act of 2015, which, among other things, repealed the SGR and instituted a 0% update to the single conversion factor under the Medicare PFS from January 1 through June 30, 2015, a 0.5% update for July 2015 through the end of 2019, and a 0% update for 2020 through 2025. For 2026 and subsequent years, the update will be either 0.75% or 0.25%, depending on which Alternate Payment Model (APM) the physician participates. On October 14, 2016, CMS released a final rule implementing, among other changes, the Advanced APM incentive applicable to the physician fee schedule, under which physicians may receive bonus payments for participating in an Advanced APM. Among other things, the final rule identifies the criteria an APM must satisfy to be considered an Advanced APM, which could include some MSSP ACOs or providers participating in the CEC Model. Whether DMG's subsidiary ACO or dialysis providers participating in CEC are considered to be Advanced APMs could potentially affect physicians' willingness to participate in such entities, which may indirectly impact the operations of DMG's subsidiary ACO or its providers participating in the CEC Model. In addition, under the final rule, DMG's subsidiary ACO may also be required to submit certain quality data to CMS on behalf of its Merit-Based Incentive Payment System MIPS-eligible clinicians, which could result in an increase in operational costs. Given that the payment updates for APMs have yet to take effect, we cannot determine the impact of such payment models on our business at this time.

In addition, in recent years, Congress has enacted various laws seeking to reduce the federal debt level and contain healthcare expenditures. For example, the BCA called for the establishment of a Joint Select Committee (the Committee) on Deficit Reduction, tasked with reducing the federal debt level. However, because the Committee did not draft a proposal by the BCA's deadline, President Obama issued an initial sequestration order that imposed automatic spending cuts on various federal programs. In particular, a 2% reduction to Medicare payments took effect on April 1, 2013, which was subsequently extended through 2025.

The instability of the federal budget may lead to legislation that could result in further cuts in Medicare and Medicaid payments to providers. In recent years, the government has enacted a patchwork of appropriations legislation to temporarily suspend the debt ceiling and continue government operations. The Medicare program is frequently mentioned as a target for spending cuts. Spending cuts to the Medicare program could adversely affect our operating results.

*Medicare Advantage.* Medicare Advantage is a Medicare health plan program developed and administered by CMS as an alternative to the original FFS Medicare program. Under the Medicare Advantage program, Medicare beneficiaries may choose to receive benefits under a managed care health plan that provides benefits at least comparable to those offered under the original Medicare FFS payment system in exchange for which the health plan receives a monthly per patient premium payment from CMS. The Medicare Advantage monthly premium varies based on the county in which the member resides, and is adjusted to reflect the demographics and estimated risk profile of the members that enroll. Once a person is authorized by CMS to participate in Medicare Advantage, health plans compete for enrollment based on benefit design differences such as co-payments or deductibles, availability of preventive care, attractiveness of and access to a network of hospitals, physicians and ancillary providers and premium contribution or, most often in Medicare Advantage plans, the absence of any monthly premium. In certain parts of the country, many health plans that provide Medicare Advantage benefits subcontract with integrated medical networks such as DMG to transfer the responsibility for managing patient care.

In 2004, CMS adopted a risk adjustment payment system for Medicare Advantage health plans in which the participating health plans' premiums are adjusted based on the actual illness burden of the members that enroll. The model bases a portion of the total CMS reimbursement payments on various clinical and demographic factors, including hospital inpatient diagnoses, additional

diagnosis data from ambulatory treatment settings, hospital outpatient department and physician visits, gender, age and Medicaid eligibility. CMS requires that all managed care companies capture, collect and submit the necessary diagnosis code information to CMS twice a year for reconciliation with CMS's internal database. Medical providers, such as DMG, provide this diagnosis code information to health plan customers for submission to CMS. Under this system, the risk-adjusted portion of the total CMS payment to the Medicare Advantage plans will equal the local rate set forth in the traditional demographic rate book, adjusted to reflect the plan members' gender, age and morbidity.

Most Medicare beneficiaries have the option to enroll in private health insurance plans that contract with Medicare under the Medicare Advantage program. According to the Kaiser Family Foundation, the share of Medicare beneficiaries in such plans has risen rapidly in recent years; it reached approximately 31% in 2016 from approximately 13% in 2004. Plan costs for the standard benefit package can be significantly lower or higher than the corresponding cost for beneficiaries in the traditional Medicare FFS payment program, but prior to the ACA, private plans were generally paid a higher average amount, and they used the additional payments to reduce enrollee cost-sharing requirements, provide extra benefits, and/or reduce Medicare premiums. These enhancements were valuable to enrollees, but also resulted in higher Medicare costs overall and higher premiums for all Medicare Part B beneficiaries and not just those enrolled in Medicare Advantage plans. The ACA requires that future payments to plans be based on benchmarks in a range of 95% to 115% of local FFS Medicare costs, with bonus amounts payable to plans meeting high quality-of-care standards. In addition, health plans offering Medicare Advantage are required to spend at least 85% of their premium dollars on medical care, the so-called medical loss ratio (MLR). Since DMG is not a health plan, except for DaVita Health Plan of California, Inc. (DHPC), it is not subject to the 85% MLR requirement. See "DaVita Medical Group Division (DMG)—Knox-Keene" below. However, payments that health plans make to DMG will apply in full towards the health plans' 85% MLR requirement. If a health plan does not meet the 85% MLR requirement, it must provide a rebate to its customers. Any such shortfalls would not impact amounts paid by health plans to DMG.

*Medicaid.* Medicaid is a federal entitlement program administered by the states that provides healthcare and long-term care services and support to low-income Americans. Medicaid is funded jointly by the states and the federal government. The federal government guarantees matching funds to states for qualifying Medicaid expenditures based on each state's federal medical assistance percentage, which is calculated annually and varies inversely with average personal income in the state. Subject to federal rules, each state establishes its own eligibility standards, benefit packages, payment rates and program administration within broad federal statutory and regulatory guidelines. Every state Medicaid program must balance a number of potentially competing demands, including the need for quality care, adequate provider access, and cost-effectiveness. In an effort to improve quality and provide more uniform and cost-effective care, many states have implemented Medicaid managed care programs to improve access to coordinated healthcare services, including preventative care, and to control healthcare costs. Under Medicaid managed care programs, a health plan receives capitation payments from the state. The health plan, in turn, arranges for the provision of healthcare services by contracting with a network of medical providers, such as DMG. DMG has entered into capitation agreements with health plans to manage approximately 105,800 Medicaid managed care members in its southern California market.

#### ***Commercial payors***

According to the 2016 Annual Survey conducted by the Kaiser Family Foundation, approximately 150 million non-elderly people in the U.S. received their health insurance through their employers, which contracted with health plans to administer these healthcare benefits. Patients enrolled in health plans offered through an employment setting are generally referred to as commercial members. According to the survey, the percentage of workers covered was 55% in 2016, similar to the 56% covered in 2015. Under the ACA, many uninsured individuals and many individuals who receive their health insurance benefits through small employers may purchase their healthcare benefits through insurance exchanges in which health plans compete directly for individual or small group members' enrollment. DMG derives a significant amount of its enrollment from commercial members; however, these members represent a disproportionately small share of DMG's operating profits.

Whether in the Medicare Advantage, commercial or Medicaid market, managed care health plans seek to provide a coordinated and efficient approach to managing the healthcare needs of their enrolled populations. By negotiating with providers, such as pharmacies, hospitals and physicians, and implementing various quality programs, managed care companies attempt to enhance their profitability by limiting their medical costs. These health plans have shown success in mitigating certain components of medical cost, but we believe they are limited by their indirect relationship with physicians, who in the aggregate direct most of their patients' healthcare costs. We believe that physician-led and professionally-managed integrated medical networks such as DMG's have a greater opportunity to influence cost and improve quality due to the close coordination of care at the most effective point of contact with the patient—the primary care physician.

#### ***Capitation and FFS revenue***

There are a number of different models under which an integrated medical network receives payment for managing and providing healthcare services to its members.

**Fee-for-service structure.** Under traditional FFS reimbursement, physicians are paid a specified FFS that they provide during a patient visit. Under this structure, physician compensation is based on the volume of patient visits and procedures performed, thus offering limited financial incentive to focus on cost containment and preventative care. FFS revenues are derived primarily from DMG's physician services.

**Capitation structure.** Under capitation, payors pay a fixed amount per enrolled member, thereby subcontracting a significant portion of the responsibility and risks for managing patient care to physicians. Global capitation represents a prospective budget from which the provider network then manages care-related expenses including payments to associated providers outside the group, such as hospitals and specialists. Compared to traditional FFS models, we believe that capitation arrangements better align provider incentives with both quality and efficiency of care for a population of patients. We believe that this approach improves the quality of the experience for patients and the potential profitability for efficient care providers.

Since premiums paid represent a significant amount per person, the revenue and, when costs are effectively managed, profit opportunity available to an integrated medical network under a capitated arrangement can be significant. This is particularly the case for patients with multiple diseases and senior members. We believe that the advantages, savings and efficiencies made possible by the capitated model are most pronounced when the care demands of the population are the most severe and require the most coordination, such as for the senior population or patients with chronic, complex and follow-on diseases. While organized coordination of care is central to the capitated model, it is also well suited to the implementation of preventative care and disease management over the long-term since physicians have a financial incentive to improve the overall health of their patient population.

The inherent risk in assumption of global care risk relates to potential losses if a number of individual patients' medical costs exceed the expected amount. This risk is especially significant to individual practitioners or smaller physician groups who lack the scale required to spread the risk over a broad population. DMG has the scale, comprehensive medical delivery resources, significant infrastructure to support practicing physicians, and demonstrated care management know-how to spread the risk of losses over a large patient population.

**Global model.** In Florida, DMG may contract directly with health plans under global capitation arrangements that include hospital services, because state law permits DMG to assume financial responsibility for both professional and institutional services. In New Mexico, DMG assumed financial responsibility for professional services only.

In Nevada, DMG enters into global capitation arrangements to assume financial responsibility for both professional and institutional services. However, the Nevada Division of Insurance (NDI) has not opined on whether it is appropriate for an entity like DMG to enter into global capitation arrangements and assume financial responsibility for the provision of both professional and institutional services to either Medicare Advantage enrollees or enrollees of commercial health plans. In order to avoid an adverse finding by the NDI with respect to DMG's global capitation arrangements in Nevada, DMG applied for an insurance license from the NDI and obtained the license in 2015. DMG is currently evaluating its ability to assign any of its existing contracts to the NDI license holder. Because of the current global capitation to DMG, and DMG's assumption of nearly the entire professional and institutional risk in Nevada and Florida, DMG's health plan customers function primarily to support DMG in undertaking marketing and sales efforts to enroll members and processing claims in these states.

In California, entities that maintain full or restricted licenses under the California Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene) are permitted to assume financial responsibility for both professional and institutional services. As described below, in December 2013, DMG obtained a restricted Knox-Keene license and therefore may enter into global capitation arrangements with health plans through which DMG will assume financial responsibility for both professional and institutional services.

**Risk-sharing model.** In California, DMG currently utilizes a capitation model in several different forms. While there are variations specific to each arrangement, HealthCare Partners Affiliates Medical Group and DaVita Medical Group Associates California, Inc. (collectively AMG), which are medical groups that have entered into management services agreements with DMG, have historically contracted with health plans to receive a PMPM or percentage of premium (POP) capitation payment for professional (physician) services and assumed the financial responsibility for professional services. In some cases, the health plans separately enter into capitation contracts with third parties (typically hospitals) who directly receive a capitation payment and assume contractual financial responsibility for institutional (hospital) services. In other cases, the health plan does not pay a capitation payment to the hospital, but rather administers and pays fee-for-service claims for hospital expenses. In both cases, AMG has been responsible under its health plan agreements for managing the care dollars associated with both the professional and institutional services provided for in the AMG capitation payment. In the case of institutional services and as a result of its managed care-related administrative services agreements with hospitals, AMG has recognized a percentage of the surplus of institutional revenues less institutional expense as AMG net revenues and has also been responsible for some percentage of any short-fall in the event that institutional expenses exceed institutional revenues. In connection with DMG's obtaining a restricted Knox-Keene license in California, substantially all of the California health plan contracts, along with the revenues received under such contracts, have been assigned from AMG to DHPC. In

addition, DMG now has the legal authority to transition these health plan contracts to global capitation arrangements in which DMG is responsible for arranging professional and institutional services in exchange for a single capitation payment. DMG has evaluated its various risk sharing arrangements, and is working with the Department of Managed Health Care and several health plans to accept global capitation. DMG has converted three separate contracts covering approximately 3% of total DHPC membership to global risk and is in the approval and implementation process to convert additional contracts to global risk in 2017. Completion of evaluation of possible additional conversions is expected to continue over time.

### ***Government regulation***

In addition to the laws and regulations to which our dialysis and related lab services business are subject to, the internal operations of DMG and its contractual relationships with healthcare providers such as hospitals, other healthcare facilities, and healthcare professionals are subject to extensive and increasing regulation by numerous federal, state, and local government entities. These laws and regulations often are interpreted broadly and enforced aggressively by multiple government agencies, including the OIG, the DOJ, and various state authorities. Many of these laws and regulations are the same as those that impact our dialysis and related lab services business. For example:

- DMG's financial relationships with healthcare providers including physicians and hospitals could subject DMG to criminal and civil sanctions and penalties under the federal Anti-Kickback Statute;
- The referral of Medicare patients by DMG-associated physicians for the provision of DHS may subject the parties to sanctions and penalties under the Stark Law;
- DMG's financial relationships and those of its associated physicians may subject the parties to penalties and sanctions under state fraud and abuse laws;
- DMG's submission of claims to governmental payors such as the Medicare and Medicaid programs for services provided by its associated physicians and clinical personnel may subject DMG to sanction and penalties under the FCA; and
- DMG's handling of PHI may subject DMG to sanctions and penalties under HIPAA and its implementing privacy and security regulations, as amended by the HITECH Act, and state medical privacy laws which can include penalties and restrictions that are more severe than those which arise under HIPAA.

A finding that claims for services were not covered or not payable, or the imposition of sanctions associated with a violation of any of these healthcare laws and regulations, could result in criminal and/or civil penalties and exclusion from participation in Medicare, Medicaid and other federal and state healthcare programs and could have a material adverse effect on DMG's business, financial condition and results of operations. We cannot guarantee that the arrangements or business practices of DMG will not be subject to government scrutiny or be found to violate certain healthcare laws. Government audits, investigations and prosecutions, even if we are ultimately found to be without fault, can be costly and disruptive to DMG's business. Moreover, changes in healthcare legislation or government regulation may restrict DMG's existing operations, limit their expansion or impose additional compliance requirements and costs, any of which could have a material adverse effect on DMG's business, financial condition and results of operations.

The following includes brief descriptions of some, but not all, of the laws and regulations that, in addition to those described in relation to our dialysis and related lab services business, affect DMG. DMG is also subject to the laws and regulations that apply to our U.S. dialysis and related lab services business. See "Kidney Care Division—Government regulation" above.

***Licensing, certification, accreditation and related laws and guidelines.*** DMG clinical personnel are subject to numerous federal, state and local laws and regulations, relating to, among other things, licensing, professional credentialing and professional ethics. Since DMG clinical personnel perform services in medical office settings, hospitals and other types of healthcare facilities, DMG may indirectly be subject to laws applicable to those entities as well as ethical guidelines and operating standards of professional trade associations and private accreditation commissions, such as the American Medical Association and the Joint Commission. There are penalties for non-compliance with these laws, including discipline or loss of professional license, civil and/or criminal fines and penalties, loss of hospital admitting privileges, federal healthcare program disenrollment, loss of billing privileges, and exclusion from participation in various governmental and other third-party healthcare programs.

***Professional licensing requirements.*** DMG's clinical personnel, including physicians, must satisfy and maintain their professional licensing in the states where they practice medicine. Activities that qualify as professional misconduct under state law may subject them to sanctions, including the loss of their licenses and could subject DMG to sanctions as well. Many state boards of medicine impose reciprocal discipline, that is, if a physician is disciplined for having committed professional misconduct in one state where he or she is licensed, another state where he or she is also licensed may impose the same discipline even though the conduct did

not occur in that state. Therefore, if a DMG-associated physician is licensed in multiple states, sanctions or loss of licensure in one state may result in sanction or the loss of licensure in other states. Professional licensing sanctions may also result in exclusion from participation in governmental healthcare programs, such as Medicare and Medicaid, as well as other third-party programs.

**Corporate practice of medicine and fee splitting.** California, Colorado, Nevada, and Washington are states in which DMG operates that have laws that prohibit business entities, such as our Company and our subsidiaries, from practicing medicine, employing physicians to practice medicine or exercising control over medical decisions by physicians (known collectively as the corporate practice of medicine). These states also prohibit entities from engaging in certain financial arrangements, such as fee-splitting, with physicians. In some states these prohibitions are expressly stated in a statute or regulation, while in other states the prohibition is a matter of judicial or regulatory interpretation.

Violations of the corporate practice of medicine vary by state and may result in physicians being subject to disciplinary action, as well as to forfeiture of revenues from payors for services rendered. For lay entities, violations may also bring both civil and, in more extreme cases, criminal liability for engaging in medical practice without a license.

In California, a violation of the corporate practice of medicine prohibition constitutes the unlawful practice of medicine, which is a public offense punishable by fines and other criminal penalties. In addition, any person who conspires with or aids and abets another in the unlawful practice of medicine is similarly guilty of a public offense and may be subject to comparable fines and criminal penalties. In Nevada, engaging in the corporate practice of medicine where not provided by a specific statute may also constitute the unlawful practice of medicine. This violation is a felony punishable by fines and other civil and criminal penalties. Physicians in Nevada can similarly be punished for aiding or assisting in the unlicensed practice of medicine.

In Colorado, any physician found to have abetted or assisted or conspired to engage in unprofessional conduct with respect to the practice of medicine is subject to disciplinary action, including the loss of licensure. Corporate entities or lay persons who are found to have engaged in the unauthorized practice of medicine may be subject to injunctive action and other criminal penalties. In Washington, the Secretary of Health is responsible for investigating complaints concerning the unlicensed practice of medicine and violations may be subject to a cease and desist order, civil fines, injunctive action, and other criminal penalties. In our markets where the corporate practice of medicine is prohibited, DMG has historically operated by maintaining long-term management contracts with multiple associated professional organizations which, in turn, employ or contract with physicians to provide those professional medical services required by the enrollees of the payors with which the professional organizations contract. Under these management agreements, DMG performs only non-medical administrative services, does not represent that it offers medical services, and does not exercise influence or control over the practice of medicine by the physicians or the associated physician groups with which it contracts. For example, in California, DMG has full-service management contracts with AMG. The AMG entities are owned by California-licensed physicians and professional medical corporations and contract with physicians to provide professional medical services. In Nevada and Washington, DMG's Nevada and Washington subsidiaries have similar management agreements with Nevada and Washington professional corporations, as applicable, that employ and contract with physicians to provide professional medical services. In Colorado, the physician groups contract through a provider network to include a pharmacy and ambulatory surgery center.

Some of the relevant laws, regulations, and agency interpretations in states with corporate practice of medicine restrictions have been subject to limited judicial and regulatory interpretation. Moreover, state laws are subject to change. Regulatory authorities and other parties, including DMG's associated physicians, may assert that, despite the management agreements and other arrangements through which DMG operates, we are engaged in the prohibited corporate practice of medicine or that DMG's arrangements constitute unlawful fee-splitting. If this were to occur, we could be subject to civil and/or criminal penalties, DMG's agreements could be found legally invalid and unenforceable (in whole or in part), or we could be required to restructure its contractual arrangements.

If we were required to restructure DMG's operating structures in our markets due to determination that a corporate practice of medicine violation existed, such a restructuring might include revisions of the California, Colorado, Nevada or Washington management services agreements, which might include a modification of the management fee, and/or establishing an alternative structure. For example, our subsidiaries in those states might have to obtain the equivalent of a California Knox-Keene license in such state in order to comply with the corporate practice of medicine rules while contracting directly with payors and, in turn, physicians, to provide physician services to the payors' enrollees. In California, DMG's restricted Knox-Keene license has created potential flexibility for DMG in the event regulatory authorities seek to enforce corporate practice of medicine or fee splitting laws based upon current management services relationships with AMG. DMG's restricted Knox-Keene license allows DHPC to contract with or employ physicians as a result of an exemption from California's corporate practice of medicine laws applicable to Knox-Keene licensees.

**Knox-Keene.** The California Department of Managed Health Care (DMHC) licenses and regulates Health Care Service Plans (HCSPs) pursuant to the Knox-Keene Health Care Service Plan Act of 1975, as amended. In addition to regulating Knox-Keene's various patient's rights protections for HCSP-enrolled individuals, the DMHC is responsible for ensuring the financial sustainability over time of HCSPs and other regulated entities. As such, the DMHC is charged with continually monitoring the financial health of

regulated entities. The DMHC's Division of Financial Oversight conducts examinations of the fiscal and administrative affairs of licensed HCSPs to protect consumers and providers from potential insolvencies. Financial examination reviews include examinations of cash flow, premium receivables, intercompany transactions and medical liabilities. The examination also ensures that there is adequate tangible net equity (TNE), as determined according to calculations included in Knox-Keene. The TNE regulations for organizations holding a Knox-Keene license, like DMG, vary depending on circumstances, but generally require any licensee to have on hand in cash or cash equivalents a minimum of the greater of (i) \$1 million, (ii) the sum of 2% of the first \$150 million of annualized premium revenues plus 1% of annualized premium revenues in excess of \$150 million, or (iii) the sum of 8% of the first \$150 million of annualized healthcare expenditures (except those paid on a capitated basis or managed hospital payment basis) plus 4% of the annualized healthcare expenditures, except those paid on a capitated basis or managed hospital payment basis, which are in excess of \$150 million; plus 4% of annualized hospital expenditures paid on a managed hospital payment basis. In its sole discretion, the DMHC may require, as a condition to obtaining or maintaining an HCSP license, that a licensee accept certain contractual undertakings such that the licensee is obligated to maintain TNE in amounts greater than the minimum amount described above. Such contractual undertakings may require 130% or more of TNE to be maintained by a licensee. During the 2016 financial examination, DaVita Health Plan of California, Inc. (DHPC, formerly known as DaVita HealthCare Partners Plan, Inc.) was required to provide evidence of exclusive fidelity bond coverage in the amount of at least \$2 million, with a deductible amount not in excess of \$100,000 with a requirement to notify the Director of DMHC 30 days prior to cancellation.

The DMHC interprets Knox-Keene to apply to both HCSPs and downstream contracting entities, including provider groups that enter into global risk contracts with licensed HCSPs. A global risk contract is a healthcare services contract in which a downstream contracting entity agrees to provide both professional (physician) services and institutional (hospital) services subject to an at-risk or capitated reimbursement methodology. According to the DMHC, entities that accept global risk must obtain a restricted Knox-Keene license. Under a restricted Knox-Keene license, entities may enter into global risk contracts with other licensed HCSPs. Holders of restricted Knox-Keene licenses must comply with the same financial requirements as HCSPs with full licenses, including demonstrating specific levels of TNE, but are granted waivers from meeting marketing and other terms of full Knox-Keene licensure requirements. The consequences of operating without a license include civil penalties, criminal penalties and the issuance of cease and desist orders.

DHPC holds a restricted Knox-Keene license, which was approved by the DMHC on December 31, 2013. This allows DMG, under its DHPC plan to contract directly with HCSPs to simplify its historic contractual and financial structure and to facilitate expansion into new markets in California. However, this also subjects DMG and DHPC to additional regulatory obligations, including (i) regulatory oversight of operations, (ii) the need to seek approval for all material business changes, (iii) significant requirements to maintain certain TNE levels, and (iv) other operating limitations imposed by Knox-Keene and its regulations. Under its restricted Knox-Keene license, DHPC is prohibited from declaring or paying any dividends or making any distribution of cash or property to its parent, affiliates, or shareholders, if such a distribution would cause it to fail to maintain the minimum applicable TNE, have insufficient working capital or cash flow as required by DMHC regulation or otherwise be unable to provide or arrange healthcare services. In addition, DHPC is subject to DMHC oversight and must seek approval before incurring any debt or guaranteeing any debt relating to its parent, affiliates, or shareholders. DHPC must also submit proposed global capitation contracts to the DMHC for approval.

#### ***DMG services***

Approximately 83% of DMG's operating revenues for the year ended December 31, 2016 were derived from multi-year capitation contracts with health plans. Under these contracts, DMG's health plan customers delegate full responsibility for member care to physicians and healthcare facilities that are part of DMG's provider network. In return, DMG receives a PMPM fee for each DMG member. As a result, DMG has financial and clinical accountability for a population of members. In California, DMG does not assume direct financial risk for institutional (hospital) services in most cases, but is responsible for managing the care dollars associated with both the professional (physician) and institutional services being provided for the PMPM fee attributable to both professional and institutional services. In those cases and as a result of its managed care-related administrative services agreements with hospitals, DMG recognizes the surplus of institutional revenues less institutional expense as DMG net revenues and is also responsible for any short-fall in the event that institutional expenses exceed institutional revenues. In addition to revenues recognized for financial reporting purposes, DMG measures its total care dollars under management. This includes the PMPM fee payable to third parties for institutional (hospital) services where DMG manages the care provided to its members by hospitals and other institutional services. These fees are not included in generally accepted accounting principles (GAAP) revenues.

DMG provides comprehensive and quality medical care through a network of participating physicians and other healthcare professionals. Through its group model, DMG employs, directly (where permitted by state law) and through its associated physician groups, approximately 700 primary care physicians. Through its IPA model, DMG contracts with a network of over 2,500 associated groups and other network primary care physicians who provide care for DMG's members in an independent office setting. These physicians are complemented by several thousand network specialists and approximately 200 network hospitals that provide specialty or institutional care to the patients of DMG's associated physicians, physician groups and IPAs.

In order to comply with local regulations prohibiting the corporate practice of medicine, many of DMG's group physicians are employed by associated medical groups with which DMG has entered into long-term management agreements. The largest of these DMG managed medical groups is AMG, which employs, directly or indirectly, over 700 primary care physicians, specialists and hospitalists. See "Government Regulation—Corporate practice of medicine and fee splitting" above.

DMG does not own hospitals, although hospitals are an essential part of its provider network. In most cases, DMG contracts or otherwise aligns with hospitals to manage the utilization, readmission and cost of hospital services. Most DMG patients receive specialty care through DMG's network based on referrals made by their primary care physician. These specialists may be reimbursed based on capitation, case rates or on a discounted FFS rate.

DMG group physicians typically see 15 to 20 patients per day, which we believe is an appropriate benchmark to ensure there is sufficient time to understand all of the patients' clinical needs. DMG care teams, including nurses, engage in outreach to patients in order help monitor fragile and high risk patients, and help improve adherence to physicians' care plans. During these visits, DMG's physicians, nurses and educators use the time to educate patients and manage their healthcare needs. The goal of this preventative care delivery model is to keep patients healthy. Education improves self-management and compliance which allows the patient to recognize early signs of their disease and seek appropriate care. We believe this translates into earlier intervention, which in turn leads to fewer emergency room visits, fewer hospital admissions and fewer hospital bed days (the most expensive location for healthcare). This clinical model seeks to provide early diagnosis of disease or deterioration in a chronic and complex condition and provide preventive care to maintain optimal health and avert unnecessary hospitalization. Clinic-based case managers and hospitalists coordinate with the primary care physicians to ensure that patients are receiving proper care whether they are in the clinic, in the hospital or are not regularly accessing healthcare. Physicians and case managers encourage patients to regularly visit the clinics in order to enhance their day-to-day health and diagnose any illness or deterioration in condition as early as possible.

DMG's information technology system, including DMG's electronic health record and data warehouse, is designed to support the DMG delivery model with data-driven opportunities to improve the quality and cost effectiveness of the care received by its members. Using informatics technology, DMG has created disease registries that track large numbers of patients with defined medical conditions. DMG applies the data from these registries to manage the care for patients with similar medical conditions which we believe leads to a better medical outcome. We believe this approach to using data is effective because the information is communicated by the patient's physician rather than the health plan or disease management companies.

DMG employs a wide variety of other information applications to service IPA and network providers using web connectivity. The HCP Connect! on-line portal provides web-based eligibility, referrals, electronic claims submission and explanation of benefits, and other communication vehicles for individual physician offices. The success of this suite of applications has enhanced DMG's ability to manage its IPA networks, and has resulted in significant back-office efficiencies for DMG and its associated physician groups. DMG has further expanded its ability to share key utilization and clinical data with its internal and contracted physicians and specialists through the Physician Information Portal and the Clinical Viewer. Through these secure web portals, a physician is able to obtain web-based, point of care information regarding a patient, including diagnosis history, provide quality indicators, historical risk-adjustment coding information, pharmacy medication history, and other key information. In addition to its web-portals geared towards physicians, DMG has recently introduced a patient on-line portal to enable DMG's patients to securely view their own clinical information, schedule physician appointments and interact electronically with their physicians. DMG believes these tools help lead to high quality clinical outcomes, create internal efficiencies, and enhance the satisfaction of its associated physicians and patients.

In addition, DMG uses its data to carefully track high utilizing patients through robust data warehousing and data mining technologies. DMG filters the data warehouse to identify and reach out to patients with high-utilization patterns who are inefficiently using resources, such as visiting an emergency room when either a same-day appointment or urgent care center would be more appropriate and satisfactory for the member. High utilizing patients are identified and tracked as part of DMG's electronic health record by their physician and DMG's care management staff. Specific care plans are attached to each of these patients and tracked carefully for full compliance. The objective is to proactively manage their care at times when these patients are either not compliant with the care plan or when changing circumstances require care managers to develop new and more suitable care plans. By using these resources, DMG has achieved improvements in quality of care, satisfaction and cost.

We believe DMG is well positioned to effectively leverage marketplace demands for greater provider accountability, measurable quality results and cost efficient medical care. We believe that DMG's business model is likely to continue to be an attractive alternative for health plans looking for high quality, cost effective delivery networks, physicians seeking an attractive practice environment and patients interested in a highly integrated approach to managing their medical care. Additionally, we believe that the scale of DMG's business allows it to spread capitation risk over a large population of members, invest in comprehensive analytic and healthcare information tools as well as clinical and quality measurement infrastructure, and recognize administrative and operating efficiencies. For these reasons, we believe that DMG offers patients, physicians and health plans a proven platform for addressing many of the most pressing challenges facing the U.S. healthcare system, including rising medical costs.

We also believe DMG has the ability to demonstrably improve medical outcomes and patient satisfaction while effectively managing costs through the following unique competitive strategies and internal progress and systems:

- DMG's clinical leadership and associated group and network physicians devote significant efforts to ensure that DMG's members receive the most appropriate care in the most appropriate manner.
- DMG is committed to maximizing its patients' satisfaction levels.
- DMG has the scale which, combined with its strong reputation and high quality patient care, makes it an attractive partner for health plans, compared to smaller provider groups that may have a higher risk of default and may not have the same resources to devote and develop the same level of patient care.
- DMG has over two decades of experience in managing complex disease cases for its population of patients. As a result, DMG has developed a rich dataset of patient care experiences and outcomes which permits DMG to proactively monitor and intervene in improving the care of its members.
- DMG's senior management team possesses substantial experience with the healthcare industry with average experience over 20 years, as of December 31, 2016.

#### ***Locations of DMG clinics***

As of December 31, 2016, DMG managed a total of 247 medical clinics, of which 59 clinics were located in California, 13 clinics were located in Colorado, 85 clinics were located in Florida, 52 clinics were located in Nevada, 15 clinics were located in New Mexico, two clinics were located in Georgia and 21 clinics were located in Washington.

#### **Competition**

##### ***U.S. and International dialysis competition***

The U.S. dialysis industry has consolidated significantly over time but still remains highly competitive, particularly in terms of acquiring existing outpatient dialysis centers. We continue to face a high degree of competition in the U.S. dialysis industry from large and medium-sized providers who compete directly with us for the acquisition of dialysis businesses, relationships with physicians to act as medical directors and skilled clinical personnel, as well as for individual patients. In addition, as we continue our international dialysis expansion into various international markets, we face competition from large and medium-sized providers for acquisition targets as well as physician relationships. Because of the ease of entry into the dialysis business and the ability of physicians to own dialysis centers and/or also be medical directors for their own centers, competition for growth in existing and expanding markets is not limited to large competitors with substantial financial resources. Acquisitions, developing new outpatient dialysis centers, patient retention and physician relationships are a critical component of our growth strategy and our business could be adversely affected if we are not able to continue to make dialysis acquisitions on reasonable and acceptable terms, continue to develop new outpatient dialysis centers, maintain or establish new relationships with physicians or if we experience significant patient attrition to our competitors. Competition for qualified physicians to act as medical directors and for inpatient dialysis services agreements with hospitals is also intense. Occasionally, we have also experienced competition from former medical directors or referring physicians who have opened their own outpatient dialysis centers. We also experience competitive pressures from other dialysis providers in connection with negotiating contracts with commercial healthcare payors and in recruiting and retaining qualified skilled clinical personnel.

The two largest dialysis companies, Fresenius Medical Care (FMC) and our Company, account for approximately 72% of outpatient dialysis patients in the U.S. with our Company serving approximately 36% of the total outpatient dialysis patients. Approximately 44% of the centers not owned by us or FMC 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 dialysis centers.

FMC also manufactures a full line of dialysis supplies and equipment in addition to owning and operating outpatient dialysis centers worldwide. This may give FMC cost advantages over us because of its ability to manufacture its own products. Additionally, FMC has been one of our largest suppliers of dialysis products and equipment over the last several years. In January 2010, we entered into and subsequently extended an agreement with FMC to purchase a certain amount of dialysis equipment, parts and supplies from FMC through December 31, 2017. In addition, we entered in to a product supply agreement with Baxter Healthcare Corporation (Baxter) that commits us to purchase a certain amount of dialysis supplies through 2018. Our purchases of products in these categories generally offered by both FMC and Baxter represent approximately 4% of our total U.S. dialysis and related lab services operating expenses for the year ended December 31, 2016. In 2016, we purchased hemodialysis products and supplies from both FMC and Baxter that each represented approximately 2% of our total U.S. dialysis operating expenses. The amount of purchases in future years



from FMC will depend upon a number of factors, including the operating requirements of our centers, the number of centers we acquire, and growth of our existing centers.

### ***DMG's competition***

DMG's business is highly competitive. DMG competes with managed care organizations, hospitals, medical groups and individual physicians in its markets. DMG competes with other primary care physician groups or physicians who contract with health plans for membership. Health plans contract with care providers on the basis of costs, reputation, scope, efficiency and stability. Individual members select a primary care physician at the time of membership with the health plan. Location, name recognition, quality indicators and other factors go into that decision. For example, in California, DMG competes with both Permanente Medical Group, which is the exclusive provider for Kaiser, and Heritage Provider Network. However, DMG's principal competitors for members and health plan contracts vary by market.

### **Corporate compliance program**

Our businesses are subject to extensive federal, state and local government regulations. Management has designed and implemented a 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:

- Assessing and identifying risks for existing and new businesses;
- Increasing, through training and education, the awareness of our teammates and affiliated professionals of the necessity of complying with all applicable laws, regulations and company policies and procedures;
- Developing and implementing compliance policies and procedures and creating controls to support compliance with the law and such policies and procedures;
- Auditing and monitoring the activities of our operating units and business support functions on a regular basis to identify potential instances of noncompliance in a timely manner; and
- Ensuring that we take steps to resolve instances of noncompliance or to address areas of weakness or 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 for teammates and patients 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, our Chief Executive Officer of Kidney Care and Chair of the Compliance Committee of our Board of Directors (Board Compliance Committee). On October 22, 2014, DaVita signed a CIA with HHS and the OIG. The CIA:

- requires that we maintain certain elements of our compliance programs;
- imposes certain expanded compliance-related requirements during the term of the CIA, including increased training for teammates, physician partners and board members, implementing a series of procedures prior to entering into arrangements with referrals sources, execution of annual certifications by senior executives that evidence compliance with federal healthcare laws and regulations, internal compliance policies and the CIA, imposition of an executive recoupment program and quarterly and annual reports to the OIG;
- requires the formal allocation of certain oversight responsibility to the Board Compliance Committee and a resolution from that committee that it has made reasonable inquiry into the operations of the compliance program and the retention of an independent compliance advisor in year three of the CIA;
- contains certain business restrictions related to a subset of our joint venture arrangements, including our agreeing to not enter into certain types of partial divestiture joint venture transactions with nephrologists during the term of the CIA, among other restrictions; and
- requires that we engage an Independent Monitor who will provide additional oversight and reporting to the OIG for the term of the CIA.

The costs associated with compliance with the CIA could be substantial and may be greater than we currently anticipate. In addition, in the event of a breach of the CIA, we may become liable for payment of certain stipulated penalties, and/or be excluded from participation on federal healthcare programs. The OIG notified us that it considered us to be in breach of the CIA because of three implementation deficiencies. We have remediated the deficiencies and have paid certain stipulated penalties. The costs associated with compliance with the CIA or any liability, or consequences associated with breach thereof, could have an adverse effect on our revenues, earnings and cash flows.

### Insurance

We maintain 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 actual 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 are required to maintain coverage for their individual private medical practices. Our liability policies cover our medical directors for the performance of their duties as medical directors at our outpatient dialysis centers. DMG also maintains general and professional liability insurance through various independent and related parties. DMG has purchased its primary general and professional liability insurance from California Medical Group Insurance (CMGI) in which DMG owns a 67% equity interest.

### Teammates

As of December 31, 2016, we employed approximately 70,300 teammates, including our international teammates:

• Licensed professional staff (physicians, nurses and other healthcare professionals)	29,500
• Other patient care and center support staff and laboratory personnel	27,400
• Corporate, billing and regional administrative staff	13,400

Our businesses require skilled healthcare professionals with specialized training for treating patients with complex care needs. Recruitment and retention of nurses are continuing concerns for healthcare providers due to short supply. 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 1A. 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 in Item 7 of this Part 1 under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations."*

### **Risk factors related to our overall business:**

**If we fail to adhere to all of the complex government regulations that apply to our business, we could suffer severe consequences that could have a material adverse effect on our revenues, earnings, cash flows and stock price.**

Our operations are subject to extensive federal, state and local government regulations, including Medicare and Medicaid payment rules and regulations, federal and state anti-kickback laws, the Stark Law and analogous state self-referral prohibition statutes, Federal Acquisition Regulations, the False Claims Act (FCA), the Civil Monetary Penalty statute, the Foreign Corrupt Practices Act (FCPA) and federal and state laws regarding the collection, use and disclosure of patient health information (e.g., Health Insurance Portability and Accountability Act of 1996 (HIPAA)) and the storage, handling and administration of pharmaceuticals. The Medicare and Medicaid reimbursement rules related to claims submission, enrollment and licensing requirements, cost reporting, and payment processes impose complex and extensive requirements upon dialysis providers as well. Moreover, additional laws and regulations potentially affecting providers continue to be promulgated. For example, on December 13, 2016, the 21<sup>st</sup> Century Cures Act was signed into law and, among other provisions, authorizes the Office of Inspector General (OIG) to impose penalties on providers that engage in information blocking where there is knowledge that such practice is unreasonable and likely to interfere with, prevent, or materially discourage access, exchange, or use of electronic health information.

We endeavor to comply with all legal requirements; however, there is no guarantee that we will be able to adhere to all of the complex government regulations that apply to our business. We further endeavor to structure all of our relationships with physicians to comply with state and federal anti-kickback and physician self-referral laws. We utilize considerable resources to monitor the laws and implement necessary changes. However, the laws and regulations in these areas are complex and often subject to varying interpretations. For example, if an enforcement agency were to challenge the level of compensation that we pay our medical directors or the number of medical directors whom we engage, 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.

In addition, failure to report and return overpayments within 60 days of when the overpayment was identified can lead to a violation of the FCA and associated penalties, as described in further detail below, and exclusion and penalties under the federal Civil Monetary Penalty statute, including civil monetary penalties of up to \$10,000 (adjusted for inflation) for each item or service for which a person received an identified overpayment and failed to report and return such overpayment. These obligations to report and return overpayments could subject our procedures for identifying and processing overpayments to greater scrutiny. We have made significant investments in resources to decrease the time it takes to identify and process overpayments, and we may be required to make additional investments in the future. From time to time we may conduct internal compliance reviews, the results of which may involve the identification of overpayments or other liabilities. An acceleration in our ability to identify and process overpayments could result in us refunding overpayments to government and other payors more rapidly than we have in the past which could have a material adverse effect on our operating cash flows. As of December 31, 2016, we recorded an estimated accrual of \$38 million for potential damages and liabilities associated with write-offs and discounts of patient co-payment obligations, and credits to payors for returns of prescriptions drugs related to our pharmacy business that were identified during the course of an internally-initiated compliance review. We have disclosed the results of this ongoing review to the government. We may accrue additional reserves for refunds and related damages and potential liabilities arising out of this review.

Additionally, the federal government has used the FCA to prosecute a wide variety of alleged false claims and fraud allegedly perpetrated against Medicare and state health care programs, including coding errors, billing for services not rendered, submitting false cost reports, billing for services at a higher payment 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 considered medically necessary. Moreover, amendments to the federal Anti-Kickback Statute in the health reform law make claims tainted by anti-kickback violations potentially subject to liability under the FCA, including *qui tam* or whistleblower suits. The penalties for a violation of the FCA range from \$5,500 to \$11,000 (adjusted for inflation) for each false claim plus three times the amount of damages caused by each such claim which generally means the amount received directly or indirectly from the government. On February 3, 2017, the Department of Justice (DOJ) issued a final rule announcing adjustments to FCA penalties, under which the per claim penalty range increases to \$10,957 to \$21,916 for penalties assessed after February 3, 2017, so long as the underlying conduct occurred after November 2, 2015. Given the high volume of claims processed by our various operating units, the potential is high for substantial penalties in connection with any alleged FCA violations.

In addition to the provisions of the FCA, which provide for civil enforcement, the federal government can use several criminal statutes to prosecute persons who are alleged to have submitted false or fraudulent claims for payment to the federal government.

The civil investigative demand received by our wholly-owned pharmacy services subsidiary, DaVita Rx, LLC, specifically references that it is in connection with an FCA investigation concerning allegations that this subsidiary presented or caused to be presented false claims for payment to the government for prescription medications, as well as into our relationship with pharmaceutical manufacturers. See “Item 3. Legal Proceedings” and Note 17 to the consolidated financial statements included in this report for further details.

We are subject to a Corporate Integrity Agreement (CIA) which, for our domestic dialysis business, requires us to report probable violations of criminal, civil or administrative laws applicable to any federal health care program for which penalties or exclusions may be authorized under applicable healthcare laws and regulations. See “If we fail to comply with our Corporate Integrity Agreement, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs that may adversely impact our revenues, earnings and cash flows”.

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, cash flows and stock price, including:

- Suspension or termination of our participation in government payment programs;
- Refunds of amounts received in violation of law or applicable payment program requirements;
- Loss of required government certifications or exclusion from government payment programs;
- Loss of licenses required to operate healthcare facilities or administer pharmaceuticals in some of the states in which we operate;
- Reductions in payment rates or coverage for dialysis and ancillary services and related pharmaceuticals;
- Criminal or civil liability, fines, damages or monetary penalties for violations of healthcare fraud and abuse laws, including the federal Anti-Kickback Statute, Stark Law violations, FCA or other failures to meet regulatory requirements;
- Enforcement actions by governmental agencies and/or state claims for monetary damages by patients who believe their protected health information (PHI) has been used, disclosed or not properly safeguarded in violation of federal or state patient privacy laws, including HIPAA or the Privacy Act of 1974;
- Mandated changes to our practices or procedures that significantly increase operating expenses;
- Imposition of and compliance with corporate integrity agreements that could subject us to ongoing audits and reporting requirements as well as increased scrutiny of our billing and business practices which could lead to potential fines;
- Termination of relationships with medical directors; and
- Harm to our reputation which could impact our business relationships, affect our ability to obtain financing and decrease access to new business opportunities, among other things.

**We are, and may in the future be, a party to various lawsuits, claims, governmental investigations and audits (including investigations resulting from our obligation to self-report suspected violations of law) and other legal proceedings, any of which could result in, among other things, substantial financial penalties or awards against us, substantial payments made by us, harm to our reputation, required changes to our business practices, exclusion from future participation in the Medicare, Medicaid and other federal healthcare programs and possible criminal penalties, any of which could have a material adverse effect on us.**

We are the subject of a number of investigations and audits by the federal government. We have received subpoenas or other requests for documents from the federal government in connection with the Swoben private civil suit, the 2015 U.S. Attorney Transportation Investigation, the investigations underlying the two subpoenas regarding patient diagnosis coding received by DMG and its JSA subsidiary, the 2015 DOJ Vascular Access Investigation, the 2016 U.S. Attorney Prescription Drug Investigation and the 2017 U.S. Attorney American Kidney Fund Investigation. In addition to the foregoing inquiries and proceedings, we are frequently subject to other investigations and audits by state or federal government agencies and/or private civil *qui tam* complaints filed by relators and other lawsuits, claims and legal proceedings.

Responding to subpoenas, investigations and other lawsuits, claims and legal proceedings as well as defending ourselves in such matters will continue to require management's attention and cause us to incur significant legal expense. Negative findings or terms and conditions that we might agree to accept as part of a negotiated resolution of pending or future government inquiries or relator proceedings could result in, among other things, substantial financial penalties or awards against us, substantial payments made by us, harm to our reputation, required changes to our business practices, exclusion from future participation in the Medicare, Medicaid and other federal healthcare programs and, in certain cases, criminal penalties, any of which could have a material adverse effect on us. It is possible that criminal proceedings may be initiated against us in connection with investigations by the federal government. To our knowledge, no such proceedings have been initiated by the federal government against us at this time. Other than as described in "Item 3. Legal Proceedings" and Note 17 to the consolidated financial statements included in this report, we cannot predict the ultimate outcomes of the various legal proceedings and regulatory matters to which we are or may be subject from time to time, including those described in the aforementioned sections of this report, or the timing of their resolution or the ultimate losses or impact of developments in those matters, which could have a material adverse effect on our revenues, earnings, and cash flows. See "Item 3. Legal Proceedings" and Note 17 to the consolidated financial statements included in this report for further details regarding these and other matters.

**Disruptions in federal government operations and funding create uncertainty in our industry and could have a material adverse effect on our revenues, earnings and cash flows and otherwise adversely affect our financial condition.**

A substantial portion of our revenues is dependent on federal healthcare program reimbursement, and any disruptions in federal government operations could have a material adverse effect on our revenues, earnings and cash flows. If the U.S. government defaults on its debt, there could be broad macroeconomic effects that could raise our cost of borrowing funds, and delay or prevent our future growth and expansion. Any future federal government shutdown, U.S. government default on its debt and/or failure of the U.S. government to enact annual appropriations could have a material adverse effect on our revenues, earnings and cash flows. Additionally, disruptions in federal government operations may negatively impact regulatory approvals and guidance that are important to our operations, and create uncertainty about the pace of upcoming healthcare regulatory developments.

**Healthcare reform could substantially reduce our revenues, earnings and cash flows.**

We cannot predict how employers, private payors or persons buying insurance might react to the changes brought on by federal and state healthcare reform legislation or what form many of these regulations will take before implementation.

The federal healthcare reform legislation, enacted in 2010, introduced healthcare insurance exchanges which provide a marketplace for eligible individuals and small employers to purchase healthcare insurance. The business and regulatory environment continues to evolve as the exchanges mature, and regulations are challenged, changed and enforced. If commercial payor participation in the exchanges continues to decrease, our revenues, earnings and cash flows could be adversely affected. Although we cannot predict the short- or long-term effects of these factors, we believe the healthcare insurance exchanges could result in a reduction in ESRD patients covered by traditional commercial insurance policies and an increase in the number of patients covered through the exchanges under more restrictive commercial plans with lower reimbursement rates or higher deductibles and co-payments that patients may not be able to pay. To the extent that the ongoing implementation of such exchanges or changes in regulations or enforcement of regulations regarding the exchanges results in a reduction in reimbursement rates for our services from commercial and/or government payors, our revenues, earnings and cash flows could be adversely affected.

The healthcare reform legislation also added several new tax provisions that, among other things, impose various fees and excise taxes, and limit compensation deductions for health insurance providers and their affiliates. These rules could negatively impact our cash flow and tax liabilities. In addition, the healthcare reform legislation broadened the potential for penalties under the FCA for the knowing and improper retention of overpayments collected from government payors and reduced the timeline to file Medicare claims. As a result, we made significant investments in new resources to accelerate the time it takes us to identify and process overpayments and we deployed significant resources to reduce our timeline and improve our claims processing methods to ensure that our Medicare claims are filed in a timely fashion. However, we may be required to make additional investments in the future. Failure to timely identify and return overpayments may result in significant penalties, which may have a negative impact on our revenues, earnings and cash flows. Failure to file a claim within the one year window could result in payment denials, adversely affecting our revenues, earnings and cash flows.

With the healthcare reform legislation, new models of care emerge and evolve and other initiatives in the government or private sector may arise, which could adversely impact our business. For example, the CMS Innovation Center (Innovation Center) is currently working with various healthcare providers to develop, refine and implement Accountable Care Organizations (ACOs) and other innovative models of care for Medicare and Medicaid beneficiaries, including Bundled Payments for Care Improvement Initiative, CEC Model (which includes the development of ESRD Seamless Care Organizations), the Comprehensive Primary Care Initiative, the Duals Demonstration, and other models. We are currently participating in the CEC Model with the Innovation Center, including with organizations in Arizona, Florida, and adjacent New Jersey and Pennsylvania markets. Our U.S. dialysis business may

choose to participate in additional models either as a partner with other providers or independently. Even in areas where we are not directly participating in this or other Innovation Center models, some of our patients may be assigned to an ACO, another ESRD Care Model, or another program, in which case the quality and cost of care that we furnish will be included in an ACO's, another ESRD Care Model's, or other program's calculations. Additionally, CMS instituted new screening procedures which we expect will delay the Medicare contractor approval process, potentially causing a delay in reimbursement. We anticipate the new screening and enrollment requirements will require additional personnel and financial resources and will potentially delay the enrollment and revalidation of our centers which in turn will delay payment. These delays may negatively impact our revenues, earnings and cash flows.

Other reform measures allow CMS to place a moratorium on new enrollment of providers and to suspend payment to providers upon a credible allegation of fraud from any source. These types of reform measures, as well as other measures, could adversely impact our revenues, earnings and cash flows depending upon the scope and breadth of the implementing regulations.

There is also a considerable amount of uncertainty as to the prospective implementation of the federal healthcare reform legislation and what similar measures might be enacted at the state level. There have been multiple attempts through legislative action and legal challenges to repeal or amend the ACA. In addition, the 2016 Presidential and Congressional elections have caused the future state of the exchanges and other ACA reforms to be unclear. As a result, there is considerable uncertainty regarding the future with respect to the exchanges, and, indeed, many core aspects of the current health care marketplace. While specific changes and their timing are not yet apparent, it does appear likely that there will be significant changes to the healthcare environment in the near and short term. The enacted reforms as well as future legislative changes could have a material adverse effect on our results of operations, including lowering our reimbursement rates and increasing our expenses.

In addition, CMS published an interim final rule that establishes new Conditions for Coverage standards for dialysis facilities that require any facility making payments of premiums for individual market health plans to notify patients of potential coverage options and educate them about the benefits of each option. The interim final rule requires facilities to ensure that insurers are informed of and have agreed to accept the payments. On January 25, 2017, the federal court issued a preliminary injunction on CMS' interim final rule. At this time CMS has not appealed the court's ruling and we await the final decision from the court. This and any other law, rule or guidance or rule issued by CMS limiting or prohibiting the use of charitable premium assistance and/or the ability of patients with access to alternative coverage from selecting a marketplace plan on or off exchange could have a material adverse effect on our revenues, earnings and cash flows.

**Federal and state privacy and information security laws are complex, and if we fail to comply with applicable laws, regulations and standards, including with respect to third-party service providers that utilize sensitive personal information on our behalf, or if we fail to properly maintain the integrity of our data, protect our proprietary rights to our systems or defend against cybersecurity attacks, we may be subject to government or private actions due to privacy and security breaches, and our business, reputation, results of operations, financial position and cash flows could be materially and adversely affected.**

We must comply with numerous federal and state laws and regulations governing the collection, dissemination, access, use, security and privacy of PHI, including HIPAA and its implementing privacy and security regulations, as amended by the federal Health Information Technology for Economic and Clinical Health Act (HITECH) and collectively referred to as HIPAA. If we fail to comply with applicable privacy and security laws, regulations and standards, including with respect to third-party service providers that utilize sensitive personal information, including PHI, on our behalf, properly maintain the integrity of our data, protect our proprietary rights to our systems, or defend against cybersecurity attacks, our business, reputation, results of operations, financial position and cash flows could be materially and adversely affected.

Information security risks have significantly increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct our operations, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign state agents. Our operations rely on the secure processing, transmission and storage of confidential, proprietary and other information in our computer systems and networks.

We are continuously implementing multiple layers of security measures through technology, processes, and our people. We utilize current security technologies and our defenses are monitored and routinely tested internally and by external parties. Despite these efforts, our facilities and systems and those of our third-party service providers may be vulnerable to privacy and security incidents; security attacks and breaches; acts of vandalism or theft; computer viruses and other malicious code; coordinated attacks by activist entities; emerging cybersecurity risks; misplaced or lost data; programming and/or human errors; or other similar events that could impact the security, reliability, and availability of our systems. Emerging and advanced security threats, including coordinated attacks, require additional layers of security which may disrupt or impact efficiency of operations. Cybersecurity requires ongoing investment and diligence against evolving threats.

Any security breach involving the misappropriation, loss or other unauthorized disclosure or use of confidential information, including PHI, financial data, competitively sensitive information, or other proprietary data, whether by us or a third party, could have

a material adverse effect on our business, reputation, financial condition, cash flows, or results of operations. We may be required to expend significant additional resources to modify our protective measures, to investigate and remediate vulnerabilities or other exposures, or to make required notifications. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, cessations in the availability of systems or liability under privacy and security laws, all of which could have a material adverse effect on our financial position and results of operations and harm our business reputation and trigger regulatory actions and private party litigation. If we are unable to protect the physical and electronic security and privacy of our databases and transactions, we could be subject to potential liability and regulatory action, our reputation and relationships with our patients and vendors would be harmed, and our business, operations, and financial results may be materially adversely affected. Failure to adequately protect and maintain the integrity of our information systems (including our networks) and data, or to defend against cybersecurity attacks, could subject us to monetary fines, civil suits, civil penalties or criminal sanctions and requirements to disclose the breach publicly, and may further result in a material adverse effect on our results of operations, financial position, and cash flows. As malicious cyber activity escalates, including activity that originates outside of the United States, the risks we face relating to transmission of data and our use of service providers outside of our network, as well as the storing or processing of data within our network, intensify. There have been increased federal and state HIPAA and other privacy and security enforcement efforts and we expect this trend to continue. While we maintain cyber liability insurance, this insurance may not cover us for all losses and may not be sufficient to protect us against all losses.

**We may engage in acquisitions, mergers, joint ventures or dispositions, which may affect our results of operations, debt-to-capital ratio, capital expenditures or other aspects of our business, and if businesses we acquire have liabilities we are not aware of, we could suffer severe consequences that would materially and adversely affect our business.**

Our business strategy includes growth through acquisitions of dialysis centers and other businesses, as well as entry into joint ventures. We may engage in acquisitions, mergers, joint ventures, dispositions or new business models, which may affect our results of operations, debt-to-capital ratio, capital expenditures or other aspects of our business. There can be no assurance that we will be able to identify suitable acquisition targets or merger partners or that, if identified, we will be able to acquire these targets on acceptable terms or agree to terms with merger partners. There can also be no assurance that we will be successful in completing any acquisitions, mergers or dispositions that we announce, executing new business models or integrating any acquired business into our overall operations. There is no guarantee that we will be able to operate acquired businesses successfully as stand-alone businesses, or that any such acquired business will operate profitably or will not otherwise adversely impact our results of operations. Further, we cannot be certain that key talented individuals at the business being acquired will continue to work for us after the acquisition or that they will be able to continue to successfully manage or have adequate resources to successfully operate any acquired business.

Businesses we acquire may have unknown or contingent liabilities or liabilities that are in excess of the amounts that we originally estimated, and may have other issues, including those related to internal controls over financial reporting or issues that could affect our ability to comply with healthcare laws and regulations and other laws applicable to our expanded business. As a result, we cannot make any assurances that the acquisitions we consummate will be successful. 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, the amounts held in escrow for our benefit (if any), 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 or alternative remedies that might be available to us, or any applicable insurance, we could suffer severe consequences that would substantially reduce our earnings and cash flows or otherwise materially and adversely affect our business.

Additionally, joint ventures, including our Asia Pacific Joint Venture (APAC JV), and minority investments inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational and/or compliance risks associated with the joint venture or minority investment. In addition, we may be dependent on joint venture partners, controlling shareholders or management who may have business interests, strategies or goals that are inconsistent with ours. Business decisions or other actions or omissions of the joint venture partner, controlling shareholders or management may adversely affect the value of our investment, result in litigation or regulatory action against us, result in reputational harm to us or adversely affect the value of our investment or partnership.

**If we are not able to continue to make acquisitions, or maintain an acceptable level of non-acquired growth, or if we face significant patient attrition to our competitors or a reduction in the number of our medical directors or associated physicians, it could adversely affect our business.**

Acquisitions, patient retention and medical director and physician retention are an important part of our growth strategy. We face intense competition from other companies for acquisition targets. In our U.S. dialysis business, we continue to face increased competition from large and medium-sized providers, which compete directly with us for acquisition targets as well as for individual patients and medical directors. In addition, as we continue our international dialysis expansion into various international markets, we will face competition from large and medium-sized providers for these acquisition targets as well. Because of the ease of entry into the

dialysis business and the ability of physicians to be medical directors for their own centers, competition for growth in existing and expanding markets is not limited to large competitors with substantial financial resources. Occasionally, we have experienced competition from former medical directors or referring physicians who have opened their own dialysis centers. In addition, FMC, our largest competitor, manufactures a full line of dialysis supplies and equipment in addition to owning and operating dialysis centers. This may give it cost advantages over us because of its ability to manufacture its own products. If we are not able to continue to make acquisitions, continue to maintain acceptable levels of non-acquired growth, or if we face significant patient attrition to our competitors or a reduction in the number of our medical directors or associated physicians, it could adversely affect our business.

**Our ability to effectively provide the services we offer could be negatively impacted if certain of our suppliers do not meet our needs, if there are material price increases, or if we are unable to effectively access new technology, which could substantially reduce our revenues, earnings and cash flows.**

We have significant suppliers that are either the sole or primary source of products critical to the services we provide, including Amgen, Baxter, FMC, NxStage Medical, Inc. and others or to which we have committed obligations to make purchases. If any of these suppliers do not meet our needs for the products they supply, including in the event of a product recall, shortage or dispute, and we are not able to find adequate alternative sources, if we experience material price increases from these suppliers that we are unable to mitigate, or if some of the drugs that we purchase are not reimbursed or not adequately reimbursed by commercial payors or through the bundled payment rate by Medicare, our revenues, earnings and cash flows could be substantially reduced. In addition, the technology related to the products critical to the services we provide is subject to new developments and may result in superior products. If we are not able to access superior products on a cost-effective basis or if suppliers are not able to fulfill our requirements for such products, we could face patient attrition which could substantially reduce our revenues, earnings and cash flows.

**DMG operates in a different line of business from our historical business, and we face challenges managing DMG and may not realize anticipated benefits.**

DMG operates in a different line of business from our historical business. We may not have the expertise, experience and resources to pursue all of our businesses at once, and we may be unable to successfully operate all businesses in the combined company. The administration of DMG requires implementation of appropriate operations, management, and financial reporting systems and controls. We experience difficulties in effectively implementing these and other systems. The management of DMG requires and will continue to require the focused attention of our management team, including a significant commitment of its time and resources. The need for management to focus on these matters could have a material and adverse impact on our revenues and operating results. If the DMG operations are less profitable than we currently anticipate or we do not have the experience, the appropriate expertise or the resources to pursue all businesses in the combined company, the results of operations and financial condition may be materially and adversely affected, and in that regard, we have taken goodwill impairment charges of \$189 million, \$77 million and \$176 million in December 2015, March 2016 and June 2016, respectively, and may continue incurring additional impairment charges.

**The level of our current and future debt could have an adverse impact on our business and our ability to generate cash to service our indebtedness depends on many factors beyond our control.**

We have substantial debt outstanding, we incurred a substantial amount of additional debt in connection with the DMG transaction and we may incur additional indebtedness in the future. Our substantial indebtedness could have important consequences to you, for example, it 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;
- limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate;
- expose us to interest rate volatility that could adversely affect our earnings and cash flow and our ability to service our indebtedness;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds.



In addition, we may incur substantial additional indebtedness in the future. The terms of the indentures governing our senior notes and the agreement governing our senior secured credit facilities will allow us to incur substantial additional debt. If new debt is added to current debt levels, the related risks described above could intensify.

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 provide assurance that our business will generate sufficient cash flow from operations in the future or that future borrowings will be available to us in an amount sufficient to enable us to service our indebtedness or to fund other liquidity needs. If we are unable to generate sufficient funds to service our outstanding indebtedness, we may be required to refinance, restructure, or otherwise amend some or all of such obligations, sell assets, or raise additional cash through the sale of our equity. We cannot make any assurances that we would be able to obtain such refinancing on terms as favorable as our existing financing terms or that such restructuring activities, sales of assets, or issuances of equity can be accomplished or, if accomplished, would raise sufficient funds to meet these obligations.

The borrowings under our senior secured credit facilities are guaranteed by a substantial portion of our direct and indirect wholly-owned domestic subsidiaries and are secured by a substantial portion of DaVita Inc.'s and its subsidiaries' assets.

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

Our operations and how we manage our Company may subject us, as well as our officers and directors to whom we owe certain defense and indemnity obligations, 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 or limits of coverage of any applicable insurance coverage, including claims related to adverse patient events, contractual disputes, professional and general liability and directors' and officers' duties. In addition, we have received several notices of claims from commercial payors and other third parties, as well as subpoenas and CIDs from the federal government, related to our business practices, including our historical billing practices and the historical billing practices of acquired businesses. Although the ultimate outcome of these claims cannot be predicted, an adverse result with respect to one or more of these claims could have a material adverse effect on our financial condition, results of operations and cash flows. We currently maintain insurance coverage for those risks we deem are appropriate to insure against and make determinations about whether to self-insure as to other risks or layers of coverage. However, a successful claim, including a professional liability, malpractice or negligence claim which is in excess of any applicable insurance coverage, or that is subject to our self-insurance retentions, could have a material adverse effect on our earnings and cash flows. Additionally, as a result of the broad scope of our DMG division's medical practice, we are exposed to medical malpractice claims, as well as claims for damages and other expenses, that may not be covered by insurance or for which adequate limits of insurance coverage may not be available.

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:

- the collapse or insolvency of our insurance carriers;
- 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; or
- an inability to obtain one or more types of insurance on acceptable terms, if at all.

**If we fail to successfully maintain an effective internal control over financial reporting, the integrity of our financial reporting could be compromised, which could result in a material adverse effect on our reported financial results.**

The integration of DMG into our internal control over financial reporting has required and will continue to require significant time and resources from our management and other personnel and will increase our compliance costs. Failure to maintain an effective internal control environment could have a material adverse effect on our ability to accurately report our financial results and the market's perception of our business and our stock price.

**Deterioration in economic conditions and further disruptions in the financial markets could have a material adverse effect on our revenues, earnings and cash flows and otherwise adversely affect our financial condition.**

Deterioration in economic conditions could adversely affect our business and our profitability. Among other things, the potential decline in federal and state revenues that may result from such conditions may create additional pressures to contain or reduce reimbursements for our services from Medicare, Medicaid and other government sponsored programs. Increases in job losses in the U.S. as a result of adverse economic conditions has and may continue to result in a smaller percentage of our patients being covered by an employer group health plan and a larger percentage being covered by lower paying Medicare and Medicaid programs. Employers may also select more restrictive commercial plans with lower reimbursement rates. To the extent that payors are negatively impacted by a decline in the economy, we may experience further pressure on commercial rates, a further slowdown in collections and a reduction in the amounts we expect to collect. In addition, uncertainty in the financial markets could adversely affect the variable interest rates payable under our credit facilities or could make it more difficult to obtain or renew such facilities or to obtain other forms of financing in the future, if at all. Any or all of these factors, as well as other consequences of a deterioration in economic conditions which cannot currently be anticipated, could have a material adverse effect on our revenues, earnings and cash flows and otherwise adversely affect our financial condition.

**Expansion of our operations to and offering our services in markets outside of the U.S. subjects us to political, economic, legal, operational and other risks that could adversely affect our business, results of operations and cash flows.**

We are continuing to expand our operations by offering our services outside of the U.S., which increases our exposure to the inherent risks of doing business in international markets. Depending on the market, these risks include those relating to:

- changes in the local economic environment;
- political instability, armed conflicts or terrorism;
- social changes;
- intellectual property legal protections and remedies;
- trade regulations;
- procedures and actions affecting approval, production, pricing, reimbursement and marketing of products and services;
- foreign currency;
- repatriating or moving to other countries cash generated or held abroad, including considerations relating to tax-efficiencies and changes in tax laws;
- export controls;
- lack of reliable legal systems which may affect our ability to enforce contractual rights;
- changes in local laws or regulations;
- potentially longer ramp-up times for starting up new operations and for payment and collection cycles;
- financial and operational, and information technology systems integration; and
- failure to comply with U.S. laws, such as the FCPA, or local laws that prohibit us, our partners, or our partners' or our intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business.

Issues relating to the failure to comply with any of the above may impact our domestic business and/or raise scrutiny on our domestic practices.

Additionally, some factors that will be critical to the success of our international business and operations will be different than those affecting our domestic business and operations. For example, conducting international operations requires us to devote significant management resources to implement our controls and systems in new markets, to comply with local laws and regulations and to overcome the numerous new challenges inherent in managing international operations, including those based on differing languages, cultures and regulatory environments, and those related to the timely hiring, integration and retention of a sufficient number of skilled personnel to carry out operations in an environment with which we are not familiar.

We anticipate expanding our international operations through acquisitions of varying sizes or through organic growth, which could increase these risks. Additionally, though we might invest material amounts of capital and incur significant costs in connection with the growth and development of our international operations, there is no assurance that we will be able to operate them profitably anytime soon, if at all. As a result, we would expect these costs to be dilutive to our earnings over the next several years as we start-up or acquire new operations.

These risks could have a material adverse effect on our financial condition, results of operations and cash flows.

**Risk factors related to our U.S. dialysis and related lab services, ancillary services and strategic initiatives:**

**If patients in commercial plans are subject to restriction in plan designs or the average rates that commercial payors pay us decline significantly, it would have a material adverse effect on our revenues, earnings and cash flows.**

Approximately 36% of our dialysis services revenues for the year ended December 31, 2016 were generated from patients who have commercial payors (including hospital dialysis services) as their primary payor. The majority of these patients have insurance policies that pay us on terms and at rates that are generally significantly higher than Medicare rates. The payments we receive from commercial payors generate nearly all of our profit and all of our nonacute dialysis profits come from commercial payors. We continue to experience downward pressure on some of our commercial payment rates as a result of general conditions in the market, including as employers shift to less expensive options for medical services, recent and future consolidations among commercial payors, increased focus on dialysis services and other factors. In addition, many commercial payors that sell individual plans both on and off exchange have publicly announced losses in the marketplace. These payors may seek discounts on rates for marketplace plans on and off exchange. There is no guarantee that commercial payment rates will not be materially lower in the future.

We are continuously in the process of negotiating existing and potential new agreements with commercial payors who aggressively negotiate terms with us. Sometimes many significant agreements are being renegotiated at the same time. In the event that our continual negotiations result in overall commercial rate reductions in excess of overall commercial rate increases, the cumulative effect could have a material adverse effect on our financial results. Consolidations have significantly increased the negotiating leverage of commercial payors. Our negotiations with payors are also influenced by competitive pressures, and we may experience decreased contracted rates with commercial payors or experience decreases in patient volume as our negotiations with commercial payors continue. In addition to downward pressure on contracted commercial payor rates, payors have been attempting to design and implement plans to restrict access to coverage, and the duration and/or the breadth of benefits, which may result in decreased payments. In addition, payors have been attempting to impose restrictions and limitations on patient access to commercial exchange plans and non-contracted or out-of-network providers, and in some circumstances designate our centers as out-of-network providers. Rates for commercial exchange products and out-of-network providers are on average higher than rates for government products and in-network providers, respectively. In 2017, a number of commercial payors have incorporated policies into their provider manuals refusing to accept charitable premium assistance from bona fide non-profit organizations, such as the American Kidney Fund, which may impact the number of patients who are able to afford commercial exchange plans. We also believe commercial payors have or will begin to restructure their benefits to create disincentives for patients to select or remain with out-of-network providers and to decrease payment rates for out-of-network providers. Decreases in the number of patients with commercial exchange plans, decreases in out-of-network rates and restrictions on out-of-network access, our turning away new patients in instances where we are unable to come to agreement on rates, or decreases in contracted rates could result in a significant decrease in our overall revenues derived from commercial payors. If the average rates that commercial payors pay us decline significantly, or if we see a decline in commercial patients, it would have a material adverse effect on our revenues, earnings and cash flows. For additional details regarding specific risks we face regarding regulatory changes that could result in fewer patients covered under commercial plans or an increase of patients covered under more restrictive commercial plans with lower reimbursement rates, see the discussion in the risk factor under the heading "Healthcare reform could substantially reduce 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 patients with higher-paying commercial insurance coverage. A patient's insurance coverage may change for a number of reasons, including changes in the patient's or a family member's employment status. Currently, 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. Patients with commercial insurance frequently rely on financial assistance from charitable organizations, such as the American Kidney Fund. However, certain payors are challenging our patients' and other providers' patients' ability to utilize assistance from charitable organizations for the payment of premiums, including through litigation and other legal proceedings. Regulators have also questioned the use of charitable premium assistance for ESRD patients, including CMS, which had issued an interim final rule on charitable premium assistance in December 2016. Although CMS' interim final rule is currently subject to a preliminary injunction issued by a federal court judge, CMS or a regulatory agency may issue a new rule to challenge charitable premium assistance. If any of these challenges to kidney patients' use of premium assistance are successful or regulators impose restrictions on the use of financial assistance from such charitable organizations such that these patients are unable to obtain, or continue to receive or receive for a limited duration, such financial assistance, our revenues, earnings, and cash flow could be substantially reduced.

When Medicare becomes the primary payor, the payment rate we receive for that patient decreases from the employer group health plan rate to the lower Medicare payment rate. The number of our patients who have government-based programs as their primary payors could increase and the percentage of our patients covered under commercial insurance plans could be negatively impacted as a result of improved mortality or declining macroeconomic conditions. To the extent there are sustained or increased job losses in the U.S., independent of whether general economic conditions improve, we could experience a decrease in the number of patients covered under commercial plans. We could also experience a further decrease in the payments we receive for services if changes to the healthcare regulatory system result in fewer patients covered under commercial plans or an increase of patients covered under more restrictive commercial plans with lower reimbursement rates. In addition, our continual negotiations with commercial payors under existing and potential new agreements could result in a decrease in the number of our patients covered by commercial plans to the extent that we cannot reach agreement with commercial payors on rates and other terms, resulting in termination or non-renewals of existing agreements and our inability to enter into new agreements. Commercial payors have taken and may continue to take steps to control the cost of and/or the eligibility for access to healthcare services, including relative to products on and off the healthcare exchanges. These efforts could impact the number of our patients who are eligible to enroll in commercial insurance plans, and remain on the plans, including plans offered through healthcare exchanges. 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.

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

Approximately 42% of our dialysis services revenues for the year ended December 31, 2016 were generated from patients who have Medicare as their primary payor. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate which provides a fixed payment rate to encompass all goods and services provided during the dialysis treatment, including pharmaceuticals that were historically separately reimbursed to the dialysis providers, such as EPO, vitamin D analogs and iron supplements, irrespective of the level of pharmaceuticals administered or additional services performed. Most lab services are also included in the bundled payment. Under the ESRD Prospective Payment System (PPS), the bundled payments to a dialysis facility may be reduced by as much as 2% based on the facility's performance in specified quality measures set annually by CMS through the ESRD Quality Incentive Program, which was established by the Medicare Improvements for Patients and Providers Act of 2008. The bundled payment rate is also adjusted for certain patient characteristics, a geographic usage index and certain other factors.

The current bundled payment system presents certain operating, clinical and financial risks, which include:

- Risk that our rates are reduced by CMS. Uncertainty about future payment rates remains a material risk to our business. Each year, CMS publishes a final rule for the ESRD Prospective Payment System (PPS), which phases in the reductions to the ESRD PPS base rate mandated by the American Taxpayer Relief Act of 2012 as modified by the Protecting Access to Medicare Act of 2014.
- Risk that increases in our operating costs will outpace the Medicare rate increases we receive. We expect operating costs to continue to increase due to inflationary factors, such as increases in labor and supply costs, regardless of whether there is a compensating inflation-based increase in Medicare payment rates or in payments under the bundled payment rate system.

- Risk of federal budget sequestration cuts. As a result of the Budget Control Act of 2011 and the Bipartisan Budget Act of 2015, an annual 2% reduction to Medicare payments took effect on April 1, 2013 and has been extended through 2025. These across-the-board spending cuts have affected and will continue to adversely affect our revenues, earnings and cash flows.
- Risk that, if our clinical systems fail to accurately capture the data we report to CMS in connection with claims for which at least part of the government's payments to us is based on clinical performance or patient outcomes or co-morbidities, we might be over-reimbursed by the government which could subject us to certain liability. For example, CMS published a final rule that implemented a statute under the ACA. This statute requires providers to report and return Medicare and Medicaid overpayments within the later of (a) 60 days after the overpayment is identified, or (b) the date any corresponding cost report is due, if applicable. An overpayment impermissibly retained under this statute could subject us to liability under the FCA, exclusion, and penalties under the federal Civil Monetary Penalty statute.

For additional details regarding the risks we face for failing to adhere to our Medicare and Medicaid regulatory compliance obligations, see the risk factor below under the heading "If we fail to adhere to all of the complex government regulations that apply to our business, we could suffer severe consequences that could have a material adverse effect on our revenues, earnings, cash flows and stock price."

**Changes in state Medicaid or other non-Medicare government-based programs or payment rates could reduce our revenues, earnings and cash flows.**

Approximately 22% of our dialysis services revenues for the year ended December 31, 2016 were generated from patients who have state Medicaid or other non-Medicare government-based programs, such as coverage through the Department of Veterans Affairs (VA), as their primary coverage. As state governments and other governmental organizations face increasing budgetary pressure, we may in turn face reductions in payment rates, delays in the receipt of payments, limitations on enrollee eligibility or other changes to the applicable programs. For example, certain state Medicaid programs and the VA have recently considered, proposed or implemented payment rate reductions.

The VA adopted Medicare's bundled PPS pricing methodology for any veterans receiving treatment from non-VA providers under a national contracting initiative. Since we are a non-VA provider, these reimbursements are tied to a percentage of Medicare reimbursement, and we have exposure to any dialysis reimbursement changes made by CMS. Approximately 2% of our dialysis services revenues for the year ended December 31, 2016 were generated by the VA.

In 2013, we entered into a five-year Nationwide Dialysis Services contract with the VA which is subject to one-year renewal periods, consistent with all provider agreements with the VA under this contract. During the length of the contract, the VA has elected not to make adjustments to reimbursement percentages that are tied to a percentage of Medicare reimbursement rates. These agreements provide the VA with the right to terminate the agreements without cause on short notice. Should the VA not renew or cancel these agreements for any reason, we may cease accepting patients under this program and may be forced to close centers, which could adversely affect our revenues, earnings and cash flows.

State Medicaid programs are increasingly adopting Medicare-like bundled payment systems, but sometimes these payment systems are poorly defined and are implemented without any claims processing infrastructure, or patient or facility adjusters. If these payment systems are implemented without any adjusters and claims processing changes, Medicaid payments will be substantially reduced and the costs to submit such claims may increase, which will have a negative impact on our revenues, earnings and cash flows. In addition, some state Medicaid program eligibility requirements mandate that citizen enrollees in such programs provide documented proof of citizenship. If our patients cannot meet these proof of citizenship documentation requirements, they may be denied coverage under these programs, resulting in decreased patient volumes and revenue. These Medicaid payment and enrollment changes, along with similar changes to other non-Medicare government programs could reduce the rates paid by these programs for dialysis and related services, delay the receipt of payment for services provided and further limit eligibility for coverage which could adversely affect our revenues, earnings and cash flows.

**Changes in clinical practices, payment rates or regulations impacting EPO and other pharmaceuticals could adversely affect our operating results, reduce our revenues, earnings and cash flows and negatively impact our ability to care for patients.**

Medicare bundles EPO into the PPS such that dosing variations do not change the amount paid to a dialysis facility. Although some Medicaid programs and other payors suggest movement towards a bundled payment system inclusive of EPO, some non-Medicare payors continue to pay for EPO separately from the treatment rate.

Additionally, evaluations on the utilization and reimbursement for ESAs, which have occurred in the past and may occur in the future, and related actions by the U.S. Congress and federal agencies, could result in further restrictions on the utilization and

reimbursement for ESAs. Commercial payors have increasingly examined their administration policies for EPO and, in some cases, have modified those policies. Changes in labeling of EPO and other pharmaceuticals in a manner that alters physician practice patterns or accepted clinical practices, and/or changes in private and governmental payment criteria, including the introduction of EPO administration policies could have a material adverse effect on our revenues, earnings and cash flows. Further increased utilization of EPO for patients for whom the cost of EPO is included in a bundled reimbursement rate, or further decreases in reimbursement for EPO and other pharmaceuticals that are not included in a bundled reimbursement rate, could also have a material adverse effect on our revenues, earnings and cash flows.

Additionally, as a result of the current high level of scrutiny and controversy, we may be subject to increased inquiries or audits from a variety of governmental bodies or claims by third parties. Although we believe our anemia management practices and other pharmaceutical administration practices have been compliant with existing laws and regulations, increased inquiries or audits from governmental bodies or claims by third parties would require management's attention, and could result in significant legal expense. Any negative findings could result in substantial financial penalties or repayment obligations, the imposition of certain obligations on and changes to our practices and procedures as well as the attendant financial burden on us to comply with the obligations, or exclusion from future participation in the Medicare and Medicaid programs, and could have a material adverse effect on our revenues, earnings and cash flows.

**If we fail to comply with our Corporate Integrity Agreement, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs that may adversely impact our revenues, earnings and cash flows.**

In October 2014, we entered into a Settlement Agreement with the United States and relator David Barbetta to resolve the then pending 2010 and 2011 U.S. Attorney physician relationship investigations and paid \$406 million in settlement amounts, civil forfeiture, and interest to the United States and certain states. In connection with the resolution of these matters, and in exchange for the OIG's agreement not to exclude us from participating in the federal healthcare programs, we have entered into a five-year CIA with the OIG. The CIA (i) requires that we maintain certain elements of our compliance programs; (ii) imposes certain expanded compliance-related requirements during the term of the CIA; (iii) requires ongoing monitoring and reporting by an independent monitor, imposes certain reporting, certification, records retention and training obligations, allocates certain oversight responsibility to the Board's Compliance Committee, and necessitates the creation of a Management Compliance Committee and the retention of an independent compliance advisor to the Board; and (iv) contains certain business restrictions related to a subset of our joint venture arrangements, including our agreeing to (1) unwind 11 joint venture transactions that were created through partial divestitures to, or partial acquisitions from, nephrologists, and that cover 26 of our 2,119 clinics that existed at the time we entered into the Settlement Agreement, all of which have been completed, (2) not enter into certain types of partial divestiture joint venture transactions with nephrologists during the term of the CIA, (3) non-enforcement of certain patient-related non-solicitation restrictions, and (4) certain other restrictions. The costs associated with compliance with the CIA could be substantial and may be greater than we currently anticipate. In addition, in the event of a breach of the CIA, we could become liable for payment of certain stipulated penalties, and could be excluded from participation in federal healthcare programs. The OIG notified us that it considered us to be previously in breach of the CIA because of three implementation deficiencies. While we have remediated the deficiencies and have paid certain stipulated penalties, we cannot provide any assurances that we may not be found in breach of the CIA in the future. In general, the costs associated with compliance with the CIA, or any liability or consequences associated with a breach, could have a material adverse effect on our revenues, earnings and cash flows. For our domestic dialysis business, we are required under the CIA to report to the OIG (i) probable violations of criminal, civil or administrative laws applicable to any federal health care program for which penalties or exclusions may be authorized under applicable laws and regulations; (ii) substantial overpayments of amounts of money we have received in excess of the amounts due and payable under the federal healthcare program requirements; and (iii) employment of or contracting with individuals ineligible from participating in the federal healthcare programs (we refer to these collectively as Reportable Events). We have provided the OIG notice of Reportable Events, and we may identify and report additional events in the future. If any of our operations are found to violate government laws and regulations, we could suffer severe consequences that would have a material adverse effect on our revenues, earnings, cash flows and stock price, including those consequences described under the risk factor "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, cash flows and stock price."

**Delays in state Medicare and Medicaid certification of our dialysis centers could adversely affect our revenues, earnings and cash flows.**

Before we can begin billing for patients treated in our outpatient dialysis centers who are enrolled in government-based programs, we are required to obtain state and federal certification for participation in the Medicare and Medicaid programs. As state agencies responsible for surveying dialysis centers on behalf of the state and Medicare program face increasing budgetary pressure, certain states are having difficulty keeping up with certifying dialysis centers in the normal course resulting in significant delays in certification. If state governments continue to have difficulty keeping up with certifying new centers in the normal course and we continue to experience significant delays in our ability to treat and bill for services provided to patients covered under government programs, it could cause us to incur write-offs of investments or accelerate the recognition of lease obligations in the event we have to

close centers or our centers' operating performance deteriorates, and it could have an adverse effect on our revenues, earnings and cash flows.

**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, 2016, we owned a controlling interest in numerous dialysis-related joint ventures, which represented approximately 24% of our dialysis and related lab services revenues for the year ended December 31, 2016. In addition, we also owned noncontrolling equity investments in several other dialysis related joint ventures. We may continue to increase the number of our joint ventures. Many of our joint ventures with physicians or physician groups also have certain physician owners providing medical director services to centers we own and operate. Because our relationships with physicians are governed by the federal and state anti-kickback statutes, we have sought to structure our joint venture arrangements to satisfy as many federal safe harbor requirements as we believe are commercially reasonable. However, although our joint venture arrangements do not satisfy all of the elements of any safe harbor under the federal Anti-Kickback Statute, they are not automatically prohibited under the federal Anti-Kickback Statute but are susceptible to government scrutiny. For example, in October 2014, we entered into a Settlement Agreement with the United States and relator David Barbetta to resolve the then pending 2010 and 2011 U.S. Attorney physician relationship investigations regarding certain of our joint ventures and paid \$406 million in settlement amounts, civil forfeiture, and interest to the United States and certain states. For further details, see "If we fail to comply with our Corporate Integrity Agreement, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs that could have a material effect on our revenues, earnings and cash flows".

**There are significant estimating risks associated with the amount of dialysis revenues and related refund liabilities that we recognize, and if we are unable to accurately estimate our revenues and related refund liabilities, it could impact the timing and the amount of our revenues recognition or have a significant impact on our operating results.**

There are significant estimating risks associated with the amount of dialysis and related lab services revenues and related refund liabilities that we recognize in a reporting period. The billing and collection process is complex due to ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage and other payor issues. Determining applicable primary and secondary coverage for approximately 187,700 U.S. patients at any point in time, together with the changes in patient coverage that occur each month, requires complex, resource-intensive processes. Errors in determining the correct coordination of benefits may result in refunds to payors. Revenues associated with Medicare and Medicaid programs are also subject to estimating risk related to the amounts not paid by the primary government payor that will ultimately be collectible from other government programs paying secondary coverage, the patient's commercial health plan secondary coverage or the patient. Collections, refunds and payor retractions typically continue to occur for up to three years and longer after services are provided. We generally expect our range of dialysis and related lab services revenues estimating risk to be within 1% of net revenues for the segment. If our estimates of dialysis and related lab services revenues and related refund liabilities are materially inaccurate, it could impact the timing and the amount of our revenues recognition and have a significant impact on our operating results.

**Our ancillary services and strategic initiatives, including our pharmacy services and our international dialysis operations, that we invest in now or in the future may generate losses and may ultimately be unsuccessful. In the event that one or more of these activities is unsuccessful, our revenues, earnings and cash flows may be negatively impacted and we may have to write off our investment and incur other exit costs.**

Our ancillary services and strategic initiatives currently include pharmacy services, disease management services, vascular access services, ESRD clinical research programs, physician services, physician practice management services, direct primary care and our international dialysis operations. We expect to add additional service offerings and pursue additional strategic initiatives in the future as circumstances warrant, which could include healthcare services not related to dialysis. Many of these initiatives require or would require investments of both management and financial resources and can generate significant losses for a substantial period of time and may not become profitable. There can be no assurance that any such strategic initiative will ultimately be successful. Any significant change in market conditions, or business performance, or in the political, legislative or regulatory environment, may impact the economic viability of any of these strategic initiatives.

If any of our ancillary services or strategic initiatives, including our pharmacy services and our international dialysis operations, do not perform as planned, our revenues, earnings and cash flows may be negatively impacted, we may incur a material write-off or an impairment of our investment, including goodwill, in one or more of these activities, or we could incur significant termination costs if we were to exit a certain line of business.

**If a significant number of physicians were to cease referring patients to our dialysis centers, whether due to regulatory or other reasons, it would have a material adverse effect on our revenues, earnings and cash flows.**

We believe that 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 director of the center. 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.

Our medical director contracts are for fixed periods, generally ten years, and at any given time a large number of them could be up for renewal at the same time. Medical directors have no obligation to extend their agreements with us and if we are unable to enforce noncompetition provisions contained in terminated medical director agreements, our former medical directors may choose to provide medical director services for competing providers or establish their own dialysis centers in competition with ours. Neither our current nor former medical directors have an obligation to refer their patients to our centers.

Opportunities presented by our competitors or different affiliation models in the changing healthcare environment, such as an increase in the number of physicians becoming employed by hospitals or a perceived decrease in the quality of service levels at our centers, may negatively impact a medical director's decision to enter into or extend his or her agreement with us, refer patients to our centers or otherwise negatively impact treatment volumes.

In addition, we may take actions to restructure existing relationships or take positions in negotiating extensions of relationships to assure compliance with the federal Anti-Kickback Statute, Stark Law and other similar laws. 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 cause the physician to stop referring patients to our dialysis centers. These actions, in an effort to comply with applicable laws and regulations, could negatively impact the decision of physicians to extend their medical director agreements with us or to refer their patients to us. If a significant number of physicians were to cease referring patients to our dialysis centers, it would have a material adverse effect on our revenues, earnings and cash flows.

**If there are shortages of skilled clinical personnel or if we experience a higher than normal turnover rate, 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 healthcare providers. This nursing shortage may limit our ability to expand our operations. In addition, changes in certification requirements or increases in the required staffing levels for skilled clinical personnel can impact our ability to maintain sufficient staff levels to the extent our teammates are not able to meet new requirements, or we experience a higher than normal turnover rate due to increased competition for qualified clinical personnel. If we are unable to hire skilled clinical personnel when needed, or if we experience a higher than normal turnover rate for our skilled clinical personnel, our operations and treatment growth will be negatively impacted, which would result in reduced revenues, earnings and cash flows.

**Our business is labor intensive and could be adversely affected if we are unable to maintain satisfactory relations with our employees or if union organizing activities result in significant increases in our operating costs or decreases in productivity.**

Our business is labor intensive, and our results are subject to variations in labor-related costs, productivity and the number of pending or potential claims against us related to labor and employment practices. If political efforts at the national and local level result in actions or proposals that increase the likelihood of union organizing activities at our facilities or if union organizing activities increase for other reasons, or if labor and employment claims, including the filing of class action suits, or work stoppages, trend upwards, our operating costs could increase and our employee relations, productivity, earnings and cash flows could be adversely affected.

**Complications associated with our billing and collections system could have a material adverse effect on our revenues, cash flows and operating results.**

Our billing system is critical to our billing operations. If there are defects in the billing system, we may experience difficulties in our ability to successfully bill and collect for services rendered, including a delay in collections, a reduction in the amounts collected, increased risk of retractions from and refunds to commercial and government payors, an increase in our provision for uncollectible accounts receivable and noncompliance with reimbursement regulations, any or all of which could have a material adverse effect on our revenues, cash flows and operating results.



## **Risk factors related to DMG:**

### **DMG is subject to many of the same risks to which our dialysis business is subject.**

As a participant in the healthcare industry, DMG is subject to many of the same risks as our dialysis business is, as described in the risk factors set forth above in this Part I, Item 1A, any of which could materially and adversely affect DMG's revenues, earnings or cash flows.

### **Under most of DMG's agreements with health plans, DMG assumes some or all of the risk that the cost of providing services will exceed its compensation.**

Over 83% of DMG's revenue for the year ended December 31, 2016 is derived from fixed per member per month (PMPM) fees paid by health plans under capitation agreements with DMG or its associated physician groups. While there are variations specific to each arrangement, DMG, through DaVita Health Plan of California, Inc. (DHPC), a subsidiary of HealthCare Partners Holdings, LLC and a restricted Knox-Keene licensed entity, and, in certain instances, DMG's associated physician groups generally contract with health plans to receive a PMPM fee for professional services and assume the financial responsibility for professional services only. In some cases, the health plans separately enter into capitation contracts with third parties (typically hospitals) who receive directly a PMPM fee and assume contractual financial responsibility for hospital services. In other cases, the health plan does not pay any portion of the PMPM fee to the hospital, but rather administers claims for hospital expenses itself. In both scenarios, DMG enters into managed care-related administrative services agreements or similar arrangements with those third parties (typically hospitals) under which DMG agrees to be responsible for utilization review, quality assurance, and other managed care-related administrative functions and claim payments. As compensation for such administrative services, DMG is entitled to receive a percentage of the amount by which the institutional capitation revenue received from health plans exceeds institutional expenses; any such risk-share amount to which DMG is entitled is recorded as medical revenues, and DMG is also responsible for a percentage of any shortfall in the event that institutional expenses exceed institutional revenues. To the extent that members require more care than is anticipated, aggregate fixed PMPM amounts, or capitation payments, may be insufficient to cover the costs associated with treatment. If medical expenses exceed estimates, except in very limited circumstances, DMG will not be able to increase the PMPM fee received under these risk agreements during their then-current terms and could, directly or indirectly through its contracts with its associated physician groups, suffer losses with respect to such agreements.

Changes in DMG's or its associated physician groups' anticipated ratio of medical expense to revenue can significantly impact DMG's financial results. Accordingly, the failure to adequately predict and control medical expenses and to make reasonable estimates and maintain adequate accruals for incurred but not reported claims, may have a material adverse effect on DMG's financial condition, results of operations or cash flows.

Historically, DMG's and its associated physician groups' medical expenses as a percentage of revenue have fluctuated. Factors that may cause medical expenses to exceed estimates include:

- the health status of members;
- higher than expected utilization of new or existing healthcare services or technologies;
- an increase in the cost of healthcare services and supplies, including pharmaceuticals, whether as a result of inflation or otherwise;
- changes to mandated benefits or other changes in healthcare laws, regulations and practices;
- periodic renegotiation of provider contracts with specialist physicians, hospitals and ancillary providers;
- periodic renegotiation of contracts with DMG's affiliated primary care physicians and specialists;
- changes in the demographics of the participating members and medical trends;
- contractual or claims disputes with providers, hospitals or other service providers within a health plan's network;
- the occurrence of catastrophes, major epidemics or acts of terrorism; and
- the reduction of health plan premiums.

**Risk-sharing arrangements that DMG and its associated physician groups have with health plans and hospitals could result in their costs exceeding the corresponding revenues, which could reduce or eliminate any shared risk profitability.**

Most of the agreements between health plans and DMG and its associated physician groups contain risk-sharing arrangements under which the physician groups can earn additional compensation from the health plans by coordinating the provision of quality, cost-effective healthcare to members. However, such arrangements may require the physician group to assume a portion of any loss sustained from these arrangements, thereby reducing DMG's net income. Under these risk-sharing arrangements, DMG and its associated physician groups are responsible for a portion of the cost of hospital services or other services that are not capitated. The terms of the particular risk-sharing arrangement allocate responsibility to the respective parties when the cost of services exceeds the related revenue, which results in a deficit, or permit the parties to share in any surplus amounts when actual costs are less than the related revenue. The amount of non-capitated medical and hospital costs in any period could be affected by factors beyond the control of DMG, such as changes in treatment protocols, new technologies, longer lengths of stay by the patient and inflation. Certain of DMG's agreements with health plans stipulate that risk-sharing pool deficit amounts are carried forward to offset any future years' surplus amounts DMG would otherwise be entitled to receive. DMG accrues for any such risk-sharing deficits. To the extent that such non-capitated medical and hospital costs are higher than anticipated, revenue may not be sufficient to cover the risk-sharing deficits the health plans and DMG are responsible for, which could reduce DMG's revenues and profitability.

**Renegotiation, renewal or termination of capitation agreements with health plans could have a significant impact on DMG's future profitability.**

Under most of DMG's and its associated physician groups' capitation agreements with health plans, the health plan is generally permitted to modify the benefit and risk obligations and compensation rights from time to time during the terms of the agreements. If a health plan exercises its right to amend its benefit and risk obligations and compensation rights, DMG and its associated physician groups are generally allowed a period of time to object to such amendment. If DMG or its associated physician group so objects, under some of the risk agreements, the relevant health plan may terminate the applicable agreement upon 90 to 180 days written notice. If DMG or its associated physician groups enter into capitation contracts or other risk sharing arrangements with unfavorable economic terms, or a capitation contract is amended to include unfavorable terms, DMG could, directly or indirectly through its contracts with its associated physician groups, suffer losses with respect to such contract. Since DMG does not negotiate with CMS or any health plan regarding the benefits to be provided under their Medicare Advantage plans, DMG often has just a few months to familiarize itself with each new annual package of benefits it is expected to offer. Depending on the health plan at issue and the amount of revenue associated with the health plan's risk agreement, the renegotiated terms or termination may have a material adverse effect on our DMG division and the Company's future revenues and profitability.

**Laws regulating the corporate practice of medicine could restrict the manner in which DMG is permitted to conduct its business, and the failure to comply with such laws could subject DMG to penalties or require a restructuring of DMG.**

Some states have laws that prohibit business entities, such as DMG, from practicing medicine, employing physicians to practice medicine, exercising control over medical decisions by physicians (also known collectively as the corporate practice of medicine) or engaging in certain arrangements, such as fee-splitting, with physicians. In some states these prohibitions are expressly stated in a statute or regulation, while in other states the prohibition is a matter of judicial or regulatory interpretation. Of the states in which DMG currently operates, California, Colorado, Nevada and Washington generally prohibit the corporate practice of medicine, and other states may as well.

In California, Colorado, Nevada and Washington, DMG operates by maintaining long-term contracts with its associated physician groups which are each owned and operated by physicians and which employ or contract with additional physicians to provide physician services. Under these arrangements, DMG provides management services and, receives a management fee for providing non-medical management services; however, DMG does not represent that it offers medical services, and does not exercise influence or control over the practice of medicine by the physicians or the associated physician groups.

In addition to the above management arrangements, DMG has certain contractual rights relating to the orderly transfer of equity interests in certain of its associated California, Colorado, Nevada and Washington physician groups through succession agreements and other arrangements with their physician equity holders. However, such equity interests cannot be transferred to or held by DMG or by any non-professional organization. Accordingly, neither DMG nor DMG's subsidiaries directly own any equity interests in any physician groups in California, Colorado, Nevada and Washington. In the event that any of these associated physician groups fail to comply with the management arrangement or any management arrangement is terminated and/or DMG is unable to enforce its contractual rights over the orderly transfer of equity interests in its associated physician groups, such events could have a material adverse effect on DMG's business, financial condition or results of operations.

It is possible that a state regulatory agency or a court could determine that DMG's agreements with physician equity holders of certain managed California, Colorado, Nevada and Washington associated physician groups as described above, either independently

or coupled with the management services agreements with such associated physician groups, are in violation of the corporate practice of medicine doctrine. As a result, these arrangements could be deemed invalid, potentially resulting in a loss of revenues and an adverse effect on results of operations derived from such associated physician groups. Such a determination could force a restructuring of DMG's management arrangements with associated physician groups in California, Colorado, Nevada and/or Washington, which might include revisions of the management services agreements, including a modification of the management fee and/or establishing an alternative structure that would permit DMG to contract with a physician network without violating the corporate practice of medicine prohibition. There can be no assurance that such a restructuring would be feasible, or that it could be accomplished within a reasonable time frame without a material adverse effect on DMG's operations and financial results. In December 2013, DHPC obtained a restricted Knox-Keene license in California, which permits DHPC to contract with health plans in California to accept global risk without violating the corporate practice of medicine prohibition. However, DMG and DMG's Colorado, Nevada and Washington associated physician groups, as well as those physician equity holders of associated physician groups who are subject to succession agreements with DMG, could be subject to criminal or civil penalties or an injunction for practicing medicine without a license or aiding and abetting the unlicensed practice of medicine.

**If DMG's agreements or arrangements with any physician equity holder(s) of associated physicians, physician groups or IPAs are deemed invalid under state law, including laws against the corporate practice of medicine, or federal law, or are terminated as a result of changes in state law, or if there is a change in accounting standards by the Financial Accounting Standards Board (FASB) or the interpretation thereof affecting consolidation of entities, it could impact DMG's consolidation of total revenues derived from such associated physician groups.**

DMG's financial statements are consolidated in accordance with applicable accounting standards and include the accounts of its majority-owned subsidiaries and certain non-owned DMG-associated and managed physician groups. Such consolidation for accounting and/or tax purposes does not, is not intended to, and should not be deemed to, imply or provide to DMG any control over the medical or clinical affairs of such physician groups. In the event of a change in accounting standards promulgated by FASB or in interpretation of its standards, or if there is an adverse determination by a regulatory agency or a court, or a change in state or federal law relating to the ability to maintain present agreements or arrangements with such physician groups, DMG may not be permitted to continue to consolidate the total revenues of such organizations. A change in accounting for consolidation with respect to DMG's present agreement or arrangements would diminish DMG's reported revenues but would not be expected to materially adversely affect its reported results of operations, while regulatory or legal rulings or changes in law interfering with DMG's ability to maintain its present agreements or arrangements could materially diminish both revenues and results of operations.

**If DHPC is not able to satisfy financial solvency or other regulatory requirements, we could become subject to sanctions and its license to do business in California could be limited, suspended or terminated.**

Knox-Keene requires healthcare service plans operating in California to comply with financial solvency and other requirements overseen by the California Department of Managed HealthCare (DMHC). Under Knox-Keene, DHPC is required to, among other things:

- Maintain, at all times, a minimum tangible net equity (TNE);
- Submit periodic financial solvency reports to the DMHC containing various data regarding performance and financial solvency;
- Comply with extensive regulatory requirements; and
- Submit to periodic regulatory audits and reviews concerning DHPC operations and compliance with Knox-Keene.

In the event that DHPC is not in compliance with the provisions of Knox-Keene, we could be subject to sanctions, or limitations on, or suspension of its license to do business in California.

**If DMG's associated physician group is not able to satisfy the California DMHC's financial solvency requirements, DMG's associated physician group could become subject to sanctions and DMG's ability to do business in California could be limited or terminated.**

The California DMHC has instituted financial solvency regulations to monitor the financial solvency of capitated physician groups. Under these regulations, DMG's associated physician group is required to, among other things:

- Maintain, at all times, a minimum cash-to-claims ratio (where cash-to-claims ratio means the organization's cash, marketable securities and certain qualified receivables, divided by the organization's total unpaid claims liability). The regulation currently requires a cash-to-claims ratio of 0.75.

- Submit periodic reports to the California DMHC containing various data and attestations regarding performance and financial solvency, including incurred but not reported calculations and documentation, and attestations as to whether or not the organization was in compliance with Knox-Keene requirements related to claims payment timeliness, had maintained positive TNE (i.e., at least \$1.00) and had maintained positive working capital (i.e., at least \$1.00).

In the event that DMG's associated physician group is not in compliance with any of the above criteria, DMG's associated physician group could be subject to sanctions, or limitations on, or removal of, its ability to do business in California.

**Reductions in Medicare Advantage health plan reimbursement rates stemming from recent healthcare reforms and any future related regulations may negatively impact DMG's business, revenue and profitability.**

A significant portion of DMG's revenue is directly or indirectly derived from the monthly premium payments paid by CMS to health plans for medical services provided to Medicare Advantage enrollees. As a result, DMG's results of operations are, in part, dependent on government funding levels for Medicare Advantage programs. Any changes that limit or reduce Medicare Advantage reimbursement levels, such as reductions in or limitations of reimbursement amounts or rates under programs, reductions in funding of programs, expansion of benefits without adequate funding, elimination of coverage for certain benefits, or elimination of coverage for certain individuals or treatments under programs, could have a material adverse effect on DMG's revenues, earnings and cash flows.

Each year, CMS issues a final rule to establish the Medicare Advantage benchmark payment rates for the following calendar year. Any reduction to Medicare Advantage rates to DMG that is greater compared to the industry average rate may have material adverse effect on DMG's operations and cash flows. The final impact of the Medicare Advantage rates can vary from any estimate we may have and may be further impacted by the relative growth of DMG's Medicare Advantage patient volumes across markets as well as by the benefit plan designs submitted. It is possible that we may underestimate the impact of the Medicare Advantage rates on our business, which may have a material adverse effect on our financial position, results of operation or cash flows.

We have taken impairment charges against the goodwill of three of our DMG reporting units in the fourth quarter of 2015 and the first and second quarters of 2016 based on continuing developments at our DMG reporting units, including the Medicare Advantage final benchmark rates for 2017 announced on April 4, 2016, further changes in our expectations concerning future government reimbursement rates and our expected ability to mitigate them, as well as medical cost and utilization trends, underperformance of certain at-risk units in recent quarters and other market conditions. We may also need to take additional goodwill impairment charges against earnings in a future period, depending on the impact of continuing changes on the value of our DMG reporting units. A goodwill impairment occurs when the carrying amount of a reporting unit's goodwill is in excess of its implied fair value, and the amount of such non-cash charge, if any, could be significant. In estimating the fair value of our DMG reporting units, we update our forecasts for our at-risk DMG reporting units to reflect the expected future cash flows that we believe market participants would use in determining fair values of our DMG reporting units if they were to acquire these businesses. We and our independent advisors also use certain estimates and key assumptions in determining the estimate of these fair values, including applicable market multiples, discount and long-term growth rates, market data and future reimbursement rates. Our estimates of the fair value of our DMG reporting units could differ from the actual values that a market participant would pay for these reporting units.

DMG's Medicare Advantage revenues may continue to be volatile in the future, which could have a material impact on DMG's ongoing financial performance.

The Health Reform Acts contain a number of provisions that negatively impact Medicare Advantage plans, which may each have an adverse effect on DMG's revenues, earnings and cash flows. These provisions include the following:

- Medicare Advantage benchmarks for 2011 were frozen at 2010 levels. From 2012 through 2016, Medicare Advantage benchmark rates were phased down from prior levels. The new benchmarks will be fully phased-in in 2017 and will range between 95% and 115% of the Medicare FFS costs, depending on a plan's geographic area. If our costs escalate faster than can be absorbed by the level of revenues implied by these benchmark rates, then it could have a significant negative impact on DMG's earnings and cash flows.
- Rebates received by Medicare Advantage plans that were reduced, with larger reductions for plans failing to receive certain quality ratings.
- The Secretary of HHS has been granted the explicit authority to deny Medicare Advantage plan bids that propose significant increases in cost sharing or decreases in benefits. If the bids submitted by plans contracted with DMG are denied, this would have a significant negative impact on DMG's revenues, earnings and cash flows.

- Medicare Advantage plans with medical loss ratios below 85% are required to pay a rebate to the Secretary of HHS. The rebate amount is the total revenue under the contract year multiplied by the difference between 85% and the plan's actual medical loss ratio. The Secretary of HHS will halt enrollment in any plan failing to meet this ratio for three consecutive years, and terminate any plan failing to meet the ratio for five consecutive years. If a DMG-contracting Medicare Advantage plan experiences a limitation on enrollment or is otherwise terminated from the Medicare Advantage program, DMG may suffer materially adverse consequences to its business or financial condition.
- Prescription drug plans are required to provide coverage of certain drug categories on a list developed by the Secretary of HHS, which could increase the cost of providing care to Medicare Advantage enrollees, and thereby reduce DMG's revenues and earnings. The Medicare Part D premium amount subsidized for high-income beneficiaries has been reduced, which could lower the number of Medicare Advantage enrollees, which would have a negative impact on DMG's revenues, earnings and cash flows.
- CMS increased coding intensity adjustments for Medicare Advantage plans beginning in 2014 and continuing through 2018, which reduces CMS payments to Medicare Advantage plans, which in turn will likely reduce the amounts payable to DMG and its associated physicians, physician groups, and IPAs under its capitation agreements.

However, the 2016 Presidential and Congressional elections have caused the future state of the Health Reform Acts to be unclear. While specific changes and their timing are not yet apparent, enacted reforms and future legislative changes could have a material adverse effect on our results of operations.

There is also uncertainty regarding both Medicare Advantage payment rates and beneficiary enrollment, which, if reduced, would reduce DMG's overall revenues and net income. For example, although the Congressional Budget Office (CBO) predicted in 2010 that Medicare Advantage participation would drop substantially by 2020, the CBO now predicts that enrollment in Medicare Advantage (and other contracts covering Medicare Parts A and B) could reach 30 million by 2026. Although Medicare Advantage enrollment increased by approximately 5.6 million, or by 50%, between the enactment of the ACA in 2010 and 2015, there can be no assurance that this trend will continue. Further, fluctuation in Medicare Advantage payment rates are evidenced by CMS's annual announcement of the expected average change in revenue from the prior year: for 2015, CMS announced an average increase of 0.4%; for 2016, 1.25%; and for 2017, 0.85%. Uncertainty over Medicare Advantage enrollment and payment rates present a continuing risk to DMG's business.

Medicare Advantage enrollment continues to be highly concentrated among a few payors, both nationally and in local markets. In 2017, in 439 counties in 26 states, only one company will offer Medicare Advantage plans— an indicator that those markets may lack competition. Consolidation among Medicare Advantage plans, or the Medicare program's failure to attract additional plans to participate in the Medicare Advantage program, could have a negative impact of DMG's revenues, earnings, and/or cash flows.

**DMG's operations are dependent on competing health plans and, at times, a health plan's and DMG's economic interests may diverge.**

For the year ended December 31, 2016, 63% of DMG's consolidated capitated medical revenues were earned through contracts with three health plans.

DMG expects that, going forward, substantially all of its revenue will continue to be derived from its contracts with health plans. Each health plan may immediately terminate any of DMG's contracts and/or any individual credentialed physician upon the occurrence of certain events. They may also amend the material terms of the contracts under certain circumstances. Failure to maintain the contracts on favorable terms, for any reason, would materially and adversely affect DMG's results of operations and financial condition. A material decline in the number of members could also have a material adverse effect on DMG's results of operations.

Notwithstanding each health plan's and DMG's current shared interest in providing service to DMG's members who are enrolled in the subject health plans, the health plans may have different and, at times, opposing economic interests from those of DMG. The health plans provide a wide range of health insurance services across a wide range of geographic regions, utilizing a vast network of providers. As a result, they and DMG may have different views regarding the proper pricing of services and/or the proper pricing of the various service providers in their provider networks, the cost of which DMG bears to the extent that the services of such service providers are utilized. These health plans may also have different views than DMG regarding the efforts and expenditures that they, DMG, and/or other service providers should make to achieve and/or maintain various quality ratings. In addition, several health plans have acquired or announced their intent to acquire provider organizations. If health plans with which DMG contracts acquire a significant number of provider organizations, they may not continue to contract with DMG or contract on less favorable terms or seek to prevent DMG from acquiring or entering into arrangements with certain providers. Similarly, as a result of changes in laws, regulations, consumer preferences, or other factors, the health plans may find it in their best interest to provide health insurance services pursuant to another payment or reimbursement structure. In the event DMG's interests diverge from the interests of the health plans, DMG may have limited

recourse or alternative options in light of its dependence on these health plans. There can be no assurances that DMG will continue to find it mutually beneficial to work with these health plans. As a result of various restrictive provisions that appear in some of the managed care agreements with health plans, DMG may at times have limitations on its ability to cancel an agreement with a particular health plan and immediately thereafter contract with a competing health plan with respect to the same service area.

**DMG and its associated physicians, physician groups and IPAs and other physicians may be required to continue providing services following termination or renegotiation of certain agreements with health plans.**

There are circumstances under federal and state law pursuant to which DMG and its associated physician groups, IPAs and other physicians could be obligated to continue to provide medical services to DMG members in their care following a termination of their applicable risk agreement with health plans and termination of the receipt of payments thereunder. In certain cases, this obligation could require the physician group or IPA to provide care to such member following the bankruptcy or insolvency of a health plan. Accordingly, the obligations to provide medical services to DMG members (and the associated costs) may not terminate at the time the applicable agreement with the health plan terminates, and DMG may not be able to recover its cost of providing those services from the health plan, which could have a material adverse effect on DMG's financial condition, results of operations and/or cash flows.

**DMG operates primarily in California, Florida, Nevada, New Mexico, Washington and Colorado and may not be able to successfully establish a presence in new geographic regions.**

DMG derives substantially all of its revenue from operations in California, Florida, Nevada, New Mexico, Washington and Colorado (which we refer to as the Existing Geographic Regions). As a result, DMG's exposure to many of the risks described herein is not mitigated by a greater diversification of geographic focus. Furthermore, due to the concentration of DMG's operations in the Existing Geographic Regions, it may be adversely affected by economic conditions, natural disasters (such as earthquakes or hurricanes), or acts of war or terrorism that disproportionately affect the Existing Geographic Regions as compared to other states and geographic markets.

To expand the operations of its network outside of the Existing Geographic Regions, DMG must devote resources to identify and explore perceived opportunities. Thereafter, DMG must, among other things, recruit and retain qualified personnel, develop new offices, establish potential new relationships with one or more health plans, and establish new relationships with physicians and other healthcare providers. The ability to establish such new relationships may be significantly inhibited by competition for such relationships and personnel in the healthcare marketplace in the targeted new geographic regions. Additionally, DMG may face the risk that a substantial portion of the patients served in a new geographic area may be enrolled in a Medicare FFS program and will not desire to transition to a Medicare Advantage program, such as those offered through the health plans that DMG serves, or they may enroll with other health plans with whom DMG does not contract to receive services, which could reduce substantially DMG's perceived opportunity in such geographic area. In addition, if DMG were to seek to expand outside of the Existing Geographic Regions, DMG would be required to comply with laws and regulations of states that may differ from the ones in which it currently operates, and could face competitors with greater knowledge of such local markets. DMG anticipates that any geographic expansion may require it to make a substantial investment of management time, capital and/or other resources. There can be no assurance that DMG will be able to establish profitable operations or relationships in any new geographic markets.

**Reductions in the quality ratings of the health plans DMG serves could have an adverse effect on its results of operations, financial condition and/or cash flow.**

As a result of the Health Reform Acts, the level of reimbursement each health plan receives from CMS is dependent, in part, upon the quality rating of the Medicare plan. Such ratings impact the percentage of any cost savings rebate and any bonuses earned by such health plan. Since a significant portion of DMG's revenue is expected to be calculated as a percentage of CMS reimbursements received by these health plans with respect to DMG members, reductions in the quality ratings of a health plan that DMG serves could have an adverse effect on its results of operations, financial condition, and/or cash flows.

Given each health plan's control of its plans and the many other providers that serve such plans, DMG believes that it will have limited ability to influence the overall quality rating of any such plan. In addition, CMS has begun terminating plans that have had a rating of less than three stars for three consecutive years, whereas Medicare Advantage plans with five stars are permitted to conduct enrollment throughout almost the entire year. Accordingly, since low quality ratings can potentially lead to the termination of a plan that DMG serves, DMG may not be able to prevent the potential termination of a contracting plan or a shift of patients to other plans based upon quality issues which could, in turn, have an adverse effect on DMG's results of operations, financial condition and/or cash flows.

**DMG's records and submissions to a health plan may contain inaccurate or unsupported information regarding risk adjustment scores of members, which could cause DMG to overstate or understate its revenue and subject it to various penalties.**

DMG, on behalf of itself and its associated physicians, physician groups and IPAs, submits to health plans claims and encounter data that support the Medicare Risk Adjustment Factor (RAF) scores attributable to members. These RAF scores determine, in part, the revenue to which the health plans and, in turn, DMG is entitled for the provision of medical care to such members. The data submitted to CMS by each health plan is based, in part, on medical charts and diagnosis codes prepared and submitted by DMG. Each health plan generally relies on DMG and its employed or affiliated physicians to appropriately document and support such RAF data in DMG's medical records. Each health plan also relies on DMG and its employed or affiliated physicians to appropriately code claims for medical services provided to members. Erroneous claims and erroneous encounter records and submissions could result in inaccurate PMPM fee revenue and risk adjustment payments, which may be subject to correction or retroactive adjustment in later periods. This corrected or adjusted information may be reflected in financial statements for periods subsequent to the period in which the revenue was recorded. DMG might also need to refund a portion of the revenue that it received, which refund, depending on its magnitude, could damage its relationship with the applicable health plan and could have a material adverse effect on DMG's results of operations, financial condition or cash flows.

In June 2015, we received a subpoena from the OIG requesting information relating to our and our subsidiaries' (including DMG's and its subsidiary JSA's) provision of services to Medicare Advantage plans and related patient diagnosis coding and risk adjustment submissions and payments. See "Item 3. Legal Proceedings" and Note 17 to the consolidated financial statements included in this report for further details.

Additionally, CMS audits Medicare Advantage plans for documentation to support RAF-related payments for members chosen at random. The Medicare Advantage plans ask providers to submit the underlying documentation for members that they serve. It is possible that claims associated with members with higher RAF scores could be subject to more scrutiny in a CMS or plan audit. There is a possibility that a Medicare Advantage plan may seek repayment from DMG should CMS make any payment adjustments to the Medicare Advantage plan as a result of its audits. The plans also may hold DMG liable for any penalties owed to CMS for inaccurate or unsupported RAF scores provided by DMG. In addition, DMG could be liable for penalties to the government under the FCA that range from \$5,500 to \$11,000 (adjusted for inflation) for each false claim, plus up to three times the amount of damages caused by each false claim, which can be as much as the amounts received directly or indirectly from the government for each such false claim. On February 3, 2017, the DOJ issued a final rule announcing adjustments to FCA penalties, under which the per claim penalty range increases to \$10,957 to \$21,916 for penalties assessed after February 3, 2017, so long as the underlying conduct occurred after November 2, 2015.

CMS has indicated that payment adjustments will not be limited to RAF scores for the specific Medicare Advantage enrollees for which errors are found but may also be extrapolated to the entire Medicare Advantage plan subject to a particular CMS contract. CMS has described its audit process as plan-year specific and stated that it will not extrapolate audit results for plan years prior to 2011. Because CMS has not stated otherwise, there is a risk that payment adjustments made as a result of one plan year's audit would be extrapolated to prior plan years after 2011.

There can be no assurance that a health plan will not be randomly selected or targeted for review by CMS or that the outcome of such a review will not result in a material adjustment in DMG's revenue and profitability, even if the information DMG submitted to the plan is accurate and supportable.

Separately, as described in further detail in "Item 3. Legal Proceedings" and Note 17 to the consolidated financial statements included in this report, on March 13, 2015, JSA, a subsidiary of DMG, received a subpoena from the OIG that relates, in part, to risk adjustment practices and data.

**A failure to accurately estimate incurred but not reported medical expense could adversely affect DMG's profitability.**

Patient care costs include estimates of future medical claims that have been incurred by the patient but for which the provider has not yet billed DMG. These claim estimates are made utilizing actuarial methods and are continually evaluated and adjusted by management, based upon DMG's historical claims experience and other factors, including an independent assessment by a nationally recognized actuarial firm. Adjustments, if necessary, are made to medical claims expense and capitated revenues when the assumptions used to determine DMG's claims liability changes and when actual claim costs are ultimately determined.

Due to the inherent uncertainties associated with the factors used in these estimates and changes in the patterns and rates of medical utilization, materially different amounts could be reported in DMG's financial statements for a particular period under different conditions or using different, but still reasonable, assumptions. It is possible that DMG's estimates of this type of claim may be inadequate in the future. In such event, DMG's results of operations could be adversely impacted. Further, the inability to estimate

these claims accurately may also affect DMG's ability to take timely corrective actions, further exacerbating the extent of any adverse effect on DMG's results.

**DMG faces certain competitive threats which could reduce DMG's profitability and increase competition for patients.**

DMG faces certain competitive threats based on certain features of the Medicare programs, including the following:

- As a result of the direct and indirect impacts of the Health Reform Acts, many Medicare beneficiaries may decide that an original Medicare FFS program is more attractive than a Medicare Advantage plan. As a result, enrollment in the health plans DMG serves may decrease.
- Managed care companies offer alternative products such as regional preferred provider organizations (PPOs) and private FFS plans. Medicare PPOs and private FFS plans allow their patients more flexibility in selecting physicians than Medicare Advantage health plans, which typically require patients to coordinate care with a primary care physician. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 has encouraged the creation of regional PPOs through various incentives, including certain risk corridors, or cost reimbursement provisions, a stabilization fund for incentive payments, and special payments to hospitals not otherwise contracted with a Medicare Advantage plan that treat regional plan enrollees. The formation of regional Medicare PPOs and private FFS plans may affect DMG's relative attractiveness to existing and potential Medicare patients in their service areas.
- The payments for the local and regional Medicare Advantage plans are based on a competitive bidding process that may indirectly cause a decrease in the amount of the PMPM fee or result in an increase in benefits offered.
- The annual enrollment process and subsequent lock-in provisions of the Health Reform Acts may adversely affect DMG's level of revenue growth as it will limit the ability of a health plan to market to and enroll new Medicare beneficiaries in its established service areas outside of the annual enrollment period.
- CMS allows Medicare beneficiaries who are enrolled in a Medicare Advantage plan with a quality rating of 4.5 stars or less to enroll in a 5-star rated Medicare Advantage plan at any time during the benefit year. Therefore, DMG may face a competitive disadvantage in recruiting and retaining Medicare beneficiaries.

In addition to the competitive threats intrinsic to the Medicare programs, competition among health plans and among healthcare providers may also have a negative impact on DMG's profitability. For example, due to the large population of Medicare beneficiaries, DMG's Existing Geographic Regions have become increasingly attractive to health plans that may compete with DMG. DMG may not be able to continue to compete profitably in the healthcare industry if additional competitors enter the same market. If DMG cannot compete profitably, the ability of DMG to compete with other service providers that contract with competing health plans may be substantially impaired. Furthermore, if DMG is unable to obtain new members or experiences a loss of existing members to competitors during the open enrollment period for Medicare it could have a material adverse effect on DMG's financial condition and results of operations.

DMG competes directly with various regional and local companies that provide similar services in DMG's Existing Geographic Regions. DMG's competitors vary in size and scope and in terms of products and services offered. DMG believes that some of its competitors and potential competitors may be significantly larger than DMG and have greater financial, sales, marketing and other resources. Furthermore, it is DMG's belief that some of its competitors may make strategic acquisitions or establish cooperative relationships among themselves.

**A disruption in DMG's healthcare provider networks could have an adverse effect on DMG's operations and profitability.**

In any particular service area, healthcare providers or provider networks could refuse to contract with DMG, demand higher payments, or take other actions that could result in higher healthcare costs, disruption of benefits to DMG's members, or difficulty in meeting applicable regulatory or accreditation requirements. In some service areas, healthcare providers or provider networks may have significant market positions. If healthcare providers or provider networks refuse to contract with DMG, use their market position to negotiate favorable contracts, or place DMG at a competitive disadvantage, then DMG's ability to market or to be profitable in those service areas could be adversely affected. DMG's provider networks could also be disrupted by the financial insolvency of a large provider group. Any disruption in DMG's provider networks could result in a loss of members or higher healthcare costs.



**DMG's revenues and profits could be diminished if DMG fails to retain and attract the services of key primary care physicians.**

Key primary care physicians with large patient enrollment could retire, become disabled, terminate their provider contracts, get lured away by a competing independent physician association or medical group, or otherwise become unable or unwilling to continue practicing medicine or contracting with DMG or its associated physicians, physician groups or IPAs. In addition, DMG's associated physicians, physician groups and IPAs could view the business model as unfavorable or unattractive to such providers, which could cause such associated physicians, physician groups or IPAs to terminate their relationships with DMG. Moreover, given limitations relating to the enforcement of post-termination noncompetition covenants in California, it would be difficult to restrict a primary care physician from competing with DMG's associated physicians, physician groups or IPAs. As a result, members who have been served by such physicians could choose to enroll with competitors' physician organizations or could seek medical care elsewhere, which could reduce DMG's revenues and profits. Moreover, DMG may not be able to attract new physicians to replace the services of terminating physicians or to service its growing membership.

**Participation in ACO programs is subject to federal regulation, supervision, and evolving regulatory developments that may result in financial liability.**

The Health Reform Acts established Medicare Shared Savings Programs (MSSP) for ACOs, which took effect in January 2012. Under the MSSP, eligible organizations are accountable for the quality, cost and overall care of Medicare beneficiaries assigned to an ACO and may be eligible to share in any savings below a specified benchmark amount. The Secretary of HHS is also authorized, but not required, to use capitation payment models with ACOs. DMG has formed an MSSP ACO through a subsidiary, which operates in California, Florida, and Nevada and is evaluating whether to participate in more ACOs in the future. The continued development and expansion of ACOs will have an uncertain impact on DMG's revenue and profitability. We also are participating as a dialysis provider in Arizona, Florida, New Jersey, and Pennsylvania for the Innovation Center's CEC Model.

The ACO programs are relatively new and therefore operational and regulatory guidance is limited. It is possible that the operations of DMG's subsidiary ACO may not fully comply with current or future regulations and guidelines applicable to ACOs, may not achieve quality targets or cost savings, or may not attract or retain sufficient physicians or patients to allow DMG to meet its objectives. Additionally, poor performance could put the DMG ACO at financial risk with a potential obligation to CMS. Traditionally, other than FFS billing by the medical clinics and healthcare facilities operated by DMG, DMG has not directly contracted with CMS and has not operated any health plans or provider sponsored networks. Therefore, DMG may not have the necessary experience, systems or compliance to successfully achieve a positive return on its investment in the ACO or to avoid financial or regulatory liability. DMG believes that its historical experience with fully delegated managed care will be applicable to operation of its subsidiary ACO, but there can be no such assurance.

**California hospitals may terminate their agreements with HealthCare Partners Affiliates Medical Group and DaVita Health Plan of California, Inc. (formerly HealthCare Partners Plan, Inc., and, together with HealthCare Partners Affiliates Medical Group, AMG) or reduce the fees they pay to DMG.**

In California, AMG maintains significant hospital arrangements designed to facilitate the provision of coordinated hospital care with those services provided to members by AMG and its associated physicians, physician groups and IPAs. Through contractual arrangements with certain key hospitals, AMG provides utilization review, quality assurance and other management services related to the provision of patient care services to members by the contracted hospitals and downstream hospital contractors. In the event that any one of these key hospital agreements is amended in a financially unfavorable manner or is otherwise terminated, such events could have a material adverse effect on DMG's financial condition, and results of operations.

**DMG's professional liability and other insurance coverage may not be adequate to cover DMG's potential liabilities.**

DMG maintains primary professional liability insurance and other insurance coverage through California Medical Group Insurance Company, Risk Retention Group, an Arizona corporation in which DMG is the majority owner, and through excess coverage contracted through third-party insurers. DMG believes such insurance is adequate based on its review of what it believes to be all applicable factors, including industry standards. Nonetheless, potential liabilities may not be covered by insurance, insurers may dispute coverage or may be unable to meet their obligations, the amount of insurance coverage and/or related reserves may be inadequate, or the amount of any DMG self-insured retention may be substantial. There can be no assurances that DMG will be able to obtain insurance coverage in the future, or that insurance will continue to be available on a cost-effective basis, if at all. Moreover, even if claims brought against DMG are unsuccessful or without merit, DMG would have to defend itself against such claims. The defense of any such actions may be time-consuming and costly and may distract DMG management's attention. As a result, DMG may incur significant expenses and may be unable to effectively operate its business.

**Changes in the rates or methods of third-party reimbursements may adversely affect DMG operations.**

Any negative changes in governmental capitation or FFS rates or methods of reimbursement for the services DMG provides could have a significant adverse impact on DMG's revenue and financial results. Since governmental healthcare programs generally reimburse on a fee schedule basis rather than on a charge-related basis, DMG generally cannot increase its revenues from these programs by increasing the amount it charges for its services. Moreover, if DMG's costs increase, DMG may not be able to recover its increased costs from these programs. Government and private payors have taken and may continue to take steps to control the cost, eligibility for, use, and delivery of healthcare services due to budgetary constraints, and cost containment pressures as well as other financial issues. DMG believes that these trends in cost containment will continue. These cost containment measures, and other market changes in non-governmental insurance plans have generally restricted DMG's ability to recover, or shift to non-governmental payors, any increased costs that DMG experiences. DMG's business and financial operations may be materially affected by these cost containment measures, and other market changes.

**DMG's business model depends on numerous complex management information systems and any failure to successfully maintain these systems or implement new systems could materially harm DMG's operations and result in potential violations of healthcare laws and regulations.**

DMG depends on a complex, specialized, and integrated management information system and standardized procedures for operational and financial information, as well as for DMG's billing operations. DMG may experience unanticipated delays, complications or expenses in implementing, integrating, and operating these integrated systems. Moreover, DMG may be unable to enhance its existing management information system or implement new management information systems where necessary. DMG's management information system may require modifications, improvements or replacements that may require both substantial expenditures as well as interruptions in operations. DMG's ability to implement and operate its integrated systems is subject to the availability of information technology and skilled personnel to assist DMG in creating and maintaining these systems.

DMG's failure to successfully implement and maintain all of its systems could have a material adverse effect on its business, financial condition and results of operations. For example, DMG's failure to successfully operate its billing systems could lead to potential violations of healthcare laws and regulations. If DMG is unable to handle its claims volume, or if DMG is unable to pay claims timely, DMG may become subject to a health plan's corrective action plan or de-delegation until the problem is corrected, and/or termination of the health plan's agreement with DMG. This could have a material adverse effect on DMG's operations and profitability. In addition, if DMG's claims processing system is unable to process claims accurately, the data DMG uses for its incurred but not reported (IBNR) estimates could be incomplete and DMG's ability to accurately estimate claims liabilities and establish adequate reserves could be adversely affected. Finally, if DMG's management information systems are unable to function in compliance with applicable state or federal rules and regulations, including medical information confidentiality laws such as HIPAA, possible penalties and fines due to this lack of compliance could have a material adverse effect on DMG's financial condition, and results of operations.

**DMG may be impacted by eligibility changes to government and private insurance programs.**

Due to potential decreased availability of healthcare through private employers, the number of patients who are uninsured or participate in governmental programs may increase. The Health Reform Acts have increased the participation of individuals in the Medicaid program in states that elected to participate in the expanded Medicaid coverage. A shift in payor mix from managed care and other private payors to government payors as well as an increase in the number of uninsured patients may result in a reduction in the rates of reimbursement to DMG or an increase in uncollectible receivables or uncompensated care, with a corresponding decrease in net revenue. Changes in the eligibility requirements for governmental programs such as the Medicaid program under the Health Reform Acts and state decisions on whether to participate in the expansion of such programs also could increase the number of patients who participate in such programs and the number of uninsured patients. Even for those patients who remain in private insurance plans, changes to those plans could increase patient financial responsibility, resulting in a greater risk of uncollectible receivables. These factors and events could have a material adverse effect on DMG's business, financial condition and results of operations.

**Negative publicity regarding the managed healthcare industry generally or DMG in particular could adversely affect DMG's results of operations or business.**

Negative publicity regarding the managed healthcare industry generally, the Medicare Advantage program or DMG in particular, may result in increased regulation and legislative review of industry practices that further increase DMG's costs of doing business and adversely affect DMG's results of operations or business by:

- requiring DMG to change its products and services;

- increasing the regulatory, including compliance, burdens under which DMG operates, which, in turn, may negatively impact the manner in which DMG provides services and increase DMG's costs of providing services;
- adversely affecting DMG's ability to market its products or services through the imposition of further regulatory restrictions regarding the manner in which plans and providers market to Medicare Advantage enrollees; or
- adversely affecting DMG's ability to attract and retain members.

**Risk factors related to ownership of our common stock:**

**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 (or 120 days for nominations made using proxy access); and granting our Board of Directors the authority to issue preferred stock and to determine the rights and preferences of the preferred stock without the need for further stockholder approval.

Most of our outstanding employee stock-based compensation awards include a provision accelerating the vesting of the awards in the event of a change of control. We also maintain a change of control protection program for our employees who do not have a significant number of stock awards, which has been in place since 2001, and which provides for cash bonuses to the employees in the event of a change of control. Based on the market price of our common stock and shares outstanding on December 31, 2016, these cash bonuses would total approximately \$493 million if a change of control transaction occurred at that price and our Board of Directors did not modify this program. These change of control provisions may affect the price an acquirer would be willing to pay for our Company.

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 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.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

Our corporate headquarters are located in Denver, Colorado, consisting of one owned 240,000 square foot building and one leased 116,000 square foot building. Our headquarters are occupied by teammates engaged in management, finance, marketing, strategy, legal, compliance and other administrative functions. We lease six business offices located in California, Pennsylvania, Tennessee and Washington for our U.S. dialysis and related lab services business. For our DMG business we lease nine business offices located in California, Colorado, Nevada, New Mexico, Florida and Washington. Our laboratories are based in Florida where we operate our lab services out of five buildings, one owned and four leased. DaVita Rx leases four buildings located in Arizona, California, Florida and Texas. We also own four administrative offices and lease administrative offices worldwide. Our leases on the properties listed above expire at various dates through the year 2031.

For our U.S. dialysis and related lab services business we own the land and buildings for 16 of our outpatient dialysis centers. We also own eight separate land and buildings and nine land parcels for development. We lease a total of three owned properties to third-party tenants. Our remaining outpatient dialysis centers are located on premises that we lease.

For DMG, we own the land and buildings for 18 of our clinics. We also own the building for one other clinic and we own one separate land parcel. Our remaining clinics are located on premises that we lease.

Our leases for our U.S. dialysis and related lab services and for DMG generally cover periods from five to 20 years and typically contain renewal options of five to ten years at the fair rental value at the time of renewal. Our leases are generally subject to periodic

consumer price index increases, or contain fixed escalation clauses. Our outpatient dialysis centers range in size from approximately 600 to 33,000 square feet, with an average size of approximately 7,500 square feet. DMG's clinics range in size from approximately 800 to 86,000 square feet, with an average size of approximately 10,500 square feet. Our international leases generally range from one to ten years.

Some of our outpatient 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 areas planned for each of these centers, although there can be no assurances in this regard. 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.**

We operate in a highly regulated industry and are a party to various lawsuits, claims, governmental investigations and audits (including investigations resulting from our obligation to self-report suspected violations of law) and other legal proceedings. We record accruals for certain legal proceedings and regulatory matters to the extent that we determine an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. While these accruals reflect our best estimate of the probable loss for those matters as the dates of those accruals, the recorded amounts may differ materially from the actual amount of the losses for those matters. Additionally, in some cases, no estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made because of the inherently unpredictable nature of legal proceedings and regulatory matters, which may be exacerbated by various factors, including that they may involve indeterminate claims for monetary damages or may involve fines, penalties or non-monetary remedies; present novel legal theories or legal uncertainties; involve disputed facts; represent a shift in regulatory policy; are in the early stages of the proceedings; or result in a change of business practices. Further, there may be various levels of judicial review available to us in connection with any such proceeding.

The following is a description of certain lawsuits, claims, governmental investigations and audits and other legal proceedings to which we are subject.

Swoben Private Civil Suit: In April 2013, HealthCare Partners (HCP), now known as our DaVita Medical Group (DMG) subsidiary, was one of several defendants served with a civil complaint filed by a former employee of SCAN Health Plan (SCAN), an HMO. On July 13, 2009, pursuant to the *qui tam* provisions of the federal False Claims Act (FCA) and the California False Claims Act, James M. Swoben, as relator, filed his initial *qui tam* action in the United States District Court for the Central District of California purportedly on behalf of the United States of America and the State of California against SCAN, and certain other defendants whose identities were under seal. The allegations in the complaint relate to alleged overpayments received from government healthcare programs. In 2009 and 2010, the relator twice amended his complaint and added additional defendants, and in November 2011, he filed his Third Amended Complaint under seal alleging violations of the federal FCA and the California False Claims Act, and added additional defendants, including HCP and certain health insurance companies (the defendant HMOs). The allegations in the complaint against HCP relate to patient diagnosis coding to determine reimbursement in the Medicare Advantage program, referred to as HCC and RAF scores. The complaint sought monetary damages and civil penalties as well as costs and expenses. The U.S. Department of Justice (DOJ) reviewed these allegations and in January 2013 declined to intervene in the case. HCP and the other defendants filed motions to dismiss the Third Amended Complaint, and the court dismissed with prejudice the claims and judgment was entered in September 2013. Upon the plaintiff's appeal, a panel of the Ninth Circuit overturned the trial court's ruling and vacated the dismissal of the case. Together with certain defendants, we petitioned the Ninth Circuit for a rehearing, but in December 2016, the Ninth Circuit rejected the petition and determined the relator should be given an opportunity to amend the complaint, and remanded the case back to district court.

2015 U.S. Attorney Transportation Investigation: In February 2015, we announced that we received six administrative subpoenas from the OIG for medical records from six different dialysis centers in southern California operated by us. Specifically, each subpoena sought the medical records of a single patient of each respective dialysis center. In February 2016, we received four additional subpoenas for four additional dialysis centers in southern California. The subpoenas were similarly limited in scope to the subpoenas received in 2015. On February 8, 2017, we were served with a *qui tam* complaint in the U.S. District Court for the Central District of California. We have been advised by an attorney with the United States Attorney's Office for the Central District of California that the *qui tam* is related to the investigation concerning the medical necessity of patient transportation, which was the basis for the subpoenas. The relator alleges that an ambulance company submitted false claims for patient transportation. Although we do not provide transportation ourselves nor do we bill for the transport of our dialysis patients, the relator alleges that two of our purported clinical staff caused the submission of a small number of those claims through improper certifications of medical necessity. We are investigating these allegations and intend to defend accordingly. The DOJ has declined to intervene.

2015 U.S. Office of Inspector General (OIG) Medicare Advantage Civil Investigation: In March 2015, JSA HealthCare Corporation (JSA), a subsidiary of DMG, received a subpoena from the OIG. We have been advised by an attorney with the Civil Division of the DOJ in Washington, D.C. that the subpoena relates to an ongoing civil investigation concerning Medicare Advantage service providers' risk adjustment practices and data, including identification and verification of patient diagnoses and factors used in making the diagnoses. The subpoena requests documents and information for the period from January 1, 2008 through December 31, 2013, for certain Medicare Advantage plans for which JSA provided services. It also requests information regarding JSA's communications about patient diagnoses as they relate to certain Medicare Advantage plans generally, and more specifically as related to two Florida physicians with whom JSA previously contracted. We are producing the requested information and are cooperating with the government's investigation.

In addition to the subpoena described above, in June 2015, we received a subpoena from the OIG. This civil subpoena covers the period from January 1, 2008 through the present and seeks production of a wide range of documents relating to our and our subsidiaries' (including DMG's and its subsidiary JSA's) provision of services to Medicare Advantage plans and related patient diagnosis coding and risk adjustment submissions and payments. We believe that the request is part of a broader industry investigation into Medicare Advantage patient diagnosis coding and risk adjustment practices and potential overpayments by the government. The information requested includes information relating to patient diagnosis coding practices for a number of conditions, including potentially improper historical DMG coding for a particular condition. With respect to that condition, the guidance related to that coding issue was discontinued following our November 1, 2012 acquisition of DMG, and we notified CMS in April 2015 of the coding practice and potential overpayments. In that regard, we have identified certain additional coding practices which may have been problematic and are in discussions with the DOJ about the scope and nature of a review of claims relating to those practices. We are cooperating with the government and are producing the requested information. In addition, we are continuing to review other DMG coding practices to determine whether there were any improper coding issues. In connection with the DMG merger, we have certain indemnification rights against the sellers and an escrow was established as security for the indemnification. We have submitted an indemnification claim against the sellers secured by the escrow for any and all liabilities incurred relating to these matters and intend to pursue recovery from the escrow. However, we can make no assurances that the indemnification and escrow will cover the full amount of our potential losses related to these matters.

2015 U.S. Department of Justice Vascular Access Investigation and Related *Qui Tam* Litigation: In November 2015, we announced that RMS Lifeline, Inc., a wholly-owned subsidiary of ours that operates under the name Lifeline Vascular Access (Lifeline), received a Civil Investigative Demand (CID) from the DOJ. The CID relates to two vascular access centers in Florida that are part of Lifeline's vascular access business. The CID covers the period from January 1, 2008 through the present. We acquired these two centers in December 2012. Based on the language of the CID, the DOJ appeared to be looking at whether angiograms performed at the two centers were medically unnecessary and therefore whether related claims filed with federal healthcare programs possibly violated the FCA. Lifeline does not perform dialysis services but instead provides vascular access management services for dialysis patients. We cooperated with the government and produced the requested information. The DOJ investigation was initiated pursuant to a complaint brought under the *qui tam* provisions of the FCA (the Complaint). The Complaint was originally filed under seal in August 2014 in the U.S. District Court, Middle District of Florida, United States ex. rel James Spafford v. DaVita HealthCare Partners, Inc., et al., Case Number 6:14-cv-1251-Orl-41DAB, naming several doctors with us as defendants. In December 2015, a First Amended Complaint was filed under seal. In May 2016, the First Amended Complaint was unsealed. The First Amended Complaint alleges violations of the FCA due to the submission of claims to the government for allegedly medically unnecessary angiograms and angiography procedures at the two vascular access centers as well as employment-related claims. The Complaint covers alleged conduct dating from July 2008, prior to our acquisition of the centers, to the present. The DOJ declined to intervene. In the third quarter of 2016 we recorded an accrual of a non-material amount for potential damages and liabilities. In January 2017, we finalized and executed a settlement agreement with the relator and the government for an immaterial amount.

2016 U.S. Attorney Prescription Drug Investigation: In early February 2016, we announced that our pharmacy services' wholly-owned subsidiary, DaVita Rx, received a CID from the U.S. Attorney's Office for the Northern District of Texas. It appears the government is conducting an FCA investigation concerning allegations that DaVita Rx presented or caused to be presented false claims for payment to the government for prescription medications, as well as into our relationship with pharmaceutical manufacturers. The CID covers the period from January 1, 2006 through the present. In the spring of 2015, we initiated an internal compliance review of DaVita Rx during which we identified potential billing and operational issues. We notified the government in September 2015 that we were conducting this review of DaVita Rx and began providing regular updates of our review. Through the fourth quarter of 2016, we recorded estimated accruals totaling \$38 million for potential damages and liabilities associated with write-offs and discounts of patient co-payment obligations, and credits to payors for returns of prescriptions drugs, related to DaVita Rx that were identified during the course of this internal compliance review. Upon completion of our review, we filed a self-disclosure with the OIG in early February 2016 and we have been working to address and update the practices we identified in the self-disclosure, some of which overlap with information requested by the U.S. Attorney's Office. We may accrue additional reserves for refunds and related damages and potential liabilities arising out of this review. We do not know if the U.S. Attorney's Office, which is part of the DOJ, knew when it served the CID on us that we were already in the process of developing a self-disclosure to the OIG. The OIG

informed us in February 2016 that our submission was not accepted. They indicated that the OIG is not expressing an opinion regarding the conduct disclosed or our legal positions. We are cooperating with the government and are producing the requested information.

2017 U.S. Attorney American Kidney Fund Investigation. On January 4, 2017, we were served with an administrative subpoena for records by the United States Attorney's Office, District of Massachusetts, relating to an investigation into possible federal health care offenses. The subpoena covers the period from January 1, 2007 through the present, and seeks documents relevant to charitable patient assistance organizations, particularly the American Kidney Fund, including documents related to efforts to provide patients with information concerning the availability of charitable assistance. We intend to cooperate with the government in this investigation.

Although we cannot predict whether or when proceedings might be initiated or when these matters may be resolved (other than as described above), it is not unusual for inquiries such as these to continue for a considerable period of time through the various phases of document and witness requests and ongoing discussions with regulators. In addition to the inquiries and proceedings specifically identified above, we are frequently subject to other inquiries by state or federal government agencies and/or private civil *qui tam* complaints filed by relators. Negative findings or terms and conditions that we might agree to accept as part of a negotiated resolution of pending or future government inquiries or relator proceedings could result in, among other things, substantial financial penalties or awards against us, substantial payments made by us, harm to our reputation, required changes to our business practices, exclusion from future participation in the Medicare, Medicaid and other federal health care programs and, if criminal proceedings were initiated against us, possible criminal penalties, any of which could have a material adverse effect on us.

#### ***Shareholder Claims***

Peace Officers' Annuity and Benefit of Georgia Securities Laws Class Action Civil Suit: On February 1, 2017, the Peace Officers' Annuity and Benefit Fund of Georgia filed a putative federal securities class action complaint in the U.S. District Court for the District of Colorado against us and certain executives. The complaint covers the time period of August 2015 to October 2016 and alleges, generally, that we and our executives violated federal securities laws concerning our financial results and revenue derived from patients who received charitable premium assistance from an industry-funded non-profit organization. The complaint further alleges that the process by which patients obtained commercial insurance and received charitable premium assistance was improper and "created a false impression of DaVita's business and operational status and future growth prospects." We dispute these allegations and intend to defend this action accordingly.

Blackburn Shareholder Derivative Civil Suit: On February 10, 2017, Charles Blackburn filed a derivative shareholder lawsuit in the U.S. District Court for the District of Delaware against us, as nominal defendant, the Board of Directors and certain executives. The complaint covers the time period from 2015 to present and alleges, generally, breach of fiduciary duty, unjust enrichment and misrepresentations and/or failures to disclose certain information in violation of the federal securities laws in our 2016 proxy statement in connection with an alleged practice to direct patients with government-subsidized health insurance into private health insurance plans to maximize our profits. We dispute these allegations and intend to defend this action accordingly.

#### ***Other Proceedings***

In addition to the foregoing, from time to time we are subject to other lawsuits, claims, governmental investigations and audits and legal proceedings that arise due to the nature of our business, including contractual disputes, such as with payors, suppliers and others, employee-related matters and professional and general liability claims.

From time to time, we initiate litigation or other legal proceedings as a plaintiff arising out of contracts or other matters. In that regard, we had a pending lawsuit in the U.S. Court of Federal Claims against the federal government which was originally filed in May 2011. The lawsuit related to the U.S. Department of Veterans Affairs (VA) underpayment of dialysis services that we provided from 2005 through 2011 to veterans pursuant to VA regulations. In January 2017, we reached a resolution of our claims with the government for \$538 million, which we expect to recognize in our first quarter 2017 financial statements.

\* \* \*

Other than as described above, we cannot predict the ultimate outcomes of the various legal proceedings and regulatory matters to which we are or may be subject from time to time, including those described in this "Item 3. Legal Proceedings," or the timing of their resolution or the ultimate losses or impact of developments in those matters, which could have a material adverse effect on our revenues, earnings and cash flows. Further, any legal proceedings or regulatory matters we are involved in, whether meritorious or not, are time consuming, and often require management's attention and result in significant legal expense, and may result in the diversion of significant operational resources, or otherwise harm our business or reputation.

**Item 4. Mine Safety Disclosures.**

Not applicable.

## 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 sales prices for our common stock as reported by the New York Stock Exchange.

	High	Low
Year ended December 31, 2016:		
1st quarter	\$ 74.18	\$ 61.36
2nd quarter	78.00	72.31
3rd quarter	78.77	62.76
4th quarter	67.44	54.50
Year ended December 31, 2015:		
1st quarter	\$ 83.04	\$ 71.89
2nd quarter	85.17	79.31
3rd quarter	81.89	70.12
4th quarter	78.94	67.34

The closing price of our common stock on January 31, 2017 was \$63.75 per share. According to Computershare, our registrar and transfer agent, as of January 31, 2017, there were 9,853 holders of record of our common stock. We have not declared or paid cash dividends to holders of our common stock since 1994. We have no current plans to pay cash dividends and we are restricted from paying dividends under the terms of our senior secured credit facilities and the indentures governing our senior notes. See "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.

#### *Stock Repurchases*

The following table summarizes our repurchases of our common stock during the fourth quarter of 2016:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
October 1 - October 31, 2016	3,367,024	\$ 63.07	3,367,024	\$ 881.0
November 1 - November 30, 2016	3,351,634	\$ 60.85	3,351,634	\$ 677.1
December 1 - December 31, 2016	—	—	—	\$ 677.1
Total	<u>6,718,658</u>	\$ 61.96	<u>6,718,658</u>	\$ 677.1

- (1) On July 13, 2016, our Board of Directors approved share repurchases in the amount of approximately \$1.2 billion. These share repurchases were in addition to the approximately \$259 million remaining at that time under our Board of Directors' prior share repurchase authorization announced in April 2015. We are authorized to make purchases from time to time in the open market or in privately negotiated transactions, depending upon market conditions and other considerations. During the twelve months ended December 31, 2016, we purchased a total of 16,649,090 shares of our common stock for \$1.072 billion, or an average price of \$64.41. As of December 31, 2016, there was approximately \$677 million available under our current Board authorizations for additional share repurchases. We have not repurchased any shares from January 1, 2017 through February 24, 2017. Although these share repurchase authorizations have no expiration dates, we are subject to share repurchase limitations under the terms of the senior secured credit facilities and the indentures governing our senior notes.



## Item 6. Selected Financial Data.

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. The following table presents selected consolidated financial and operating data for the periods indicated. These selected consolidated financial results have been recast for all prior periods presented to reflect the retrospective application of these new presentation and disclosure requirements for patient service revenues.

	Year ended December 31,				
	2016	2015	2014	2013	2012 (5)
	(in thousands, except share data)				
<b>Income statement data:</b>					
Net revenues	\$ 14,745,105	\$ 13,781,837	\$ 12,795,106	\$ 11,764,050	\$ 8,186,280
Operating expenses and charges(2)	12,850,562	12,611,142	10,979,965	10,213,916	6,889,196
Operating income	1,894,543	1,170,695	1,815,141	1,550,134	1,297,084
Debt expense	(414,382)	(408,380)	(410,294)	(429,943)	(288,554)
Debt refinancing and redemption charges	—	(48,072)	(97,548)	—	(10,963)
Other income, net	8,734	8,893	2,374	4,787	3,737
Income from continuing operations before income taxes	1,488,895	723,136	1,309,673	1,124,978	1,001,304
Income tax expense	455,813	295,726	446,343	381,013	359,845
Income from continuing operations	1,033,082	427,410	863,330	743,965	641,459
Income from operations of discontinued operations, net of tax(3)	—	—	—	(139)	(222)
Gain (Loss) on disposal of discontinued operations, net of tax(3)	—	—	—	13,375	—
Net income	\$ 1,033,082	\$ 427,410	\$ 863,330	\$ 757,201	\$ 641,237
Less: Net income attributable to noncontrolling interests	(153,208)	(157,678)	(140,216)	(123,755)	(105,220)
Net income attributable to DaVita Inc.	\$ 879,874	\$ 269,732	\$ 723,114	\$ 633,446	\$ 536,017
Basic income from continuing operations per share attributable to DaVita Inc.(3)(4)	\$ 4.36	\$ 1.27	\$ 3.41	\$ 2.95	\$ 2.79
Diluted income from continuing operations per share attributable to DaVita Inc.(3)(4)	\$ 4.29	\$ 1.25	\$ 3.33	\$ 2.89	\$ 2.74
Weighted average shares outstanding:(4)					
Basic	201,641,000	211,868,000	212,302,000	209,939,000	192,036,000
Diluted	204,905,000	216,252,000	216,928,000	214,764,000	195,942,000
Ratio of earnings to fixed charges(6)	3.17:1	1.95:1	3.05:1	2.73:1	3.17:1
<b>Balance sheet data:</b>					
Working capital(1)	\$ 1,283,783	\$ 2,104,142	\$ 1,547,519	\$ 600,788	\$ 546,478
Total assets(1)	18,741,257	18,514,875	17,617,432	16,612,401	15,594,345
Long-term debt(1)	8,947,327	9,001,308	8,298,624	8,064,196	8,230,393
Total DaVita Inc. shareholders equity(4)	4,648,047	4,870,780	5,170,513	4,432,479	3,763,137

- (1) In 2015, we retrospectively adopted ASU 2015-03 related to simplification of debt issuance costs as well as ASU 2015-17 related to classification of deferred taxes. See “New Accounting Standards” below. All prior periods have been recast to conform to the current year presentation.
- (2) Operating expenses and charges in 2016 include estimated goodwill impairment charges of \$253,000 related to our DMG reporting units and \$28,415 related to our vascular access reporting unit, an impairment of a minority equity investment of \$14,993, a gain on the APAC JV ownership changes of \$374,374, a gain related to the sale of our Tandigm ownership interest of \$40,280, a loss on the sale of our DMG Arizona business of \$10,489, an adjustment to reduce receivables associated with the DMG acquisition escrow provision relating to income tax items of \$30,934, and an estimated accrual for damages and liabilities associated with our DMG Nevada hospice business of \$16,000 and \$15,770 associated with our pharmacy business. 2015 included a settlement charge of \$495,000 related to a private civil suit, estimated goodwill and intangible asset impairment charges of \$210,234, primarily related to certain DMG reporting units, and an estimated accrual for damages and liabilities of \$22,530 associated with our pharmacy business. Operating expenses and charges in 2014 and 2013 include an additional \$17,000 and \$397,000, loss contingency accrual related to the settlement of the 2010 and 2011 U.S. Attorney physician relationship investigations, respectively. Operating expenses and charges in 2013 also include a contingent earn-out obligation gain adjustment of \$56,977 related to a decrease in DMG’s 2013 contingent earn-out obligation and an adjustment to reduce a tax asset associated with the DMG acquisition escrow provisions of \$7,721. In addition, 2012 included \$85,837 for a legal settlement and related expenses, and \$30,753 of transaction expenses associated with the acquisition of DMG.
- (3) Income from operations of discontinued operations, net of tax includes the operations for all prior periods presented of HomeChoice Partners Inc. (HomeChoice) which was divested on February 1, 2013.
- (4) In the third quarter of 2013, the Board of Directors approved a two-for-one stock split of our common stock in the form of a stock dividend payable on September 6, 2013 to stockholders of record on August 23, 2013. Our common stock began trading on a post-split basis on September 9, 2013. All share and per share data for all prior periods presented have been adjusted to reflect the effects of the stock split. Share repurchases consisted of 16,649,090 shares of common stock for \$1,072,377 in 2016, and 7,779,958 shares of common stock for \$575,380 in 2015. Shares issued in connection with stock awards were \$1,011,328 in 2016, 1,479,217 in 2015, 2,179,766 in 2014, 1,928,137 in 2013 and 4,751,142 in 2012.

- (5) On November 1, 2012, we completed our acquisition of DMG whereby DMG became a wholly-owned subsidiary of the Company. The total consideration paid for all of the outstanding common units of DMG was approximately \$4.71 billion, which consisted of \$3.65 billion in cash, net of cash acquired, and 18,760,624 shares of our common stock valued at approximately \$1.06 billion. The operating results of DMG are included in our consolidated results beginning November 1, 2012.
- (6) 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 continuing operations adjusted by adding back fixed charges expensed during the period, less noncontrolling interests. Fixed charges include debt expense (interest expense and the write-off and amortization of deferred financing costs), the estimated interest component of rental expense on operating leases and capitalized interest.

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

### *Forward-looking statements*

*This Annual Report on Form 10-K, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, 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 future operations, financial condition and prospects, including the expected impact of the policy change for Medicaid patients seeking Affordable Care Act (ACA) plans, including on our future operating income and other impacts of this policy change, expectations for treatment growth rates, revenue per treatment, expense growth, levels of the provision for uncollectible accounts receivable, operating income, cash flow, operating cash flow, estimated tax rates, estimated charges and accruals, capital expenditures, the development of new dialysis centers and dialysis center acquisitions, government and commercial payment rates, revenue estimating risk and the impact of our level of indebtedness on our financial performance, and including earnings per share. 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 risks resulting from the concentration of profits generated by higher-paying commercial payor plans for which there is continued downward pressure on average realized payment rates, and a reduction in the number of patients under such plans, which may result in the loss of revenues or patients, and the extent to which the ongoing implementation of healthcare exchanges or changes in regulations or enforcement of regulations regarding the exchanges results in a reduction in reimbursement rates for our services from and/or the number of patients enrolled in higher-paying commercial plans, a reduction in government payment rates under the Medicare ESRD program or other government-based programs, the impact of the CMS Medicare Advantage benchmark structure, risks arising from potential federal and/or state legislation that could have an adverse effect on our operations and profitability, the impact of the 2016 Congressional and Presidential elections on the current health care marketplace and on our business, including with respect to the future of the ACA, the exchanges, and many other core aspects of the current health care marketplace, changes in pharmaceutical or anemia management practice patterns, payment policies, or pharmaceutical pricing, legal compliance risks, including our continued compliance with complex government regulations and the provisions of our current Corporate Integrity Agreement (CIA), and current or potential investigations by various government entities and related government or private-party proceedings, the restrictions on our business and operations required by the CIA and other settlement terms, and the financial impact thereof, continued increased competition from large- and medium-sized dialysis providers that compete directly with us, our ability to maintain contracts with physician medical directors, changing affiliation models for physicians, and the emergence of new models of care introduced by the government or private sector that may erode our patient base and reimbursement rates such as Accountable Care Organizations (ACOs), independent practice associations (IPAs) and integrated delivery networks, our ability to complete acquisitions, mergers or dispositions that we might be considering or announce, or to integrate and successfully operate any business we may acquire or have acquired, including DaVita Medical Group (DMG), or to expand our operations and services to markets outside the U.S., or to businesses outside of dialysis and DMG's business, the variability of our cash flows, the risk that we might invest material amounts of capital and incur significant costs in connection with the growth and development of our international operations, yet we might not be able to operate them profitably anytime soon, if at all, risks arising from the use of accounting estimates, judgments and interpretations in our financial statements, the risk that laws regulating the corporate practice of medicine could restrict the manner in which DMG conducts its business, the risk that the cost of providing services under DMG's agreements may exceed our compensation, the risk that reductions in reimbursement rates, including Medicare Advantage rates, and future regulations may negatively impact DMG's business, revenue and profitability, the risk that DMG may not be able to successfully establish a presence in new geographic regions or successfully address competitive threats that could reduce its profitability, the risk that a disruption in DMG's healthcare provider networks could have an adverse effect on DMG's business operations and profitability, the risk that reductions in the quality ratings of health maintenance organization plan customers of DMG could have an adverse effect on DMG's business, or the risk that health plans that acquire health maintenance organizations may not be willing to contract with DMG or may be willing to contract only on less favorable terms, and the other risk factors set forth in Part II, Item 1A. of this Annual Report on Form 10-K. We base our forward-looking statements on information currently available to us at the time of this Annual Report on Form 10-K, and except as required by law we undertake no obligation to update or revise any forward-looking statements, whether as a result of changes in underlying factors, new information, future events or otherwise.*

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

## Company overview

The Company consists of two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG). Kidney Care is comprised of our U.S. dialysis and related lab services, our ancillary services and strategic initiatives, including our international operations, and our corporate administrative support. Our U.S. dialysis and related lab services business is our largest line of business, which is a leading provider of kidney dialysis services in the U.S. for patients suffering from chronic kidney failure, also known as end stage renal disease (ESRD). DMG is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of providing coordinated, outcomes-based medical care in a cost-effective manner.

Our overall financial performance for 2016 in U.S. dialysis and related lab services benefited from increased treatment volume, primarily from non-acquired growth at existing and new dialysis centers, cost control initiatives, and payor mix improvements in our dialysis business. This was partially offset by an increase in labor costs and other center related costs. DMG experienced a decrease in adjusted operating income primarily due to a reduction in Medicare Advantage reimbursement rates and an increase in medical costs.

Some of our major accomplishments and financial operating performance indicators in 2016 and year over year were as follows:

- improved clinical outcomes in our U.S. dialysis operations, including third consecutive year as a leader in CMS' Five –Star Quality Rating system;
- consolidated net revenue growth of 7.0%;
- 5.7% total net revenue growth in our U.S. dialysis segment, including an increase of \$4 per treatment;
- improved performance in our normalized non-acquired U.S. dialysis treatment growth of 4.2%, which contributed to an increase of approximately 4.5% in the overall number of U.S. dialysis treatments;
- net increase of 99 U.S. dialysis centers and 36 international dialysis centers;
- an increase in DMG's net revenue of 7.2% related to an increase in its fee-for-service (FFS) business from the acquisition of The Everett Clinic Medical Group (TEC);
- formation of a strategic joint venture in our Asia-Pacific market;
- an increase in other ancillary services and strategic initiatives net revenue of 17.3%; and
- strong operating cash flows of \$1.963 billion.

We believe that 2017 will be challenging due to the uncertainty around the ACA and the ability of our patients to utilize charitable premium assistance, average commercial rate pressure, increases in clinical costs due to inflation, employee turnover and other factors affecting U.S. dialysis and related lab services. In addition, the 2016 Presidential and Congressional elections have caused the future state of the exchanges and other ACA reforms and the healthcare landscape in general to be very unclear. DMG continues to face challenges due to announced decreases in Medicare Advantage and Medicaid reimbursement rates as the government continues to modify the rate structure. We also remain committed to our international expansion plans that will continue to require investment.

Following is a summary of our consolidated operating results for reference in the discussion that follows.

	Year ended December 31,					
	2016		2015		2014	
	(dollar amounts rounded to nearest million)					
Net revenues:						
Patient service revenues	10,354		9,481		8,869	
Less: Provision for uncollectible accounts	(451)		(428)		(367)	
Net patient service revenues	9,903		9,053		8,502	
Capitated revenues	3,519		3,509		3,261	
Other revenues	1,323		1,220		1,032	
Total net consolidated revenues	\$ 14,745	100%	\$ 13,782	100%	\$ 12,795	100%
Operating expenses and charges:						
Patient care costs	\$ 10,647	72%	\$ 9,825	71%	\$ 9,119	71%
General and administrative	1,592	11%	1,452	11%	1,262	10%
Depreciation and amortization	720	5%	638	5%	591	5%
Provision for uncollectible accounts	12	—	9	—	14	—
Equity investment income	(13)	—	(18)	—	(23)	—
Gain on changes in ownership interests, net	(404)	(3%)	—	—	—	—
Goodwill and other asset impairment charges	296	2%	210	2%	—	—
Settlement charge	—	—	495	4%	—	—
Loss contingency accruals	—	—	—	—	17	—
Total operating expenses and charges	12,850	87%	12,611	92%	10,980	86%
Operating income	\$ 1,895	13%	\$ 1,171	8%	\$ 1,815	14%

The following table summarizes our consolidated net revenues:

	Year ended December 31,		
	2016	2015	2014
	(dollar amounts rounded to nearest million)		
Net revenues:			
Dialysis and related lab services patient service revenues	\$ 9,551	\$ 9,034	\$ 8,551
Less: Provision for uncollectible accounts	(430)	(406)	(353)
Dialysis and related lab services net patient service revenues	9,121	8,628	8,198
Other revenues	17	14	13
Total net dialysis and related lab services revenues	9,138	8,642	8,211
DMG capitated revenues	3,431	3,437	3,191
DMG net patient service revenues (less provision for uncollectible accounts of \$20, \$15 and \$13, respectively)	622	318	219
Other revenue	61	82	92
Total net DMG revenues	4,114	3,837	3,502
Other-ancillary services and strategic initiatives revenues	1,305	1,150	947
Other-capitated revenues	88	72	70
Other-ancillary services and strategic initiatives net patient service revenues (less provision for uncollectible accounts)	228	160	122
Total net other-ancillary services and strategic initiatives revenues	1,621	1,382	1,139
Total net segment revenues	14,873	13,861	12,852
Elimination of intersegment revenues	(128)	(79)	(57)
Consolidated net revenues	\$ 14,745	\$ 13,782	\$ 12,795

The following table summarizes consolidated operating income and adjusted consolidated operating income:

	Year ended December 31,		
	2016	2015	2014
	(dollar amounts rounded to nearest million)		
Dialysis and related lab services	\$ 1,777	\$ 1,260	\$ 1,638
DMG services	(104)	34	215
Other — ancillary services and strategic initiatives loss	267	(104)	(25)
Total segment operating income	1,940	1,190	1,828
Reconciling corporate items:			
Corporate administrative support	(14)	(19)	(13)
Reduction in a receivable associated with the DMG acquisition escrow provision	(31)	—	—
Consolidated operating income	1,895	1,171	1,815
Reconciliation of non-GAAP measure:			
Add:			
Goodwill and other asset impairment charges	281	210	—
Impairment of minority equity investment	15	—	—
Loss on sale of DMG Arizona	10	—	—
Hospice accrual	16	—	—
Pharmacy accrual	16	22	—
Settlement charge	—	495	—
Loss contingency accruals	—	—	17
Reduction in a receivable associated with the DMG acquisition escrow provision	31	—	—
Less:			
Gain on APAC JV ownership changes	(374)	—	—
Gain on sale of Tandigm ownership interest	(40)	—	—
Adjusted consolidated operating income <sup>(1)</sup>	<u>\$ 1,849</u>	<u>\$ 1,898</u>	<u>\$ 1,832</u>

- (1) For the year ended December 31, 2016, we have excluded goodwill impairment charges of \$253 million related to our DMG reporting units and \$28 million related to our vascular access reporting unit, an impairment of \$15 million related to a minority equity investment, the loss on sale of our DMG Arizona business of \$10 million, estimated accruals for damages and liabilities associated with our DMG Nevada hospice business of \$16 million and our pharmacy business of \$16 million, an adjustment to reduce receivables associated with the DMG acquisition escrow provision relating to income tax items of \$31 million, the gain on changes in ownership interest upon the formation of the Asia Pacific joint venture (APAC JV) of \$374 million and the gain related to the sale of a portion of our Tandigm ownership interest of \$40 million. For the year ended December 31, 2015, we have excluded estimated goodwill and other intangible asset impairment charges of \$210 million primarily related to certain DMG reporting units, an estimated accrual of \$22 million for damages and liabilities associated with our pharmacy business, which is included in general and administrative expenses, and \$495 million related to a settlement charge in connection with a private civil suit. In addition, for the year ended December 31, 2014, we have excluded \$17 million, related to a loss contingency accrual for the settlement of the 2010 and 2011 U.S. Attorney physician relationship investigations. These are non-GAAP measures and are not intended as substitutes for the equivalent GAAP measures. We have presented these adjusted amounts because management believes that these presentations enhance a user's understanding of our normal consolidated operating income by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normal prior period results.

#### Consolidated net revenues

Consolidated net revenues for 2016 increased by approximately \$963 million, or 7.0%, from 2015. This increase in consolidated net revenues was due to an increase in dialysis and related lab services net revenues of approximately \$496 million, principally due to solid volume growth from additional treatments from non-acquired growth, one additional treatment day in 2016, and an increase of \$4 in the average dialysis revenue per treatment, as discussed below. Consolidated net revenues also increased due to an increase in DMG's net revenues of \$277 million, primarily due to an increase in FFS revenues from acquisitions and an increase in senior capitated revenues, as described below. In addition, revenue increased by approximately \$239 million in our ancillary services and strategic initiatives driven primarily from growth in our pharmacy services and an increase in net revenues from our expansion in our international business and other strategic initiatives.

Consolidated net revenues for 2015 increased by approximately \$987 million, or 7.7%, from 2014. This increase in consolidated net revenues was due to an increase in dialysis and related lab services net revenues of approximately \$431 million, principally due to solid volume growth from additional treatments from non-acquired growth and from an increase of \$6 in the average dialysis revenue per treatment, primarily from an increase in our average commercial payment rates and improvement in our commercial payor mix. Consolidated net revenues also increased by \$335 million as a result of DMG's growth from acquisitions and timing of the recognition of additional Medicaid risk sharing revenue, as described below. In addition, revenue increased by approximately \$243 million in our ancillary services and strategic initiatives driven primarily from growth in our pharmacy services and our disease management services, as well as expansion in our international operations. These increases were partially offset by an increase in reserves for refunds of prior period pharmacy reimbursements.

#### *Consolidated operating income*

Consolidated operating income of \$1.895 billion for 2016, which includes impairment charges of \$296 million, estimated accruals for damages and liabilities associated with our pharmacy and DMG Nevada hospice businesses of \$32 million, an adjustment to reduce receivables associated with the DMG acquisition escrow provision of \$31 million, and the net gain on the APAC JV, Tandigm and DMG Arizona ownership changes of \$404 million, increased by approximately \$724 million from 2015, which included estimated impairment charges of approximately \$210 million, an estimated pharmacy accrual of \$22 million and a private litigation settlement charge of \$495 million. Excluding these items from their respective periods, adjusted consolidated operating income for 2016 would have decreased by \$49 million. Adjusted consolidated operating income decreased primarily as a result of a decrease in adjusted operating income related to DMG of \$105 million, partially offset by an increase in adjusted operating income for the dialysis and related lab services of \$22 million and a decrease in adjusted operating losses in our ancillary services and strategic initiatives of \$30 million, each discussed in detail below.

Consolidated operating income of \$1.171 billion for 2015, which included estimated impairment charges of approximately \$210 million, an estimated pharmacy accrual of \$22 million and a private litigation settlement charge of \$495 million, decreased by approximately \$644 million from 2014, which included a \$17 million loss contingency accrual. Excluding these items from their respective periods, adjusted consolidated operating income for 2015 would have increased by \$66 million, or 3.6%. Adjusted consolidated operating income increased primarily as a result of an increase in adjusted operating income in dialysis and related lab services of \$100 million and an increase in adjusted operating income at DMG of \$25 million, partially offset by an increase in the amount of adjusted operating losses in our ancillary services and strategic initiatives of \$53 million, each discussed in detail below.

#### **U.S. dialysis and related lab services business**

Our U.S. dialysis and related lab services business is a leading provider of kidney dialysis services through a network of 2,350 outpatient dialysis centers which we own and manage through management services agreements, in 46 states and the District of Columbia, serving a total of approximately 187,700 patients. We also provide acute inpatient dialysis services in approximately 900 hospitals. We estimate that we have approximately a 36% market share in the U.S. based upon the number of patients that we serve. In 2016, our overall network of U.S. outpatient dialysis centers increased by 99 dialysis centers primarily as a result of opening new dialysis centers and from acquisitions of existing dialysis centers. In addition, the overall number of patients that we serve in the U.S. increased by approximately 4.5% in 2016 as compared to 2015.

Our dialysis and related lab services stated mission is to be the provider, partner and employer of choice. We believe our attention to these three stakeholders—our patients, our business partners, and our teammates—represents the major driver of our long-term performance, although we are subject to the impact of several external factors such as government policy, physician practice patterns, commercial payor payment rates and the mix of commercial and government patients. 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 (DQI). Our clinical outcomes as measured by DQI have improved over each of the past several years which we believe directly decreases patient mortalities. Our patient mortality percentages have decreased from 19.0% in 2001 to 13.8% in 2015. For the third consecutive year, we continue to be a leader in the industry under both the CMS QIP and Five-Star quality Rating systems. Over the last two years our clinical teammate turnover has increased slightly, causing productivity to slightly decrease; however, despite this, we have continued to improve our clinical performance. We will continue to focus on these three stakeholders and our clinical outcomes as we believe these are fundamental long-term value drivers.

We believe our national scale, size and commitment to our patients, among other things, allows us to provide industry-leading quality care with superior clinical outcomes that attracts patients, referring physicians, and qualified medical directors to our network, which provides our dialysis patient base with a large number of out-patient dialysis centers to choose from with convenient locations and access to a full range of other integrated services which provides us the ability to effectively and efficiently manage a patient's care and certain costs while still maintaining strong legal and compliance programs.

The following graph summarizes our dialysis services revenues by modality for the year ended December 31, 2016:



Approximately 62% of our 2016 consolidated net revenues were derived directly from our dialysis and related lab services business. Approximately 79% of our 2016 dialysis and related lab services revenues were derived from outpatient hemodialysis services in the 2,316 U.S. dialysis centers that we consolidate. Other dialysis services, which are operationally integrated with our dialysis operations, are peritoneal dialysis, home-based hemodialysis, hospital inpatient hemodialysis services and management and administrative services provided to dialysis centers in which we own a noncontrolling interest or which are wholly owned by third parties. These services collectively accounted for the balance of our 2016 dialysis and related lab services revenues.

The principal drivers of our dialysis and related lab services revenues are:

- the number of treatments, which is primarily a function of the number of chronic patients requiring approximately three treatments per week as well as, to a lesser extent, the number of treatments for peritoneal dialysis services and home-based dialysis and hospital inpatient dialysis services; and
- average dialysis revenue per treatment, including the mix of commercial and government patients.

The total patient base is a relatively stable factor, which we believe is influenced by a demographically growing need for dialysis services as indicated by the United States Renal Data System which reported an approximate compound growth rate of 3.8% from 2000 to 2014 for the dialysis patient population, our relationships with referring physicians, together with the quality of our clinical care which can lead to reduced patient mortality rates as indicated above, and our ability to open and acquire new dialysis centers.

Our average dialysis and related lab services revenue per treatment is driven by changes in our mix of commercial and government (principally Medicare and Medicaid) patients, commercial and government payment rates, and our billing and collecting operations performance.

On average, dialysis-related payment rates from contracted commercial payors are significantly higher than Medicare, Medicaid and other government program payment rates, and therefore the percentage of commercial patients in relation to total patients represents a major driver of our total average dialysis revenue per treatment. The percentage of commercial patients covered under contracted plans as compared to commercial patients with out-of-network providers continued to increase, which can significantly affect our average dialysis revenue per treatment since commercial payment rates for patients with out-of-network providers are on average higher than in-network payment rates that are covered under commercial contracted plans. For the last two years, the growth of our commercial patients slightly outpaced the growth of our government-based patients as more of our patients are covered by commercial contracted plans.

Government dialysis-related payment rates in the U.S. are principally determined by federal Medicare and state Medicaid policy. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate which provides a fixed payment rate encompassing all goods and services provided during the dialysis treatment, including certain pharmaceuticals, such as Epogen® (EPO), vitamin D analogs and iron supplements, irrespective of the level of pharmaceuticals administered to the patient or additional services performed. Most lab services are also included in the bundled payment. The bundled payment rate is also adjusted for certain patient characteristics, a geographic usage index and certain other factors.

The bundled payment system presents operating, clinical and financial risks. For example, with regard to the expanded list of case-mix adjusters, there is a risk that our dialysis centers or billing and other systems may not accurately document and track the



appropriate patient-specific characteristics, resulting in a reduction or overpayment in the amounts of the payments that we would otherwise be entitled to receive.

An important provision in the law is an annual adjustment, or market basket update, to the ESRD Prospective Payment System (PPS) base rate. Absent action by Congress, the PPS base rate is automatically updated annually by a formulaic inflation adjustment.

In December 2013, CMS issued the 2014 final rule for the ESRD PPS, which phases in the payment reductions mandated by ATRA, as modified by the Protecting Access to Medicare Act of 2014 which reduced our market basket inflation adjustment by 1.25% in 2016 and will reduce our market basket inflation adjustment by 1.25% in 2017 and 1% in 2018. CMS recently published the 2017 final rule for the ESRD PPS and projects it will (i) increase the total payments to all ESRD facilities by 0.73% in 2017 compared to 2016; (ii) increase total payments to hospital-based ESRD facilities by 0.9% in 2017 compared to 2016; and (iii) increase total payments for freestanding facilities by 0.7% in 2017 compared to 2016. The 2017 final rule for the ESRD PPS also implements the Trade Preferences Extension Act of 2015 provisions regarding the coverage and payment for renal dialysis services furnished by ESRD facilities to individuals with acute kidney injury.

As a result of the BCA and subsequent activity in Congress, a \$1.2 trillion sequester (across-the-board spending cuts) in discretionary programs took effect on March 1, 2013. In particular, a 2% reduction to Medicare payments took effect on April 1, 2013, which was subsequently extended through 2014 and 2015. The Bipartisan Budget Act of 2015 extended the BCA's annual 2% reduction to Medicare payments through fiscal year 2025. These across-the-board spending cuts have affected and will continue to adversely affect our revenues, earnings and cash flows.

The CMS Innovation Center is currently working with various healthcare providers to develop, refine and implement ACOs and other innovative models of care for Medicare and Medicaid beneficiaries. We are currently uncertain of the extent to which the long-term operation and evolution of these models of care, including ACOs, Bundled Payments for Care Improvement Initiative, the CEC Model (which includes the development of ESCOs), the Comprehensive Primary Care Initiative, the Duals Demonstration, or other models, will impact the healthcare market over time. Our U.S. dialysis business may choose to participate in one or several of these models either as a partner with other providers or independently. We currently participate in the CEC Model with the Innovation Center, including with the ESCO organizations in the Arizona, Florida, and adjacent New Jersey and Pennsylvania markets. In areas where DaVita is not directly participating in this or other Innovation Center models, some of our patients may be assigned to an ACO, another ESRD Care Model, or another program, in which case the quality and cost of care that we furnish will be included in an ACO's, another ESRD Care Model's or other programs' calculations. As new models of care emerge and evolve, we may be at risk of losing our Medicare patient base, which would have a materially adverse effect on our revenues, earnings and cash flow. Other initiatives in the government or private sector may also arise, including the development of models similar to ACOs, IPAs and integrated delivery networks or evolutions of those concepts which could adversely impact our business.

We anticipate that we will continue to experience increases in our operating costs in 2017 that will outpace any net Medicare rate increases that we may receive, which could significantly impact our operating results. In addition, we expect to continue experiencing increases in operating costs that are subject to inflation, such as labor and supply costs, regardless of whether there is a compensating inflation-based increase in Medicare payment rates or in payments under the bundled payment rate system.

Dialysis payment rates from commercial payors can vary and a major portion of our commercial rates are set at contracted amounts with payors and are subject to intense negotiation pressure. Our commercial payment rates also include payments for out-of-network patients that on average are higher than our in-network commercial contract rates. We continue to enter into some commercial contracts covering certain patients that will primarily pay us a single bundled payment rate for all dialysis services provided to these patients. However, some contracts will pay us for certain other services and pharmaceuticals in addition to the bundled payment. We are continuously in the process of negotiating agreements with our commercial payors, and if our negotiations result in overall commercial contract payment rate reductions in excess of our commercial contract payment rate increases, our revenues and operating results could be negatively impacted. In addition, if there is an increase in job losses in the U.S., or depending upon changes to the healthcare regulatory system by CMS and/or the impact of healthcare insurance exchanges, we could experience a decrease in the number of patients covered under traditional commercial insurance plans. Patients with commercial insurance who cannot otherwise maintain coverage frequently rely on financial assistance from charitable organizations, such as the American Kidney Fund. If these patients are unable to obtain or continue to receive such financial assistance, our revenues, earnings, and cash flows could be substantially reduced. For further details, see the risk factor in Item 1A Risk Factors under the heading "If patients in commercial plans are subject to restriction in plan designs or the average rates that commercial payors pay us decline significantly, it would have a material adverse effect on our revenues, earnings and cash flows."

Our operating performance with respect to dialysis services billing and collection can also be a significant factor in the average dialysis and related lab services revenue per treatment we recognize and are able to collect. Over the past several years we have invested heavily in upgrades to our systems and internal processes that we believe have helped improve our operating performance and reduced our regulatory compliance risks, and we expect to continue to improve these systems and processes. We continue to

upgrade our billing and other systems and modify our processes to improve our ability to capture the necessary patient characteristics, co-morbidities and certain other factors under Medicare's bundled payment system. We believe this will potentially enable us to capture additional reimbursement amounts from Medicare and enhance our overall billing and collection performance. However, as we continue to make upgrades to our systems and processes, or as payors change their systems and requirements, such as changes to Medicare's billing codes, we could experience a negative impact to our cash collection performance, which would affect our average dialysis and related lab services revenue per treatment.

Our dialysis and related lab services 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 collectability of our billings as of the reporting date based upon our actual historical collection experience. Changes in estimates are reflected in the then-current period 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 dialysis and related lab services revenue per treatment was approximately \$352, \$348 and \$342 for 2016, 2015 and 2014, respectively. In 2016, the average dialysis and related lab services revenue per treatment increased by approximately \$4 per treatment due to an increase in our average commercial payment rates and improvements in our commercial payor mix. In 2015, the average dialysis and related lab services revenue per treatment increased by approximately \$6 per treatment due to an increase in our average commercial payment rates and improvements in our commercial payor mix, partially offset by an increase in our provision for uncollectible accounts.

Our average dialysis and related lab services revenue per treatment can be significantly impacted by several major factors, including our commercial payment rates; government payment policies regarding reimbursement amounts for dialysis treatments covered under Medicare's bundled payment rate system, including our ability to capture certain patient characteristics; and changes in the mix of government and commercial patients and the number of commercial patients that are either covered under commercial contracts or are out of network.

The principal drivers of our dialysis and related lab services patient care costs are clinical hours per treatment, labor rates, vendor pricing of pharmaceuticals, utilization levels of pharmaceuticals, business infrastructure costs, which include the operating costs of our dialysis centers, and certain professional fees. However, other cost categories can also represent significant cost variability, such as employee benefit costs, payroll taxes, insurance costs and medical supply costs. Our average clinical hours per treatment, or productivity levels, declined slightly in 2016 compared to 2015. We are always striving for improved productivity levels, however, changes in federal and state policies or regulatory billing requirements can lead to increased labor costs in order to implement these new requirements, which can adversely impact our ability to achieve optimal productivity levels. In addition, improvements in the U.S. economy have stimulated additional competition for skilled clinical personnel resulting in slightly higher teammate turnover in 2016, which we believe negatively affected productivity levels. In 2016 and 2015, we experienced an increase in our clinical labor rates of approximately 2.8% and 0.9%, respectively, as clinical labor rates have increased, consistent with general industry trends, mainly due to the high demand for skilled clinical personnel, along with general inflation increases. We also continue to experience increases in our infrastructure and operating costs of our dialysis centers, primarily due to the number of new dialysis centers opened, and general increases in rent, utilities and repairs and maintenance. In 2016, we continued to implement certain cost control initiatives to manage our overall operating costs, including labor productivity.

Our dialysis and related lab services general and administrative expenses represented 8.2% of our dialysis and related lab services net revenues in both 2016 and 2015. Although relatively flat as a percentage of net revenue, general and administrative expenses increased by \$42 million, primarily due to an increase in labor and benefit costs and legal costs, partially offset by lower long-term incentive compensation. Increases in general and administrative expenses over the last several years primarily related to strengthening our dialysis business, improving our regulatory compliance and other operational processes, responding to certain legal and compliance matters, and professional fees associated with enhancing our information technology systems. We expect that these levels of expenditures on our dialysis and related lab services general and administrative expenses will continue in 2017 and could possibly increase as we seek out new business opportunities within the dialysis industry and continue to invest in improving our information technology infrastructure and the level of support required for our regulatory compliance and legal matters.

## Results of Operations

The following table reflects the results of operations for the U.S. dialysis and related lab services business:

	Year ended December 31,					
	2016		2015		2014	
	(dollar amounts rounded to nearest million)					
Dialysis and related lab services patient service revenues	\$ 9,551		\$ 9,034		\$ 8,551	
Less: Provision for uncollectible accounts	(430)		(406)		(353)	
Dialysis and related lab services net patient service revenues	9,121		8,628		8,198	
Other revenues	17		14		13	
Total net dialysis and related lab services revenues	9,138	100%	8,642	100%	8,211	100%
Operating expenses and charges:						
Patient care costs	6,145	67%	5,755	67%	5,485	67%
General and administrative	751	8%	709	8%	682	8%
Depreciation and amortization	483	5%	438	5%	403	5%
Settlement charge and loss contingency accruals	—	—	495	6%	17	—
Equity investment income	(18)	—	(15)	—	(14)	—
Total operating expenses and charges	7,361	81%	7,382	85%	6,573	80%
Operating income	1,777	19%	1,260	15%	1,638	20%
Reconciliation of non-GAAP measures:						
Settlement charge	—		495		—	
Loss contingency accruals	—		—		17	
Adjusted operating income <sup>(1)</sup>	\$ 1,777		\$ 1,755		\$ 1,655	
Dialysis treatments	27,162,545		25,986,719		24,981,553	
Average dialysis treatments per treatment day	86,532		83,104		79,864	
Average dialysis and related lab services revenue per treatment	\$ 352		\$ 348		\$ 342	

(1) For the year ended December 31, 2015, we have excluded \$495 million related to a settlement charge in connection with a private civil suit. In addition, for the year ended December 31, 2014, we have excluded \$17 million, related to loss contingency accrual for the settlement of the 2010 and 2011 U.S. Attorney physician relationship investigations. These are non-GAAP measures and are not intended as substitutes for the equivalent GAAP measures. We have presented these adjusted amounts because management believes that these presentations enhance a user's understanding of our normal consolidated operating income by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normal prior period results.

### Net revenues

Dialysis and related lab services net revenues for 2016 increased by approximately \$496 million, or 5.7%, from 2015. The increase in net revenues was primarily driven by solid volume growth from additional treatments of approximately 4.5% due to an increase in acquired and non-acquired treatment growth at existing and new dialysis centers, as well as one additional treatment day in 2016 as compared to 2015. Dialysis and related lab services' net revenues also benefited from an increase in the average dialysis revenue per treatment of approximately \$4, primarily due to an increase in our average commercial payment rates and improvements in our commercial payor mix, offset by an increase in the provision for uncollectible accounts of \$24 million.

Dialysis and related lab services net revenues for 2015 increased by approximately \$431 million, or 5.2%, from 2014. The increase in net revenues was primarily due to solid volume growth from additional treatments of approximately 4.0% due to an increase in non-acquired treatment growth at existing and new dialysis centers and an increase in the average dialysis revenue per treatment of approximately \$6. The increase in the average dialysis revenue per treatment in 2015, as compared to 2014, was due to an increase in our average commercial payment rates and improvements in our commercial payor mix, offset by an increase in the provision for uncollectible accounts of \$53 million.

The following table summarizes our U.S. dialysis services revenues by source:

	2016	2015	2014
Medicare and Medicare-assigned plans	55%	56%	58%
Medicaid and Medicaid-assigned plans	5%	6%	6%
Other government-based programs	4%	4%	3%
Total government-based programs	64%	66%	67%
Commercial (including hospital dialysis services)	36%	34%	33%
Total dialysis and related lab services revenues	100%	100%	100%

Approximately 64% of our total dialysis and related lab services revenues for the year ended December 31, 2016 were from government-based programs, principally Medicare, Medicaid, Medicare-assigned and Medicaid-assigned plans, representing approximately 88% of our total patients. Over the last two years, the growth of our commercial patients slightly outpaced the growth of our government-based patients as more of our patients are covered by commercial contracted plans. Less than 1% of our dialysis and related lab services revenues are due directly from patients. There is no single commercial payor that accounted for more than 10% of total dialysis and related lab services revenues for the year ended December 31, 2016.

On average, dialysis-related payment rates from contracted commercial payors are significantly higher than Medicare, Medicaid and other government program payment rates, and therefore the percentage of commercial patients as a relationship to total patients represents a major driver of our total average dialysis revenue per treatment. For a patient covered by a commercial insurance plan, Medicare generally becomes the primary payor after 33 months, which includes the three month waiting period, or earlier if the patient's commercial insurance plan coverage terminates. When Medicare becomes the primary payor, the payment rates we receive for that patient shifts from the commercial insurance plan rates to Medicare payment rates, which are significantly lower than commercial insurance rates. Medicare payment rates are insufficient to cover our costs associated with providing dialysis services, and we therefore lose money on each Medicare treatment that we provide.

Nearly all of our net earnings from our dialysis and related lab services are derived from commercial payors, some of which pay at established contract rates and others of which pay negotiated payment rates based on our usual and customary fee schedule for our out-of-network patients, which are typically higher than commercial contracted rates. If we experience an overall net reduction in our contracted and non-contracted commercial payment rates as a result of negotiations, restrictions or changes to the healthcare regulatory system, including the potential impact of healthcare insurance exchanges, it could have a material adverse effect on our operating results.

#### *Operating expenses and charges*

*Patient care costs.* Dialysis and related lab services patient care costs are those costs directly associated with operating and supporting our dialysis centers and consist principally of labor, benefits, pharmaceuticals, medical supplies and other operating costs of the dialysis centers. Dialysis and related lab services patient care costs on a per treatment basis were \$226 and \$221 for 2016 and 2015, respectively. The \$5 increase in per treatment costs in 2016 as compared to 2015 was primarily attributable to an increase in labor and benefit costs due to a decrease in productivity, increased turnover and clinical labor rates, an increase in other direct operating expenses associated with our dialysis centers and an increase in pharmaceutical unit costs. These increases were partially offset by a decrease in professional fees.

Dialysis and related lab services patient care costs on a per treatment basis were \$221 and \$219 for 2015 and 2014, respectively. The \$2 increase in per treatment costs in 2015 as compared to 2014 was primarily attributable to higher overall pharmaceutical costs due to higher pharmaceutical unit costs, an increase in other direct operating expenses associated with our dialysis centers, and a slight increase in labor costs, partially offset by improvements in productivity, and lower general and professional insurance costs.

*General and administrative expenses.* Dialysis and related lab services general and administrative expenses in 2016 increased by approximately \$42 million as compared to 2015. The increase was primarily due to an increase in our labor and benefit costs, occupancy, and legal costs, partially offset by a decrease in long-term compensation costs.

Dialysis and related lab services general and administrative expenses in 2015 increased by approximately \$27 million as compared to 2014. The increase was primarily due to an increase in our labor and benefit costs and long-term compensation costs.

*Depreciation and amortization.* Dialysis and related lab services depreciation and amortization expenses for 2016 increased by approximately \$45 million as compared to 2015 and increased by \$35 million in 2015 as compared to 2014. The increases were primarily due to both growth through new dialysis center developments and additional informational technology initiatives.

*Provision for uncollectible accounts receivable.* The provision for uncollectible accounts receivable for our dialysis and related lab services business was 4.5% for 2016 and 2015, and 4.1% for 2014. The provision for uncollectible accounts receivable was flat as a percent of revenue in 2016 and 2015. We currently expect the level of the provision for uncollectible accounts in 2017 to be consistent with 2016 although it may increase if we encounter collection issues.

*Equity investment income.* Equity investment income was approximately \$18 million, \$15 million and \$14 million in 2016, 2015 and 2014, respectively. The increases in equity investment income over the last three years were primarily due to the increase in the number of nonconsolidated dialysis joint ventures and an increase in profitability at some of these joint ventures.

*Accounts receivable.* Our U.S. dialysis and related lab services accounts receivable balances at December 31, 2016 and December 31, 2015 were \$1.358 billion and \$1.255 billion, respectively, representing approximately 55 days and 53 days of revenue, respectively, net of the allowance for uncollectible accounts. The increase in day sales outstanding (DSO) for our dialysis and related lab services business was primarily the result of improved cash collection performance in 2015 which we did not experience in 2016. Our DSO calculation is based on the current quarter's average revenues per day.

As of December 31, 2016 and 2015, our dialysis and related lab services unreserved accounts receivable balances that were more than six months old were approximately \$216 million and \$233 million, respectively, representing approximately 16% and 18% of our dialysis accounts receivable balances, respectively. There were no significant unreserved balances over one year old. Less than 1% of our revenues are classified as patient pay. Substantially all revenue realized is from government and commercial payors, as discussed above.

Amounts pending approval from third-party payors associated with Medicare bad debt claims as of December 31, 2016 and 2015, other than the standard monthly billing, consisted of approximately \$105 million in 2016 and \$106 million in 2015 and is classified as other receivables. Currently, a significant portion of our Medicare bad debt claims are typically paid to us before the Medicare fiscal intermediary audits the claims. However, the payment received from Medicare is subject to adjustment based upon the actual results of the audits. Such audits typically occur one to four years after the claims are filed.

#### *Segment operating income*

Dialysis and related lab services operating income for 2016 increased by approximately \$517 million as compared to 2015, which included a settlement charge of \$495 million. Excluding this item from 2015, dialysis and related lab services adjusted operating income would have increased by \$22 million. This increase in adjusted operating income was primarily due to treatment growth as a result of additional dialysis treatments, one additional treatment day, and an increase in the average dialysis revenue per treatment of approximately \$4, as described above. Adjusted operating income also increased due to a decrease in long-term compensation costs, partially offset by higher patient care costs and an increase general administrative expenses.

Dialysis and related lab services operating income for 2015, which included a settlement charge of \$495 million, decreased by approximately \$378 million as compared to 2014, which included a loss contingency accrual of \$17 million. Excluding these items from their respective periods, dialysis and related lab services adjusted operating income for 2015 would have increased by \$100 million. This increase in adjusted operating income for 2015 as compared to 2014 was primarily due to solid treatment growth as a result of additional dialysis treatments and an increase in the average dialysis revenue per treatment of approximately \$6, as described above. Adjusted operating income also increased due to improved productivity and lower general and professional insurance costs, partially offset by higher overall pharmaceutical costs, as described above, and an increase in our provision for uncollectible accounts of \$53 million.

#### **DMG business**

DMG is a patient- and physician-focused, integrated healthcare delivery and management company with over two decades of experience providing coordinated, outcomes-based medical care in a cost-effective manner. As of December 31, 2016, DMG served approximately 749,300 members under its care in southern California, central and south Florida, southern Nevada and central New Mexico through capitation contracts with some of the nation's leading health plans. Of these 749,300 members, approximately 305,200 individuals were patients enrolled in Medicare and Medicare Advantage, and the remaining approximately 444,100 individuals were managed care members whose health coverage is provided through their employer or who have individually acquired health coverage directly from a health plan or as a result of their eligibility for Medicaid benefits. In addition to its managed care business, during the year ended December 31, 2016, DMG provided care across all markets to over 896,200 patients whose health coverage is structured on a FFS basis, including patients enrolled through traditional Medicare and Medicaid programs, preferred provider organizations and other third party payors.

DMG's patients as well as the patients of DMG's associated physicians, physician groups and IPAs benefit from an integrated approach to medical care that places the physician at the center of patient care. As of December 31, 2016, DMG delivered services to

its members via a network of approximately 700 primary care physicians, over 2,500 associated groups and other network primary care physicians, approximately 200 network hospitals, and several thousand associated group and network specialists. Together with hundreds of case managers, registered nurses and other care coordinators, these medical professionals utilize a comprehensive information technology system, sophisticated risk management techniques and clinical protocols to provide high-quality, cost-effective care to DMG's members. DMG's total revenue for the year ended December 31, 2016, was approximately \$4.114 billion, or approximately 28% of our consolidated net revenues.

#### *Key Financial Measures and Indicators*

##### *Operating revenues*

DMG's consolidated revenues consist primarily of capitated revenues, including revenues attributable to capitated contracts with health plans, patient fee-for-service revenues and other operating revenues, each as described in more detail below.

Capitation revenue derived from health plans typically results from either (i) premium payments by CMS to DMG's health plan customers under Medicare Advantage with respect to seniors, disabled and other eligible persons (which are referred to herein as DMG's senior membership), (ii) premium payments by state governments to DMG's health plan customers under Medicaid managed care programs (which are referred to herein as DMG's Medicaid membership), and (iii) premium payments from public and private employers and individuals to DMG's health plan customers with respect to their employees (which are referred to herein as DMG's commercial membership). Capitation payments under health plan contracts are made monthly based on the number of enrollees selecting a DMG associated group physician employed or associated with one of DMG's medical group entities as their primary healthcare provider. The amount of PMPM capitation payments that DMG receives monthly from health plans on behalf of a member generally does not vary during a given calendar year, regardless of the level of actual medical services utilized by the member. As described in more detail below, in central Florida and southern Nevada DMG principally utilizes a global capitation model in which it assumes the financial responsibility for both professional (physician) and institutional (hospital) services for covered benefits, whereas in New Mexico, DMG assumes the financial responsibility for professional services only. In southern California, DMG utilizes variants of a different model for capitation under which it is directly financially responsible for covered professional services, but indirectly financially responsible for covered institutional expenses. See below for further discussion regarding changes to DMG's revenue recognition for hospital services. DMG's associated medical groups also receive specified incentive payments from health plans based on specified performance and quality criteria. These amounts are accrued when earned and the amounts can be reasonably estimated.

- *Global capitation model.* DMG records the aggregate global capitation PMPM fee as revenue and the amounts paid with respect to claims as medical expenses or hospital expenses, as applicable. See "Patient care costs-Medical expenses" and "Patient care costs-Hospital expenses" below. Revenue with respect to both professional and institutional capitation is recorded in the month in which enrollees are entitled to receive healthcare. In DMG's central Florida market, DMG also receives capitation revenue and is liable for corresponding expenses for prescription drug activity rendered on behalf of DMG's senior members through the Part D component under the Medicare Advantage program.
- *Risk-sharing model.* As compensation under its various managed care-related administrative services agreements with hospitals, DMG is entitled to receive a percentage of the amount by which the institutional capitation revenue received from health plans exceeds institutional expenses, and any such risk-share amount to which DMG is entitled is recorded as medical revenues. In addition, pursuant to such managed care-related administrative services agreements, DMG agrees to be responsible should the third party incur institutional expenses in excess of institutional capitation revenue. As with global capitation, revenue with respect to professional capitation is reported in the month in which enrollees are entitled to receive healthcare. However, risk-share revenues (that is, the portion of the excess or deficit of institutional capitation revenue to which DMG is entitled less institutional expenses), in contrast, are based on the number of enrollees and estimates of institutional utilization and associated costs incurred by assigned health plan enrollees, and the amounts earned are accrued when they can be reasonably estimated. Differences between actual contract settlements and estimated receivables and payables are recorded in the year of final settlement. In December 2013, DMG obtained a restricted Knox-Keene license in California, which permits DMG to enter into global capitation agreements with health plans that allow DMG to assume financial responsibility for both professional and institutional services. DMG has evaluated its various risk sharing arrangements, and is working with the Department of Managed Health Care and several health plans to accept global capitation. DMG has converted three separate contracts covering approximately 3% of total DHPC's membership to global risk and is in the approval and implementation process to convert additional contracts to global risk in 2017. Completion of evaluation of possible additional conversions is expected to continue to occur over time.

- *Retroactive revenue adjustments.* The Medicare Advantage revenue received by DMG’s health plan customers is adjusted periodically to give effect to the relative clinical and demographic profile of the members for whom DMG is financially responsible. The model employed by CMS bases a portion of the total reimbursement payments on various clinical and demographic factors, including hospital inpatient diagnoses, additional diagnosis data from ambulatory treatment settings, hospital outpatient department and physician visits, gender, age and Medicaid eligibility. CMS requires that all managed care companies capture, collect and submit the necessary diagnosis code information to CMS twice a year for reconciliation with CMS’s internal database. Capitation payments under this methodology are paid at interim rates during the year and retroactive adjustments occur in subsequent periods (generally in the third quarter of the same year, with a final adjustment in the third quarter of the following year) after the data is compiled by CMS. DMG estimates the amount of the current year adjustments in revenues during the first and second quarters of any given year and adjusts its estimates during the third quarter, upon receipt of payments from CMS. Differences between actual contract settlements and estimated revenues are recorded in the year of final settlement. To date, all such adjustments have resulted in increases in revenue.
- *Patient service revenues.* Patient service revenues are recorded when the services are provided to patients on a FFS basis. Such revenues are based on a negotiated fixed-fee schedule with the applicable payor.
- *Other operating revenues.* In addition to the revenues discussed above, other operating revenues primarily consists of (i) hospital subsidy payments, (ii) management fees DMG receives as the manager of its unconsolidated joint ventures, (iii) revenues from the maintenance of existing physicians’ networks, (iv) medical consulting revenues, and (v) revenues recognized under meaningful use programs established by federal and state governments which provide financial incentives for providers to implement and utilize electronic health record technology to improve patient care.

#### *Patient care costs*

DMG’s largest patient care costs are the costs of medical services provided pursuant to its capitation contracts, which consist of medical expenses, hospital expenses and clinical support and other operating costs, as further described below. Under both the global capitation and the risk-share capitation models, costs of medical services are recognized in the month in which the related services are provided. In addition, medical expenses and hospital expenses include an estimate of such expenses that have been incurred but not yet reported. For further information on how DMG estimates such claims, see “Critical accounting policies, estimates and judgments—Medical liability claims associated with DMG” below.

*Medical expenses.* Medical expenses consist of payments for professional and ancillary services to independent primary care physicians, specialists, ancillary providers and hospitals (including, with respect to hospitals, for outpatient services) pursuant to agreements with those entities. The structure of such expenses can consist of, among other things, sub-capitation and FFS payments. In addition, medical expenses include compensation and related expenses incurred with respect to DMG’s associated group primary care physicians and specialists, registered nurses, physician assistants and hospitalists.

*Hospital expenses.* Hospital expenses consist of payments for institutional services to contracted and non-contracted hospitals for both inpatient and outpatient services, skilled nursing facilities, and to other institutional providers. Hospital expenses are only incurred in connection with the services DMG provides in Florida and Nevada. In those regions, as described above, DMG enters into contracts with health plans pursuant to which it assumes the risk for institutional hospital services. In contrast in California, DMG’s medical groups were not permitted to contract with health plans to directly assume the risk for institutional services. Accordingly, the risk-share revenue that DMG records in California is net of reported claims and estimates of hospital utilization and associated costs incurred by assigned health plan enrollees, and no portion of institutional hospital costs incurred with respect to DMG’s California operations is included in hospital expenses as presented. However, as a result of DMG obtaining a restricted Knox-Keene license in December 2013 as discussed above, DMG now assumes some risk for institutional services in California.

*Clinic support and other operating costs.* Clinic support and other operating costs primarily consist of the costs incurred with respect to compensation of administrative and other support staff employed at DMG’s medical clinics, clinic rent and utilities, medical supplies and other direct costs incurred to support clinic operations.

#### *Other operating expenses*

*General and administrative.* General and administrative expenses are those costs directly related to corporate administrative functions in supporting DMG and consist primarily of salaries and benefits, professional fees and occupancy costs.

## Results of Operations

The following table reflects the results of operations for the DMG business:

	Year ended December 31,								
	2016		2015		2014				
	(dollar amounts rounded to nearest millions)								
Net revenues:									
DMG capitated revenue	\$	3,431		\$	3,437	\$	3,191		
Patient service revenue		642			333		232		
Less: Provision for uncollectible accounts		(20)			(15)		(13)		
Net patient service revenue		622			318		219		
Other revenues		61			82		92		
Total net revenues	\$	4,114	100%	\$	3,837	100%	\$	3,502	100%
Operating expenses:									
Patient care costs	\$	3,291	80%	\$	3,006	78%	\$	2,796	80%
General and administrative expense		489	12%		421	11%		331	9%
Depreciation and amortization		211	5%		174	5%		170	5%
Goodwill and other asset impairment charges		253	6%		206	5%		—	—
Gains on changes in ownership interests, net		(30)	(1%)		—	—		—	—
Equity investment loss (income)		4	—		(4)	—		(10)	—
Total expenses		4,218	103%		3,803	99%		3,287	94%
Operating income	\$	(104)	(3%)	\$	34	1%	\$	215	6%
Reconciliation of non-GAAP measures:									
Add:									
Goodwill and other intangible asset impairment charges		253			206			—	
Loss on sale of DMG Arizona		10			—			—	
Hospice accrual		16			—			—	
Less: Gain on sale of Tandigm ownership interest		(40)			—			—	
Adjusted operating income <sup>(1)</sup>	\$	135	3%	\$	240	6%	\$	215	6%

- (1) For the year ended December 31, 2016, we have excluded the goodwill impairment charges of \$253 million, the loss on sale of our DMG Arizona business of \$10 million, an estimated accrual for damages and liabilities associated with our DMG Nevada hospice business of \$16 million, which is included in general and administrative expenses, and the gain related to the sale of a portion of our Tandigm ownership interest of \$40 million. For the year ended December 31, 2015, we have excluded estimated goodwill and other intangible asset impairment charges of \$206 million related to certain DMG reporting units. These are non-GAAP measures and are not intended as substitutes for the equivalent GAAP measures. We have presented these adjusted amounts because management believes that these presentations enhance a user's understanding of our normal consolidated operating income by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normal prior period results.



### Capitated membership information

The table set forth below provides (i) the total number of capitated members to whom DMG provided healthcare services as of December 31, 2016, 2015 and 2014, and (ii) the aggregate member months for the years ended December 31, 2016, 2015 and 2014. Member months represent the aggregate number of months of healthcare services DMG has provided to capitated members during a period of time.

#### Members at December 31,

	Senior	Commercial	Medicaid
2014	310,500	387,400	139,400
2015	317,400	367,400	122,600
2016	305,200	338,300	105,800

#### Members months for the year ended December 31,

	Senior	Commercial	Medicaid
2014	3,587,900	4,713,100	1,465,200
2015	3,774,300	4,497,900	1,556,400
2016	3,760,000	4,130,800	1,320,800

In addition to the members above, DMG provided healthcare services to members in two of its operating unconsolidated joint ventures that are accounted for as equity investments. These joint ventures provided healthcare services for approximately 148,700, 130,700 and 45,700 members as of December 31, 2016, 2015 and 2014, respectively, and for approximately 1,760,000, 1,564,200 and 538,000 member months for the years ended December 31, 2016, 2015 and 2014, respectively. The increase in members and member months was primarily due to an increase in members related to Tandigm.

During the year ended December 31, 2016, DMG members decreased by approximately 58,100 and member months decreased by approximately 617,000. The decrease in members and member months was due to planned non-renewals of certain commercial and Medicaid contracts, a decrease in commercial members as employers shift to less expensive options for medical services for their employees, and the sale of our DMG Arizona business which caused a decrease in senior members, partially offset by an increase in senior members from new acquisitions and non-acquired growth.

During the year ended December 31, 2015, DMG members decreased by approximately 29,900 and member months increased approximately 62,400. The decrease in members was due to a planned reduction in Medicaid members and a decline in commercial members as employers shift to less expensive options for medical services for their employees, partially offset by an increase in senior members due to non-acquired growth. The increase in member months was primarily attributable to an increase in senior members resulting from non-acquired growth, new acquisitions and an increase in Medicaid members due to Medicaid expansion. This increase in member months was partially offset by a planned non-renewal of certain plans in certain markets due to unfavorable economics.

### Revenues

The following table provides a breakdown of DMG's revenue by source:

	Year ended December 31,		
	2016	2015	2014
	(dollars in millions)		
DMG revenues:			
Commercial revenues	\$ 701	\$ 727	\$ 726
Senior revenues	2,537	2,473	2,319
Medicaid revenues	193	237	146
Total capitated revenues	3,431	3,437	3,191
Patient service revenue, net of provision for uncollectible accounts	622	318	219
Other revenues	61	82	92
Total net revenues	\$ 4,114	\$ 3,837	\$ 3,502



### Net revenues

DMG's net revenues for 2016 increased \$277 million, or 7.2%, primarily due to an increase in FFS revenues due to the acquisition of The Everett Clinic Medical Group (TEC) in March 2016 and an increase in senior capitated revenues due to an increase in the number of senior capitated members during the year attributable to non-acquired growth and acquisitions. These increases were partially offset by a decrease in Medicare Advantage and Medicaid rates, as described below, a decrease in senior capitated revenues from the sale of our DMG Arizona business, a decrease in Medicaid revenues due to the timing of the recognition of additional Medicaid risk sharing revenue in 2015, a decrease in other revenues due to the recognition of additional revenues related to the maintenance of existing physician networks in 2015, a decrease in other consulting revenues and a decrease in commercial and Medicaid members to whom DMG provides health care services.

DMG's net revenue for 2015 increased \$335 million, or 9.6%, primarily driven by an increase in FFS revenue from acquisitions, an increase in senior capitated revenue due to an increase in the number of senior capitated members during the year that is attributable to non-acquired growth and acquisitions, an increase in Medicaid memberships due to Medicaid expansion, recognition of additional Medicaid risk-share revenue due to decreased costs related to lower claims, and higher commercial negotiated rates for commercial members. These increases in net revenues were partially offset by a decrease in senior capitated revenues due to the planned non-renewal of some plans due to unfavorable economics in certain markets.

On April 4, 2016, CMS issued final guidance for 2017 Medicare Advantage benchmark payment rates (Rate Announcement). In 2017, CMS will fully implement the 2017 Risk Adjustment model proposed in the Rate Announcement, but with updated coefficients. Based upon our preliminary analysis of the final rule, we estimate that the reduction in 2017 rates, including adjustments for the new ACA blended benchmark county rates and qualifying bonuses, will lead to a reduction in Medicare Advantage rates to DMG of approximately 1.0%, or a net decrease of approximately \$25 million to our 2017 operating income. This compares, according to CMS, to an industry average rate increase of approximately 0.85% without accounting for the expected growth in coding acuity that has typically added another 2.2%. The final impact of 2017 Medicare Advantage rates may vary from this estimate and will be impacted by the relative growth of DMG's Medicare Advantage patient volumes across markets as well as by the benefit plan designs submitted. It is possible that we have underestimated the impact of the 2017 Medicare Advantage rates on our business, which may have a material adverse effect on our financial position, results of operation or cash flows. The more significant decreases in Medicare Advantage rates for the Company compared to the industry average are largely driven by two factors: DMG's higher mix of Medicare Advantage patients in counties that will receive a lower-than-average benchmark rate increase, and a higher-than-average impact from a revision to the risk model to differentiate payment levels between dual-eligible and non-dual-eligible patients.

The 2016 Medicare Advantage rates incorporated a modification to the risk adjustment model calculation that CMS utilizes to determine the risk acuity scores of Medicare Advantage patients. These changes to the rate structure and risk model calculation decreased DMG's 2016 Medicare Advantage rates by approximately 2.0% of the Medicare Advantage revenues DMG manages on behalf of its senior capitated population as compared to 2015. This compares, according to CMS, to the industry average rate increase of approximately 1.25%.

The more significant decline in Medicare Advantage rates for DMG compared to the industry average is driven by a larger-than-average decline associated with CMS's modification to the risk adjustment model calculations. We believe the full implementation of the 2014 CMS-HCC Risk Adjustment model negatively affects DMG and other providers like us who have invested more heavily in wellness and prevention programs for patients with chronic conditions.

### Patient care costs

The following table reflects DMG's patient care costs which are comprised of medical expenses, hospital expenses, clinic support and other operating costs:

	Year ended December 31,		
	2016	2015	2014
	(dollars in millions)		
Medical expenses	\$ 1,991	\$ 1,865	\$ 1,734
Hospital expenses	617	602	586
Clinic support and other operating costs	683	539	476
Total	<u>\$ 3,291</u>	<u>\$ 3,006</u>	<u>\$ 2,796</u>

### Operating expenses

*Patient care costs.* DMG's patient care costs for 2016 increased by approximately \$285 million from 2015. The increase was primarily attributable to the acquisition of TEC, an increase in medical claim expenses, hospital expenses, and clinic support costs due

to increased senior capitated members from acquisitions and non-acquired growth, and increased headcount. The increase in costs was partially offset by a decrease due to the sale of our Arizona business, decreased consulting expenses, a decrease in benefits, and a decrease in commercial and Medicaid members to whom DMG provides healthcare services.

DMG's patient care costs for 2015 increased by approximately \$210 million from 2014. The increase was primarily attributable to increases in medical claim expenses and hospital expenses due to increases in senior and Medicaid member months from acquisitions, non-acquired growth, Medicaid expansion, market expansion and the timing of the recognition of additional benefit expense related to higher Medicaid risk sharing revenues. The increase was also driven by an increase in clinic support costs due to acquisitions. The increase in costs was partially offset by a decrease in commercial members to whom DMG provides healthcare services and a decrease in costs due to the planned non-renewal of some plans due to unfavorable economics in certain markets.

*General and administrative expenses.* DMG's general and administrative costs for 2016, which includes an estimated accrual for damages and liabilities associated with our DMG Nevada hospice business of \$16 million, increased \$68 million from 2015. Excluding this item, adjusted general and administrative expenses would have increased by \$52 million. This increase was primarily attributable to the acquisition of TEC, an increase in corporate administrative support expenses due to increased labor costs and costs associated with growth initiatives, partially offset by a decrease due to the sale of our DMG Arizona business and a decrease in benefits.

DMG's general and administrative costs for 2015 increased \$90 million from 2014. This increase was primarily attributable to an increase in corporate administrative support costs related to growth initiatives, professional fees, recognition of additional compensation expense, and travel costs.

*Depreciation and amortization.* DMG's depreciation and amortization for 2016 increased \$37 million from 2015. The increase was primarily attributable to the acquisition of TEC, an increase in amortization related to the acceleration of the HCP-related trade names, and an increase in technology and property investments as part of our growth initiatives. As of September 1, 2016, we committed to a plan to change HCP trade names to DMG. As a result of this decision we began to accelerate the amortization of the remaining carrying value of HCP trade names, which resulted in additional amortization of \$9 million for 2016. This additional amortization will continue at a rate of approximately \$7 million per quarter through the first quarter of 2019 which represents the remaining life of these assets.

DMG's depreciation and amortization for 2015 increased \$4 million from 2014. The increase is primarily attributable to depreciation and amortization of assets associated with acquisitions.

*Goodwill and other intangible asset impairment charges.* During the year ended December 31, 2015, we recognized impairment charges of \$189 million on goodwill and \$17 million on other intangible assets of certain DMG reporting units based on assessments performed after circumstances indicated it had become more likely than not that the goodwill of certain DMG reporting units had become impaired. These circumstances included underperformance of the business in recent quarters, as well as changes in other market conditions, including government reimbursement cuts and our expected ability to mitigate them.

Based on continuing developments at our DMG reporting units during 2016, including the Medicare Advantage final benchmark rates for 2017 announced on April 4, 2016, further changes in our expectations concerning future government reimbursement rates and our expected ability to mitigate them, as well as medical cost and utilization trends, underperformance of certain at-risk units in recent quarters and other market conditions, we performed additional goodwill impairment assessments for certain at-risk DMG reporting units during each of the first three quarters of 2016 and as of their November 1 annual assessment date.

As a result of the assessments described above, we have recognized the DMG goodwill impairment charges shown below:

Reporting unit	Year ended December 31,		
	2016	2015	2014
	(dollar amounts rounded to nearest million)		
DMG Nevada	\$ 162	\$ 181	\$ —
DMG Florida	91	6	—
DMG Arizona	—	2	—
Total	<u>\$ 253</u>	<u>\$ 189</u>	<u>\$ —</u>

*Gain on sales of business interests.* Effective June 30, 2016, we sold a portion of our ownership interest in Tandigm, reducing our ownership from 50% to 19% and resulting in a pre-tax gain of \$40 million. In addition, on June 1, 2016, we sold our DMG Arizona business for a pre-tax loss of \$10 million.

*Equity investment loss (income).* DMG's share of equity investment income from our nonconsolidated joint ventures for 2016 decreased \$8 million from 2015. This increase in equity losses was primarily attributable to a decrease in profitability of certain joint ventures, partially offset by the sale of a portion of our Tandigm ownership interest during second quarter which resulted in a reduced share of equity investment losses during the third and fourth quarters of 2016.

DMG's share of equity investment income from our nonconsolidated joint venture relationships for 2015 decreased \$6 million from 2014. This decrease in equity income was primarily attributable to our share of expenses from a certain newly formed joint venture that provides integrated healthcare and reduced commercial risk pool performance.

#### *Segment operating income*

DMG's operating income for 2016, which includes the goodwill impairment charges of \$253 million, the gain related to the sale of a portion of our Tandigm ownership interest of \$40 million, the loss on the sale of our DMG Arizona hospice business of \$10 million and an estimated accrual for damages and liabilities associated with our DMG Nevada hospice business of \$16 million, decreased \$138 million from 2015, which included estimated goodwill and other intangible asset impairment charges of \$206 million related to certain reporting units. Excluding these items from their respective periods, adjusted operating income for the year ended December 31, 2016 would have decreased by approximately \$105 million. This decrease in adjusted operating income was primarily attributable to a decrease in Medicare Advantage and Medicaid rates, a decrease in revenue due to the timing of Medicaid risk sharing revenue and additional revenues related to the maintenance of existing physicians networks recognized in 2015, the acquisition of TEC, an increase in depreciation and amortization related to the trade names acceleration, and an increase in technology and property investments and corporate administrative support costs, partially offset by a decrease in benefits and an increase in senior capitated members due to acquisitions and non-acquired growth.

DMG's operating income for 2015, which included estimated goodwill and other intangible asset impairment charges of \$206 million related to certain reporting units decreased \$181 million from 2014. Excluding this item from 2015, adjusted operating income for the year ended December 31, 2015 would have increased by approximately \$25 million, or 11.6%. This increase in adjusted operating income was primarily attributable to an increase in FFS revenue from acquisitions and non-acquired growth, an increase in Medicaid members due to Medicaid expansion, the timing of recognition of additional Medicare risk share revenue and a reduction of claims expense due to the planned non-renewal of some plans due to unfavorable economics in certain markets. This increase was partially offset by a decrease in commercial members, and higher general and administrative costs.

#### *Other—Ancillary services and strategic initiatives business*

Our other operations include ancillary services and strategic initiatives which are primarily aligned with our core business of providing dialysis services to our network of patients. As of December 31, 2016, these consisted primarily of pharmacy services, disease management services, vascular access services, clinical research programs, physician services, direct primary care and our international dialysis operations. The ancillary services and strategic initiatives generated approximately \$1.621 billion of net revenues in 2016, representing approximately 10% of our consolidated net revenues. We currently expect to continue to invest in our ancillary services and strategic initiatives, including our continued expansion into certain international markets, as we work to develop successful new business operations. However, any significant change in market conditions, business performance or in the regulatory environment may impact the economic viability of any of these strategic initiatives. Any unfavorable changes in these strategic initiatives could result in a write-off or an impairment of some or all of our investments, including goodwill, and could also result in significant termination costs if we were to exit a certain line of business or one or more of our international markets.

As of December 31, 2016, we provided dialysis and administrative services to a total of 154 outpatient dialysis centers located in 11 countries outside of the U.S. Our international dialysis operations are still in an early phase of development as we primarily commenced operations during the fourth quarter of 2011. The total net revenues generated from our international operations, as reflected below, were approximately 1% of our 2016 consolidated net revenues.

The following table reflects the results of operations for the ancillary services and strategic initiatives:

	Year ended December 31,		
	2016	2015	2014
	(dollar amounts rounded to nearest million)		
<b>U.S. revenues</b>			
Net patient service revenues	\$ 26	\$ 26	\$ 20
Other revenues	1,299	1,144	941
Capitated revenues	88	72	70
Total	1,413	1,242	1,031
<b>International revenues</b>			
Net patient service revenues	202	134	102
Other revenues	6	6	6
Total	208	140	108
Total net revenues	\$ 1,621	\$ 1,382	\$ 1,139
<b>U.S. operating income</b>	\$ (65)	\$ (45)	\$ 17
Reconciliation of non-GAAP:			
Add:			
Goodwill impairment	28	—	—
Pharmacy accrual	16	22	—
Adjusted operating loss <sup>(1)</sup>	\$ (21)	\$ (23)	\$ 17
<b>International operating income</b>	\$ 332	\$ (59)	\$ (42)
Reconciliation of non-GAAP:			
Add: Impairment of minority equity investment	15	4	—
Less: Gain from APAC JV	(374)	—	—
Adjusted operating loss <sup>(1)</sup>	(27)	(55)	(42)
Total Adjusted operating loss <sup>(1)</sup>	\$ (48)	\$ (78)	\$ (25)

- (1) For the year ended December 31, 2016, we have excluded a goodwill impairment charge of \$28 million related to our vascular access reporting unit, an estimated accrual of \$16 million for damages and liabilities associated with our pharmacy business, an impairment of \$15 million related to a minority equity investment, and a gain on the APAC JV ownership changes of \$374 million. For the year ended December 31, 2015, we have excluded estimated goodwill impairment charges of \$4 million and an estimated accrual of \$22 million for damages and liabilities associated with our pharmacy business. These are non-GAAP measures and are not intended as substitutes for the equivalent GAAP measures. We have presented these adjusted amounts because management believes that these presentations enhance a user's understanding of our normal consolidated operating income by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normal prior period results.

#### Net revenues

Ancillary services and strategic initiatives net revenues for 2016 increased by approximately \$239 million, or 17.3%, as compared to 2015. The increase was primarily related to an increase in pharmaceutical rates, a decrease in reserves due to refunds of pharmacy reimbursements taken in 2015 that did not reoccur in 2016, an increase in VillageHealth special needs plan revenues and an increase in net revenues from our expansion in our international business and other strategic initiatives. These increases were partially offset by a decrease in our pharmacy services volume.

Ancillary services and strategic initiatives net revenues for 2015 increased by approximately \$243 million, or 21.3%, as compared to 2014. The increase was primarily related to an increase in pharmacy services volume and pharmaceutical rates, as well as an increase in net revenues from growth in our international business and other strategic initiatives. These increases were partially offset by an increase in reserves for refunds of prior period pharmacy reimbursements.

### *Operating and general expenses*

Ancillary services and strategic initiatives operating expenses for 2016, which includes an estimated accrual for damages and liabilities associated with our pharmacy business of \$16 million, increased by approximately \$203 million from 2015, which included an estimated accrual for damages and liabilities associated with our pharmacy business of \$22 million. Excluding these items from their respective periods, ancillary services and strategic initiatives adjusted operating expenses would have increased by \$209 million. This increase in adjusted operating expenses was primarily due to an increase in pharmaceutical unit costs, labor and benefit costs, professional fees, other general and administration expenses, and additional expenses associated with our international dialysis expansion, partially offset by a decrease in prescription dispensing volume and long-term incentive compensation expense.

Ancillary services and strategic initiatives operating expenses for 2015, which included an estimated accrual for damages and liabilities associated with our pharmacy business of \$22 million, increased by approximately \$318 million from 2014. Excluding this item from 2015, the ancillary services and strategic initiatives adjusted operating expenses would have increased by \$296 million. This increase in adjusted operating expenses was primarily due to an increase in prescription dispensing volume, higher pharmaceutical costs, higher labor costs and related payroll taxes and benefit costs, additional expenses associated with our international dialysis expansion, and an increase in costs associated with the right to use intellectual property and general and administrative and corporate administrative support expenses.

*Goodwill and other asset impairment charges.* During the quarter ended December 31, 2016, we determined that circumstances indicated it had become more likely than not that the goodwill of our vascular access reporting unit had become impaired. These circumstances included changes in governmental reimbursement and our expected ability to mitigate them. Specifically, on November 2, 2016, CMS released the 2017 Physician Fee Schedule Final Rule and the Ambulatory Surgical Center Payment Final Rule which reflected significant changes in reimbursement structure for this business unit. We have performed the required valuations to estimate the fair value of the net assets and implied goodwill of this reporting unit with the assistance of a third-party valuation firm. Based on this assessment, we recorded a goodwill impairment charge of \$28 million.

In 2016, we also recorded an impairment of \$15 million related to a minority equity investment in one of our international reporting units.

In 2015, we recorded a goodwill impairment charge of \$4 million in one of our international reporting units.

### *Gain on changes in ownership interests in Asia Pacific joint venture (APAC JV)*

On August 1, 2016, we consummated an agreement with Khazanah Nasional Berhad (Khazanah) and Mitsui and Co., Ltd (Mitsui) whereby Khazanah and Mitsui subscribed to invest a total of \$300 million over three years in exchange for a 40% total equity interest in our APAC JV. Khazanah and Mitsui each made related initial investments of \$50 million in this business on August 1, 2016.

As a result of this transaction, we deconsolidated our Asia Pacific dialysis business in the third quarter and recognized a non-cash non-taxable gain of \$374 million on our retained investment in the APAC JV net of contingent obligations as a result of adjusting the carrying value of our retained interest in the APAC JV to our proportionate share of the estimated fair value of the business.

### *Segment operating income (loss)*

Ancillary services and strategic initiatives operating income for 2016, which includes a gain on the APAC JV ownership changes of \$374 million, a goodwill impairment charge of \$28 million related to our vascular access reporting unit, an estimated accrual for damages and liabilities associated with our pharmacy business of \$16 million and an impairment of \$15 million related to a minority equity investment, increased by approximately \$371 million from 2015, which includes an estimated accrual for damages and liabilities of \$22 million, as well as a goodwill impairment charge of \$4 million related to our international operations. Excluding these items from their respective periods, adjusted operating losses would have decreased by \$30 million. This decrease in adjusted operating losses was primarily due to an increase in pharmaceutical rates, a decrease in reserves due to refunds of pharmacy reimbursements taken in 2015 that did not reoccur in 2016, an increase in VillageHealth special needs plan revenues and an increase in net revenues from our expansion in our international business and other strategic initiatives. The decrease in adjusted operating losses was partially offset by an increase in pharmaceutical unit costs, higher labor and benefits costs and additional expenses associated with our international dialysis expansion.

Ancillary services and strategic initiatives operating losses for 2015 increased by approximately \$79 million from 2014 which includes an estimated accrual for damages and liabilities of \$22 million, as well as a goodwill impairment charge of \$4 million related to our international operations during the second quarter of 2015. Excluding these items from 2015, adjusted operating losses would have increased by \$53 million. This increase in adjusted operating losses was primarily due to an increase in drug prescription costs associated with our pharmacy business, higher labor costs, increases in expenses related to our international expansion, an increase in

costs associated with the right to use intellectual property and an increase in general and administrative costs. The increase in adjusted operating losses was partially offset by an increase in net revenue in our pharmacy business, primarily from additional volume and increases in pharmaceutical rates.

### **Corporate level charges**

*Debt expense.* Debt expense for 2016, 2015, and 2014 consisted of interest expense of approximately \$394 million, \$390 million, and \$386 million, respectively, and amortization and accretion of debt discounts and premiums, amortization of deferred financing costs and amortization of interest rate cap agreements of approximately \$20 million in 2016, \$18 million in 2015 and \$25 million in 2014. The increase in debt expense in 2016 as compared to 2015 was primarily related to an increase in our weighted average outstanding principal balances as a result of a full year of interest on our 5.0% Senior Notes, which were issued in April 2015, and an increase in our interest rate on the amortization of our cap agreements in the fourth quarter of 2016. Our overall weighted average effective interest rate in 2016 was 4.43% as compared to 4.42% in 2015.

The increase in debt expense in 2015 as compared to 2014 was primarily related to an increase in weighted average outstanding principal balances offset by lower weighted average interest rates as a result of the issuance of our 5.0% Senior Notes in April 2015, as well as the entry into a new credit agreement and the issuance of senior notes in June 2014. Our overall weighted average effective interest rate in 2015 was 4.42% as compared to 4.68% in 2014.

*Corporate administrative support.* Corporate administrative support consists primarily of labor, benefits and long-term incentive compensation costs, as well as professional fees for departments which provide support to all of our various operating lines of business. In 2016, it also included an adjustment to reduce receivables associated with the DMG acquisition escrow provision relating to income tax items of \$31 million, as discussed below. These expenses are included in our consolidated general and administrative expenses.

In connection with the acquisition of DMG, we recorded receivables against the acquisition escrow balance to offset specific potential tax liabilities. Certain of these potential tax liabilities expired, resulting in the reduction of these assets during 2016. This negatively impacted our corporate administrative support cost by \$31 million. This cost was directly offset by a corresponding reduction in income tax expense due to the expiration of the corresponding tax liabilities.

Corporate administrative support costs were approximately \$45 million in 2016, which included the adjustment to reduce receivables associated with the DMG acquisition escrow provision relating to an income tax item of \$31 million, as compared to \$19 million in 2015. This increase of approximately \$26 million in corporate administrative support costs is primarily attributable to the tax receivables related to the DMG acquisition escrow provision, as well as increases in labor and benefits, professional fees, and other general and administrative expenses. These increases were offset by a decrease in long-term incentive compensation, primarily due to reductions in ultimate expected pay-outs as well as the departure of a senior executive.

Corporate administrative support costs were approximately \$19 million in 2015, as compared to \$13 million in 2014. The change of approximately \$6 million in corporate administrative support costs was primarily attributable to an increase in labor and benefits and professional fees, offset by an increase in management fee allocations.

*Other income.* Other income was approximately \$9 million in both 2016 and 2015, and \$2 million in 2014, and consisted principally of interest income. Other income in 2016 as compared to 2015 was flat, as short-term investment interest income increased but was offset by an increase in foreign currency transaction losses. Other income increased in 2015 as compared to 2014 due to an increase in short-term investment interest income and a decrease in foreign currency transaction losses.

*Provision for income taxes.* The provision for income taxes for 2016, 2015 and 2014 represented an effective annualized tax rate of 30.6%, 40.9% and 34.1% of income from continuing operations, respectively. The effective tax rate in 2016 was lower primarily due to the gain on the APAC JV ownership changes, offset by goodwill impairment charges.

### **Noncontrolling interests**

Net income attributable to noncontrolling interests for 2016, 2015 and 2014 was approximately \$153 million, \$158 million and \$140 million, respectively. The decrease in noncontrolling interests in 2016 was primarily due to the impairment of our vascular access reporting unit, which resulted in a decrease in noncontrolling interest of \$8 million. The increase in noncontrolling interests expense in 2015 was primarily due to increases in the profitability of our dialysis-related joint ventures. The percentage of U.S. dialysis and related lab services net revenues generated from dialysis-related joint ventures was approximately 24%, 23% and 22% in 2016, 2015 and 2014, respectively.



## Accounts receivable

Our accounts receivable balances at December 31, 2016 and December 31, 2015 were \$1.917 billion and \$1.724 billion, respectively, representing approximately 49 days and 46 days of revenue, respectively, net of the allowance for uncollectible accounts. The increase in DSO was primarily related to our U.S. dialysis and related lab services business, mainly as a result of improved cash collection performance in 2015 which we did not experience in 2016. Our DSO calculation is based on the current quarter's average revenues per day.

As of December 31, 2016 and 2015, our unreserved patient services accounts receivable balances more than six months old were approximately \$252 million and \$246 million, respectively, representing approximately 16% and 18% of our net patient and other services accounts receivable balances, respectively. There were no significant unreserved balances over one year old. Less than 1% of our revenues are classified as patient pay. Substantially all revenue realized is from government and commercial payors, as discussed above.

For receivables associated with our capitated health plans, the balances remain on the balance sheet for as long as the respective plan years are open, which varies by health plan, but is generally two years in length. The majority of our capitated health plans accounts receivable is three to six months old with collections occurring on a periodic basis throughout the duration of the corresponding plan year.

## Liquidity and capital resources

*Available liquidity.* As of December 31, 2016, our cash balance was \$913 million and we also had approximately \$310 million in short-term investments. We also had an undrawn revolving line of credit under our senior secured credit facilities totaling \$1.0 billion, of which approximately \$95.2 million was committed for outstanding letters of credit. The remaining amount is unencumbered. In addition, DMG has an outstanding letter of credit of approximately \$1.3 million that is secured by a certificate of deposit. We believe that we will have sufficient liquidity, operating cash flows and access to borrowings to fund our scheduled debt service payments and other obligations for the foreseeable future. Our primary sources of liquidity are cash from operations and cash from borrowings.

Cash flow from operations during 2016 amounted to \$2.0 billion compared with \$1.6 billion for 2015. The increase in our operating cash flows in 2016 as compared to 2015 was primarily due to payments of \$494 million, or \$304 million after-tax, made in connection with the settlement of a private civil suit in 2015 and due to the timing of other working capital items, offset by an increase in our income tax payments and a slight increase in our cash interest payments. Cash flow from operations in 2016 included cash interest payments of approximately \$407 million and cash tax payments of \$339 million. Cash flow from operations in 2015 included cash interest payments of approximately \$405 million and cash tax payments of \$156 million.

Non-operating cash outflows in 2016 included \$829 million for capital asset expenditures, including \$470 million for new center developments and relocations, and \$359 million for maintenance and information technology. We also spent an additional \$564 million for acquisitions. During 2016, we also received \$1.3 billion from the maturity and sale of investments. However, these proceeds were principally used to repurchase other investments or to fund distributions from our deferred compensation plans. In addition, during 2016 we received \$37 million associated with stock award exercises and other share issuances and related excess tax benefits. We also made distributions to noncontrolling interests of \$192 million, and received contributions from noncontrolling interests of \$48 million associated with new joint ventures and from additional equity contributions. We also repurchased a total of 16,649,090 shares of our common stock for \$1.072 billion, or an average price of \$64.41 per share. In addition, we settled \$25 million in share repurchases related to 2015.

Non-operating cash outflows in 2015 included \$708 million for capital asset expenditures, including \$381 million for new center developments and relocations and \$327 million for maintenance and information technology. We also spent an additional \$97 million for acquisitions. During 2015, we also received \$1.6 billion from the maturity and sale of investments. However, these proceeds were principally used to repurchase other investments or to fund distributions from our deferred compensation plans. In addition, during 2015, we received \$54 million associated with stock award exercises and other share issuances and the related excess tax benefits. We also made distributions to noncontrolling interests of \$175 million, and received contributions from noncontrolling interests of \$55 million associated with new joint ventures and from additional equity contributions. We also repurchased a total of 7,779,958 shares of our common stock for \$575 million, or an average price of \$73.96 per share, of which \$25 million was unsettled at December 31, 2015.

On August 9, 2016, we entered into an amendment to our agreement to acquire Colorado-based Renal Ventures Limited, LLC (Renal Ventures). As a result of the amended agreement, we will acquire a 100% interest in all 38 outpatient dialysis centers owned by Renal Ventures, including one new center under construction, and a 51% interest in one vascular access clinic. The purchase price will be approximately \$360 million in cash subject to, among other things, adjustments for certain items such as working capital. The transaction is subject to approval by the Federal Trade Commission (FTC) including Hart-Scott-Rodino antitrust clearance. We

anticipate that we will be required by the FTC to divest some outpatient dialysis centers as a condition of the transaction. We currently expect the transaction to close in mid 2017.

During 2016, we opened 100 new U.S. dialysis centers, acquired a total of eight U.S. dialysis centers, merged five centers, added two centers which we operate under a management and administrative services agreement, terminated two management and administration services agreements, deconsolidated three centers which we now operate under management and administrative services agreements and closed four centers. Outside the U.S., we acquired 21 dialysis centers and opened 15 new dialysis and hospital operated centers.

During 2016, our DMG business acquired three primary care physician practices including the acquisition of TEC, and four private medical practices.

During 2015, we opened 72 new U.S. dialysis centers, acquired a total of six U.S. dialysis centers, sold one center, merged five centers, added two centers in which we operate under a management and administrative services agreement and closed two centers. Outside the U.S., we acquired 21 dialysis centers, opened seven new dialysis and hospital operated centers, and terminated one management and administration services agreement.

During 2015, our DMG business acquired three family practices, one management services organization, two primary care practices, and six private medical practices.

During the year ended December 31, 2016, we made mandatory principal payments under our senior secured credit facilities totaling \$63 million on Term Loan A and \$35 million on Term Loan B. During the year ended December 31, 2015, we made mandatory principal payments under our senior secured credit facilities totaling \$50 million on Term Loan A and \$35 million on Term Loan B.

#### *Interest rate swap and cap agreements*

As of December 31, 2016, we maintain several interest rate cap agreements that were entered into in November 2014 with notional amounts totaling \$3.5 billion. These previously forward cap agreements became effective September 30, 2016 and have the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of our debt. These cap agreements expire on June 30, 2018. As of December 31, 2016, the total fair value of these cap agreements was an asset of approximately \$0.1 million. During the year ended December 31, 2016, we recorded a loss of \$1.2 million in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

As of December 31, 2016, we maintain several forward interest rate cap agreements that were entered into in October 2015 with notional amounts totaling \$3.5 billion. These forward cap agreements will become effective June 29, 2018 and will have the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of our debt. These cap agreements expire on June 30, 2020. As of December 31, 2016, the total fair value of these cap agreements was an asset of approximately \$9.8 million. During the year ended December 31, 2016, we recorded a loss of \$4.0 million in other comprehensive income due to a decrease in the unrealized fair value of these forward cap agreements.

Previously, we maintained several interest rate cap agreements with notional amounts totaling \$2.7 billion on our Term Loan B debt. These agreements had the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 2.50% on an equivalent amount of our Term Loan B. These interest rate cap agreements expired September 30, 2016. During the year ended December 31, 2016, we recognized debt expense of \$1.8 million from these caps.

We also previously maintained several interest rate swap agreements. These agreements had the economic effect of modifying the LIBOR variable component of our interest rate on an equivalent amount of our Term Loan A to fixed rates ranging from 0.49% to 0.52%. These interest rate swap agreements required monthly interest payments and expired September 30, 2016. During the year ended December 31, 2016, we recognized debt expense of \$0.3 million from these swaps and recorded a loss of \$0.8 million in other comprehensive income due to a decrease in the unrealized fair value of these swap agreements.

#### *Other items*

As of December 31, 2016, the interest rate on our Term Loan B debt bears interest at LIBOR plus an interest rate margin of 2.75%. Term Loan B is subject to interest rate caps, if LIBOR should rise above 3.50%. Term Loan A bears interest at LIBOR plus an interest rate margin of 1.75%. The capped portion of Term Loan A is \$87.5 million. In addition, the uncapped portion of Term Loan A, which is subject to the variability of LIBOR, is \$775 million. Interest rates on our senior notes are fixed by their terms.

Our overall weighted average effective interest rate on the senior secured credit facilities was 3.68%, based on the current margins in effect of 1.75% for Term Loan A and 2.75% for Term Loan B, as of December 31, 2016.

As of December 31, 2016, our interest rates are fixed on approximately 53% of our total debt.

Our overall weighted average effective interest rate during the year ended December 31, 2016 was 4.43% and as of December 31, 2016 was 4.52%.

As of December 31, 2016, we had undrawn revolving credit facilities totaling \$1.0 billion of which approximately \$95.2 million was committed for outstanding letters of credit. In addition, we have approximately \$1.3 million of committed letters of credit outstanding related to DMG which are backed by a certificate of deposit.

We believe that we will generate significant operating cash flows and will have sufficient liquidity to fund our scheduled debt service and other obligations for the foreseeable future, including the next 12 months, under the terms of our debt agreements. Our primary sources of liquidity are cash from operations and cash from borrowings.

*Goodwill and indefinite-lived intangible assets*

During the year ended December 31, 2015, we recognized impairment charges of \$189 million on goodwill and \$17 million on other intangible assets of certain DMG reporting units based on assessments performed after circumstances indicated it had become more likely than not that the goodwill of certain DMG reporting units had become impaired. These circumstances included underperformance of the businesses in recent quarters, as well as changes in other market conditions, including government reimbursement cuts and our expected ability to mitigate them.

Based on continuing developments at our DMG reporting units during 2016, including the Medicare Advantage final benchmark rates for 2017 announced on April 4, 2016, further changes in our expectations concerning future government reimbursement rates and our expected ability to mitigate them, as well as medical cost and utilization trends, underperformance of certain at-risk units in recent quarters and other market conditions, we performed additional goodwill impairment assessments for certain at-risk DMG reporting units during each of the first three quarters of 2016 and as of their November 1 annual assessment date.

In addition, during the quarter ended December 31, 2016, we determined that circumstances indicated it had become more likely than not that the goodwill of our vascular access reporting unit had become impaired. These circumstances included changes in future governmental reimbursement and our expected ability to mitigate them. Specifically, on November 2, 2016, CMS released the 2017 Physician Fee Schedule Final Rule and the Ambulatory Surgical Center Payment Final Rule which reflected significant changes in reimbursement structure for this business unit. Accordingly, we performed the required valuations to estimate the fair value of the net assets and implied goodwill of this reporting unit with the assistance of a third-party valuation firm.

As a result of the assessments described above, we have recognized the goodwill impairment charges below:

Reporting unit	Year ended December 31,		
	2016	2015	2014
	(dollar amounts rounded to nearest million)		
DMG Nevada	\$ 162	\$ 181	\$ —
DMG Florida	91	6	—
DMG Arizona	—	2	—
Vascular access	28	—	—
International operations	—	4	1
Total	<u>\$ 281</u>	<u>\$ 193</u>	<u>\$ 1</u>

Further reductions in reimbursement rates, increases in medical cost or utilization trends, or other significant adverse changes in expected future cash flows or valuation assumptions could result in goodwill impairment charges in the future for the following reporting units, which remain at risk of goodwill impairment:

Reporting unit	Goodwill balance as of December 31, 2016 (in millions)	Carrying amount coverage(1)	Sensitivities	
			Operating income(2)	Discount rate(3)
DMG Nevada	\$ 261	11.4%	-2.2%	-3.9%
DMG Florida	\$ 443	7.1%	-1.7%	-3.2%
DMG New Mexico	\$ 71	2.6%	-1.5%	-2.2%
DMG Washington	\$ 245	3.7%	-1.8%	-3.4%
Vascular access	\$ 35	4.3%	-2.7%	-5.3%

(1) Excess of estimated fair value of the reporting unit over carrying amount as of the latest assessment date.

(2) Potential impact on estimated fair value of a sustained, long-term reduction of 3% in operating income as of the latest assessment date.

(3) Potential impact on estimated fair value of an increase in discount rates of 100 basis points as of the latest assessment date.

There were no major changes in the business, prospects, or expected future results of these reporting units from their latest assessment date.

Except as described above, none of our various other reporting units was considered at risk of goodwill impairment as of December 31, 2016. Since the dates of our last annual goodwill impairment tests, there have been certain developments, events, changes in operating performance and other changes in key circumstances that have affected our businesses. However, except as further described above, these did not cause management to believe it is more likely than not that the fair value of any of our other reporting units would be less than their respective carrying amount.

#### *Long-term incentive compensation*

Long-term incentive program (LTIP) compensation includes both stock-based awards (principally stock-settled stock appreciation rights, restricted stock units and performance stock units) as well as long-term performance-based cash awards. Long-term incentive compensation expense, which was primarily general and administrative in nature, was attributed among our U.S. dialysis and related lab services business, DMG business, corporate administrative support, and the ancillary services and strategic initiatives.

Our stock-based compensation awards are measured at their estimated fair values on the date of grant if settled in shares or at their estimated fair values at the end of each reporting period if settled in cash. The value of stock-based awards so measured is recognized as compensation expense on a cumulative straight-line basis over the vesting terms of the awards, adjusted for expected forfeitures.

During 2016, we granted approximately 1,280,034 stock-settled stock appreciation rights (SSARs) with an aggregate grant-date fair value of \$17.6 million and a weighted-average expected life of approximately 4.2 years and approximately 328,457 stock units with an aggregate grant-date fair value of \$23.6 million and a weighted-average expected life of approximately 3.3 years. We also granted 9,600 cash-settled stock-based awards with an aggregate grant-date fair value of \$0.2 million.

Long-term incentive compensation costs of \$73.3 million for the year ended December 31, 2016 decreased by approximately \$57.3 million as compared to 2015. This decrease in long-term incentive compensation was primarily due to a cumulative revaluation of liability-based awards for reductions in estimated ultimate payouts, as well as the final vesting of a prior broad grant that is no longer contributing expense.

Long-term incentive compensation costs of \$130.7 million for the year ended December 31, 2015 increased by approximately \$11.7 million as compared to 2014. This increase in long-term incentive compensation was primarily due to an increase in the value of LTIP awards that contributed expense during this period and LTIP award forfeitures realized at a lower rate than previously expected.

As of December 31, 2016, there was \$93.0 million in total estimated but unrecognized long-term incentive compensation costs for LTIP awards outstanding, including \$59.0 million relating to stock-based awards under our equity compensation plans. We expect to recognize the performance-based cash component of these LTIP costs over a weighted average remaining period of 1.0 year and the stock-based component of these LTIP costs over a weighted average remaining period of 1.4 years.

For the years ended December 31, 2016, 2015 and 2014, we received \$28.4 million, \$45.7 million and \$59.1 million, respectively, in actual tax benefits upon the exercise of stock awards. Since the Company issues stock-settled stock appreciation rights rather than stock options, it did not receive cash proceeds from stock option exercises during the years ended December 31, 2016, 2015 and 2014.

#### *Stock repurchases*

In 2016, we repurchased a total of 16,649,090 shares of our common stock for \$1.072 billion, or an average price of \$64.41 per share. In 2015, we repurchased 7,779,958 shares of our common stock for \$575 million, or an average price of \$73.96 per share. In 2014, we did not repurchase any of our common stock. We have not repurchased any additional shares of our common stock from January 1, 2017 through February 24, 2017.

On July 13, 2016, our Board of Directors approved a share repurchase authorization in the amount of approximately \$1.241 billion. This share repurchase authorization is in addition to the \$259 million remaining at that time under our Board of Directors' prior share repurchase authorization announced in April 2015. As a result of the above transactions, there was approximately \$677 million available under our current Board authorizations for additional share repurchases as of February 24, 2017. Although our share repurchase authorizations have no expiration dates, we are subject to share repurchase limitations under the terms of our senior secured credit facility and the indentures governing our senior notes.

#### **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 and letters of credit, as well as potential obligations associated with our equity investments in nonconsolidated businesses and to dialysis centers that are wholly-owned by third parties. Substantially all of our U.S. dialysis facilities are leased. We have potential obligations to purchase the noncontrolling interests held by third parties in several of our majority-owned joint ventures and other nonconsolidated entities. These obligations are in the form of put provisions and are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, we would be required to purchase the third-party owners' equity interests at either the appraised fair market value or a predetermined multiple of earnings or cash flow attributable to the equity interests put to us, which is intended to approximate fair value. The methodology we use to estimate the fair values of noncontrolling interests subject to put provisions assumes the higher of either a liquidation value of net assets or an average multiple of earnings, based on historical earnings, patient mix and other performance indicators that can affect future results, as well as other factors. The estimated fair values of the noncontrolling interests subject to put provisions is a critical accounting estimate that involves significant judgments and assumptions and may not be indicative of the actual values at which the noncontrolling interests may ultimately be settled, which could vary significantly from our current estimates. The estimated fair values of noncontrolling interests subject to put provisions can fluctuate and the implicit multiple of earnings at which these noncontrolling interests obligations may be settled will vary significantly depending upon market conditions including potential purchasers' access to the capital markets, which can impact the level of competition for dialysis and non-dialysis related businesses, the economic performance of these businesses and the restricted marketability of the third-party owners' equity interests. The amount of noncontrolling interests subject to put provisions that employ a contractually predetermined multiple of earnings rather than fair value are immaterial. For additional information see Note 18 to the consolidated financial statements.

We also have certain other potential commitments to provide operating capital to several dialysis centers that are wholly-owned by third parties or centers in which we own a noncontrolling equity interest as well as to physician-owned vascular access clinics or medical practices that we operate under management and administrative services agreements. We have certain other potential commitments related to service agreements of approximately \$1.5 million.

The following is a summary of these contractual obligations and commitments as of December 31, 2016 (in millions):

	Less than 1 year	1-3 years	3-5 years	After 5 years	Total
<b>Scheduled payments under contractual obligations:</b>					
Long-term debt	\$ 143	\$ 874	\$ 3,327	\$ 4,549	\$ 8,893
Interest payments on the senior notes	237	473	473	603	1,786
Interest payments on Term Loan B <sup>(1)</sup>	121	239	176	—	536
Interest payments on Term Loan A <sup>(2)</sup>	23	30	—	—	53
Capital lease obligations	22	42	43	193	300
Operating leases	474	844	665	1,244	3,227
	<u>\$ 1,020</u>	<u>\$ 2,502</u>	<u>\$ 4,684</u>	<u>\$ 6,589</u>	<u>\$ 14,795</u>
<b>Potential cash requirements under existing commitments:</b>					
Letters of credit	\$ 97	\$ —	\$ —	\$ —	\$ 97
Noncontrolling interests subject to put provisions	552	222	100	99	973
Non-owned and minority owned put provisions	28	—	30	—	58
Operating capital advances	—	—	—	1	1
	<u>\$ 677</u>	<u>\$ 222</u>	<u>\$ 130</u>	<u>\$ 100</u>	<u>\$ 1,129</u>

(1) Based upon current LIBOR-based interest rates in effect at December 31, 2016 plus an interest rate margin of 2.75% for Term Loan B.

(2) Based upon current LIBOR-based interest rates in effect at December 31, 2016 plus an interest rate margin of 1.75% for Term Loan A.

We are committed to purchase a certain amount of our hemodialysis non-equipment product supplies, such as dialyzers, from Baxter at fixed prices through 2018. Our total expenditures for the year ended December 31, 2016 on such products were approximately 2% of our total U.S. dialysis and related lab services operating expenses.

In 2010, we entered into and subsequently extended an agreement with FMC to purchase a certain amount of dialysis equipment, parts and supplies from FMC through December 31, 2017. Our total expenditures for the year ended December 31, 2016 on such products were approximately 2% of our total U.S. dialysis and related lab services operating expenses. The actual amount of purchases in future years from FMC will depend upon a number of factors, including the operating requirements of our centers, the number of centers we acquire, and growth of our existing centers.

In 2014, we entered in to an agreement with Baxter Healthcare Corporation (Baxter) that commits us to purchase a certain amount of hemodialysis non-equipment product supplies, such as dialyzers, at fixed prices through 2018. Our total expenditures for the year ended December 31, 2016 on such products were approximately 2% of our total U.S. dialysis and related lab service operating expenses.

In January 2017, we entered into a six year Sourcing and Supply Agreement with Amgen that expires on December 31, 2022, replacing our prior agreement that was to expire in 2018. Under the terms of the agreement we will purchase EPO in amounts necessary to meet no less than 90% of our requirements for ESAs from Amgen. The actual amount of EPO that we will purchase will depend upon the amount of EPO administered during dialysis as prescribed by physicians and the overall number of patients that we serve.

Settlements of approximately \$28 million of existing income tax liabilities for unrecognized tax benefits, including interest, penalties and other long-term tax liabilities, are excluded from the above table as reasonably reliable estimates of their timing cannot be made.

#### Supplemental information concerning certain Physician Groups and unrestricted subsidiaries

The following information is presented as supplemental data as required by the indentures governing our senior notes.

We provide services to certain physician groups that, while consolidated in our financial statements for financial reporting purposes, are not subsidiaries of or owned by us, do not constitute "Subsidiaries" as defined in the indentures governing our outstanding senior notes, and do not guarantee those senior notes. In addition, we have entered into management agreements with these physician groups pursuant to which we receive management fees from the physician groups.

As of December 31, 2016, if these physician groups were not consolidated in our financial statements, our consolidated indebtedness would have been approximately \$9.192 billion, our consolidated other liabilities (excluding indebtedness) would have been approximately \$3.459 billion and our consolidated assets would have been approximately \$18.313 billion. If these physician groups were not consolidated in our financial statements for the year ended December 31, 2016, our consolidated total net revenues (including approximately \$737 million of management fees payable to us), consolidated operating income and consolidated net income would be reduced by approximately \$1.350 billion, \$53 million, and \$32 million, respectively.

In addition, we own a 67% equity interest in California Medical Group Insurance (CMGI), which is an Unrestricted Subsidiary as defined in the indentures governing our outstanding senior notes, and does not guarantee those senior notes. Our equity interest in CMGI is accounted for under the equity method of accounting, meaning that, although CMGI is not consolidated in our financial statements for financial reporting purposes, our consolidated income statement reflects our pro rata share of CMGI's net income as equity investment income.

For the year ended December 31, 2016, excluding our equity investment income attributable to CMGI, our consolidated operating income and consolidated net income would be increased by approximately \$0.1 million and \$0.1 million, respectively. See Note 28 to the consolidated financial statements for further details.

## Contingencies

The information in Note 17 to the consolidated financial statements of this report is incorporated by reference in response to this item.

## Critical accounting policies, estimates and judgments

Our consolidated financial statements and accompanying notes are prepared in accordance with United States generally accepted accounting principles. These accounting principles require us to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingencies and temporary equity. 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 accounts receivable, impairments of goodwill or other long-lived assets, accounting for income taxes, quarterly and annual variable compensation accruals, consolidation of variable interest entities, purchase accounting valuation estimates, fair value estimates, stock-based compensation and medical liability claims are considered to be critical to evaluating and understanding our financial results because they involve inherently uncertain matters and their application requires the most difficult and complex judgments and estimates.

*Dialysis and related lab services revenue recognition and accounts receivable.* There are significant estimating risks associated with the amount of dialysis and related lab services revenue that we recognize in a given reporting period. Payment rates are often subject to significant uncertainties related to wide variations in the coverage terms of the commercial healthcare plans under which we receive payments. In addition, ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage, and other payor issues complicate the billing and collection process. Net revenue recognition and allowances for uncollectible billings require the use of estimates of the amounts that will ultimately 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 payment rates that are established by statute or regulation for the portion of the payment 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 (e.g., Medicaid secondary coverage), the patient's commercial health plan secondary coverage, or the patient. Our dialysis related reimbursements from Medicare are subject to certain variations under Medicare's new single bundled payment rate system whereby our reimbursements can be adjusted for certain patient characteristics and certain other factors. Our revenue recognition depends upon our ability to effectively capture, document and bill for Medicare's base payment rate and these other factors. In addition, as a result of the potential range of variations that can occur in our dialysis-related reimbursements from Medicare under the new single bundled payment rate system, our revenue recognition is now subject to a greater degree of estimating risk.

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 covered under commercial healthcare plans with which we have formal agreements, non-contracted commercial 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 payments, a slowdown in collections, a reduction in the amounts that we expect to collect and regulatory compliance issues. Determining applicable primary and secondary coverage for our approximately 187,700 U.S. patients at any point in time, together with the changes in patient coverage's that occur each month, requires complex, resource-intensive processes. Collections, refunds and payor retractions typically continue to occur for up to three years or longer after services are provided.

We generally expect our range of dialysis and related lab services revenues estimating risk to be within 1% of its revenue, which can represent as much as 5% of dialysis and related lab services' adjusted operating income. Changes in estimates are reflected in the then-current financial statements based on ongoing 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, and have not been significant.

Lab service revenues for current period dates of services are recognized at the estimated net realizable amounts to be received.

*DMG revenue recognition.* DMG revenues consist primarily of fees for medical services provided under capitated contracts with various health plans and under risk-sharing programs. Revenues with respect to both professional and institutional capitation are recognized in the month in which enrollees are entitled to receive healthcare and are based on the number of enrollees selecting a DMG associated group physician employed or affiliated with one of DMG's medical group entities as their primary healthcare provider. Capitation payments received for enrollees under Medicare Advantage plans are subject to retroactive adjustment depending upon certain clinical and demographic factors. We estimate the amount of current year adjustments in revenues during the first and second quarters of any given year and adjust our estimates during the third quarter upon receipt of payments from CMS related to prior year. Any difference between actual contract settlements and estimated revenues are recorded in the year of final settlement.

In addition, as compensation under DMG's various managed care-related agreements with hospitals, we are entitled to receive a percentage of the amount by which the institutional capitation revenue received from health plans exceeds institutional expenses, and any such risk-share amount to which we are entitled is recorded as DMG revenues. In addition, pursuant to such managed care-related agreements, DMG agrees to be responsible should the third party incur a deficit as a result of institutional expenses being in excess of institutional capitation revenue. As with global capitation, revenue with respect to professional capitation is reported in the month in which enrollees are entitled to receive healthcare. However, risk-share revenues (that is, the portion of the excess of institutional capitation revenue to which DMG is entitled less institutional expenses), in contrast, are based on the number of enrollees and significant estimating risk relating to institutional utilization and associated costs incurred by assigned health plan enrollees. The medical groups also receive other incentive payments from health plans based on specified performance and quality criteria and the amounts accrued when earned can be reasonably estimated. Differences between actual contract settlements and estimated receivables and payables are recorded in the year of final settlement. In 2013, DMG obtained a restricted Knox-Keene license in California, which now permits DMG to enter into contracts with health plans allowing it to recognize revenue under global capitation arrangements for both professional and institutional services.

*Impairments of long-lived assets.* We account for impairments of long-lived assets, which include property and equipment, equity investments in non-consolidated businesses, amortizable intangible assets, indefinite-lived intangible assets and goodwill, in accordance with the provisions of applicable accounting guidance. 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 that the carrying amount of a reporting unit's goodwill exceeds its implied fair value. Impairment reviews on other long-lived assets are also 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, changes in reimbursement rates, or deteriorating operating performance of individual dialysis centers or other operations. 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.* Our income tax expense, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. We are subject to income taxes in the United States and numerous state and foreign jurisdictions. Significant judgments and estimates are required in determining the consolidated income tax expense. Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in the future. In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations, assumptions about the amount of future state, federal, and foreign pre-tax operating income



adjusted for items that do not have tax consequences. The assumptions about future taxable income require significant judgment and are consistent with the plans and estimates we are using to manage the underlying businesses. 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.

*Variable compensation accruals.* We estimate variable compensation accruals quarterly based upon the 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 and other awards, including long-term incentive programs, are updated periodically based on changes in our economic condition or cash flows that could ultimately impact the actual final payment amount. Actual results reflected in each fiscal quarter may vary due to the subjectivity involved in anticipating fulfillment of specific and/or corporate goals, as well as the final determination and approval of amounts by our Board of Directors, as applicable.

*Consolidation of variable interest entities.* We rely on the operating activities of certain entities that we do not directly own or control, but over which we have indirect influence and of which we are considered the primary beneficiary. Under accounting guidance applicable to variable interest entities, we have determined that these entities are to be included in our consolidated financial statements. The analyses upon which these determinations rest are complex, involve uncertainties, and require significant judgment on various matters, some of which could be subject to reasonable disagreement. While these determinations have a meaningful effect on the description and classification of various amounts in our consolidated financial statements, non-consolidation of these entities would not have had a material effect on our results of operations.

*Purchase accounting valuation estimates.* We make various assumptions and estimates regarding the valuation of tangible and intangible assets, liabilities, contingent earn-out consideration, noncontrolling interests and contractual as well as non-contractual contingencies associated with our acquisitions. These assumptions can have a material effect on our balance sheet valuations and the related amount of depreciation and amortization expense and any contingent earn-out adjustments that will be recognized in the future.

*Fair value estimates.* We have recorded certain assets, liabilities and noncontrolling interests (temporary equity) subject to put provisions at fair value. The FASB defines fair value which is measured based upon certain valuation techniques that include inputs and assumptions that market participants would use in pricing assets, liabilities and noncontrolling interests subject to put provisions. We have measured the fair values of our applicable assets, liabilities and noncontrolling interests subject to put provisions based upon certain market inputs and assumptions that are either observable or unobservable in determining fair values and have also classified these assets, liabilities and noncontrolling interests subject to put provisions into the appropriate fair value hierarchy levels. The fair value of our investments available for sale are based upon quoted market prices from active markets and the fair value of our swap and cap agreements were based upon valuation models utilizing the income approach and commonly accepted valuation techniques that use inputs from closing prices for similar assets and liabilities in active markets as well as other relevant observable market inputs at quoted intervals such as current interest rates, forward yield curves, implied volatility and credit default swap pricing. The fair value of funds on deposit with third parties are based primarily on quoted close or bid market prices of the same or similar assets. The fair value of our contingent earn-out considerations were primarily based upon unobservable inputs including projected EBITDA, the estimated probabilities of achieving other performance targets and the estimated probability of the earn-out payments being made by using option pricing techniques and simulation models of expected EBITDA and operating income and other performance targets. For our noncontrolling interests subject to put provisions we have estimated the fair values based upon either the higher of a liquidation value of net assets or an average multiple of earnings based on historical earnings, patient mix and other performance indicators that can affect future results, as well as other factors. The estimate of the fair values of the noncontrolling interests subject to put provisions involves significant judgments and assumptions and may not be indicative of the actual values at which the noncontrolling interests may ultimately be settled, which could vary significantly from our current estimates. The estimated fair values of the noncontrolling interests subject to put provisions can also fluctuate and the implicit multiple of earnings at which these noncontrolling interests obligations may be settled will vary depending upon market conditions including potential purchasers' access to the capital markets, which can impact the level of competition for dialysis and non-dialysis related businesses, the economic performance of these businesses and the restricted marketability of the third-party owners' equity interests.

*Stock-based compensation.* Stock-based compensation awards are measured at their estimated fair values on the date of grant if settled in shares or at their estimated fair values at the end of each reporting period if settled in cash. The value of stock-based awards so measured is recognized as compensation expense on a cumulative straight-line basis over the vesting terms of the awards, adjusted for expected forfeitures. We estimate the fair value of stock awards using complex option pricing models that rely heavily on estimates from us about uncertain future events, including the expected term of the awards, the expected future volatility of our stock price, and expected future risk-free interest rates.

*Medical liability claims associated with DMG.* The medical groups are responsible for the medical services that associated physicians and contracted hospitals provide to assigned HMO enrollees. We provide medical services to health plan enrollees through a network of contracted providers under sub-capitation and FFS arrangements, company-operated clinics and staff physicians. Medical costs for professional and institutional services rendered by contracted providers are recorded as medical expenses and hospital

expenses, respectively, in the consolidated statements of income. Costs for operating medical clinics, including the salaries of medical and non-medical personnel and support costs, are recorded in clinic support and other operating costs.

An estimate of amounts due to contracted physicians, hospitals, and other professional providers is included in medical payables in the accompanying consolidated balance sheets. Medical claims payable include claims reported as of the balance sheet date and incurred but not reported (IBNR) estimates. Such estimates are developed using actuarial methods and are based on many variables, including the utilization of healthcare services, historical payment patterns, cost trends, product mix, seasonality, changes in membership, and other factors. The estimation methods and the resulting reserves are continually reviewed and updated. Many of the medical contracts are complex in nature and may be subject to differing interpretations regarding amounts due for the provision of various services. We engage a third-party actuary to assist in the evaluation of the estimated IBNR reserves. Such differing interpretations may not come to light until a substantial period of time has passed following the contract implementation. Any adjustments to reserves are reflected in current operations.

#### Significant new accounting standards

See Note 1 to the consolidated financial statements included in this report for information regarding certain recent accounting standards that have been issued by the FASB.

#### Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

##### Interest rate sensitivity

The tables below provide information about our financial instruments that are sensitive to changes in interest rates. The table below presents principal repayments and current weighted average interest rates on our debt obligations as of December 31, 2016. The variable rates presented reflect the weighted average LIBOR rates in effect for all debt tranches plus interest rate margins in effect as of December 31, 2016. The Term Loan A margin in effect at December 31, 2016 is 1.75%, and along with the revolving line of credit, is subject to adjustment depending upon changes in certain of our financial ratios, including a leverage ratio. Term Loan B currently bears interest at LIBOR plus an interest rate margin of 2.75%.

	Expected maturity date					Thereafter	Total	Average interest rate	Fair value
	2017	2018	2019	2020	2021				
	(dollars in millions)								
Long term debt:									
Fixed rate	\$ 37	\$ 25	\$ 28	\$ 26	\$ 21	\$ 4,735	\$ 4,872	5.27%	\$ 4,902
Variable rate	\$ 128	\$ 143	\$ 720	\$ 44	\$ 3,279	\$ 7	\$ 4,321	3.68%	\$ 4,383

	Notional amount	Contract maturity date					Pay fixed	Receive variable	Fair value
		2017	2018	2019	2020	2021			
		(dollars in millions)							
Cap agreements	\$ 7,000	\$ —	\$ 3,500	\$ —	\$ 3,500	\$ —	LIBOR above 3.5%	\$ 9.9	

Our senior secured credit facilities, which include Term Loan A and Term Loan B, consist of various individual tranches of debt that can range in maturity from one month to twelve months (currently, all tranches are one month in duration). For Term Loan A and Term Loan B, each tranche bears interest at a LIBOR rate that is determined by the duration of such tranche plus an interest rate margin. The LIBOR variable component of the interest rate for each tranche is reset as such tranche matures and a new tranche is established. LIBOR can fluctuate significantly depending upon conditions in the credit and capital markets.

As of December 31, 2016, our Term Loan A bears interest at LIBOR plus an interest rate margin of 1.75% and our Term Loan B debt bears interest at LIBOR plus an interest rate margin of 2.75%. LIBOR was greater than the 0.75% embedded LIBOR floor on Term Loan B, resulting in Term Loan B being subject to LIBOR-based interest rate volatility on the LIBOR variable component of our interest rate as of December 31, 2016. The LIBOR based interest component is limited to a maximum LIBOR rate of 3.50% on the outstanding principal debt on Term Loan B and \$87.5 million on Term Loan A as a result of the interest rate cap agreements, as described below.

As of December 31, 2016, we maintain several interest rate cap agreements that were entered into in November 2014 with notional amounts totaling \$3.5 billion. These previously forward cap agreements became effective September 30, 2016 and have the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of our debt. These cap agreements expire on June 30, 2018. As of December 31, 2016, the total fair value of these cap agreements was an

asset of approximately \$0.1 million. During the year ended December 31, 2016, we recognized debt expense of \$2.0 million from these caps. During the year ended December 31, 2016, we recorded a loss of \$1.2 million in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

As of December 31, 2016, we maintain several forward interest rate cap agreements that were entered into in October 2015 with notional amounts totaling \$3.5 billion. These forward cap agreements will become effective June 29, 2018 and will have the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of our debt. These cap agreements expire on June 30, 2020. As of December 31, 2016, the total fair value of these cap agreements was an asset of approximately \$9.8 million. During the year ended December 31, 2016, we recorded a loss of \$4.0 million in other comprehensive income due to a decrease in the unrealized fair value of these forward cap agreements.

Previously, we maintained several interest rate cap agreements with notional amounts totaling \$2.7 billion on our Term Loan B debt. These agreements had the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 2.50% on an equivalent amount of our Term Loan B. These interest rate cap agreements expired September 30, 2016. During the year ended December 31, 2016, we recognized debt expense of \$1.8 million from these caps.

We also previously maintained several interest rate swap agreements. These agreements had the economic effect of modifying the LIBOR variable component of our interest rate on an equivalent amount of our Term Loan A to fixed rates ranging from 0.49% to 0.52%. These interest rate swap agreements required monthly interest payments and expired September 30, 2016. During the year ended December 31, 2016, we recognized debt expense of \$0.3 million from these swaps and recorded a loss of \$0.8 million in other comprehensive income due to a decrease in the unrealized fair value of these swap agreements.

Our overall weighted average effective interest rate on the senior secured credit facilities was 3.68%, based on the current margins in effect of 1.75% for Term Loan A and 2.75% for Term Loan B, as of December 31, 2016.

As of December 31, 2016, our Term Loan B debt bears interest at LIBOR plus an interest rate margin of 2.75%. Term Loan B is also subject to interest rate caps if LIBOR should rise above 3.50%. Term Loan A bears interest at LIBOR plus an interest rate margin of 1.75%. The capped portion of Term Loan A is \$87.5 million. In addition, the uncapped portion of Term Loan A, which is subject to the variability of LIBOR, is \$775 million. Interest rates on our senior notes are fixed by their terms.

Our overall weighted average effective interest rate during the year ended December 31, 2016 was 4.43% and as of December 31, 2016 was 4.52%.

As of December 31, 2016, we had undrawn revolving credit facilities totaling \$1.0 billion of which approximately \$95.2 million was committed for outstanding letters of credit. The remaining amount is unencumbered. In addition, DMG has an outstanding letter of credit of approximately \$1.3 million which is secured by a certificate of deposit.

We believe that we will generate significant operating cash flows and will have sufficient liquidity to fund our scheduled debt service and other obligations and working capital needs for the foreseeable future, including the next 12 months, under the terms of our debt agreements. Our primary sources of liquidity are cash from operations and cash from borrowings.

One mean of assessing exposure to debt-related interest rate changes is a 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 \$11.6 million, \$9.3 million, and \$5.7 million, net of tax, for the years ended December 31, 2016, 2015, and 2014, respectively.

#### *Exchange rate sensitivity*

While our business is predominantly conducted in the U.S. we have developing operations in 11 other countries as well. For financial reporting purposes, the U.S. dollar is our reporting currency. However, the functional currencies of our operating businesses in other countries are typically those of the countries in which they operate. Therefore, changes in the rate of exchange between the U.S. dollar and the local currencies in which our international operations are conducted affect our results of operations and financial position as reported in our consolidated financial statements.

We have consolidated the balance sheets of our non-U.S. dollar denominated operations into U.S. dollars at the exchange rates prevailing at the balance sheet date and have translated their revenues and expense at the average exchange rates for the period. Additionally, our individual subsidiaries are exposed to transactional risks mainly resulting from intercompany transactions between and among subsidiaries with different functional currencies. This exposes the subsidiaries to fluctuations in the rate of exchange between the invoicing or obligation currencies and the currency in which their local operations are conducted.

We evaluate our exposure to foreign exchange risk through the judgment of our regional and corporate management teams. Through 2016, our international operations remained small relative to the size of our consolidated financial statements, constituting less than 4% of our consolidated assets as of December 31, 2016 and approximately 1% of our consolidated net revenues for the year ended December 31, 2016. In addition, our foreign currency translation losses have remained less than approximately 2% of our consolidated operating income for the year ended December 31, 2016.

Given the still small size of our international operations, management does not consider our exposure to foreign exchange risk to be significant to the consolidated enterprise. As such, through December 31, 2016 we have not engaged in transactions to hedge the exposure of our international transactions or net investments to foreign currency risk. However, we may do so in the future.

**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 ensure that information required to be disclosed in the reports that it files or submits pursuant to the Securities Exchange Act of 1934 (Exchange Act) as amended is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management including our Chief Executive Officer and Chief Financial Officer as appropriate to allow for timely decisions regarding required disclosures.

At the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our 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 our disclosure controls and procedures are effective for timely identification and review of material information required to be included in our Exchange Act reports, including this report on Form 10-K. 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.

There has not been any change in our internal control over financial reporting that was identified during the evaluation that occurred during the fourth fiscal quarter and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information.**

None.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance.**

We intend to disclose any amendments or waivers to the Code of Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, on our website. 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 legal 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 our website, located at <http://www.davita.com>. We also maintain a Corporate Code of Conduct that applies to all of our employees, which is posted on our 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>.

The other information required to be disclosed by this item will appear in, and is incorporated by reference from, the sections entitled “Proposal No. 1. Election of Directors”, “Corporate Governance”, and “Security Ownership of Certain Beneficial Owners and Management” included in our definitive proxy statement relating to our 2017 annual stockholder meeting.

**Item 11. Executive Compensation.**

The information required by this item will appear in, and is incorporated by reference from, the sections entitled “Executive Compensation” and “Compensation Committee Interlocks and Insider Participations” included in our definitive proxy statement relating to our 2017 annual stockholder meeting. The information required by Item 407(e)(5) of Regulation S-K will appear in and is incorporated by reference from the section entitled “Compensation Committee Report” included in our definitive proxy statement relating to our 2017 annual stockholder meeting; however, this information shall not be deemed to be filed.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The following table provides information about our common stock that may be issued upon the exercise of stock-settled stock appreciation rights, restricted stock units and other rights under all of our existing equity compensation plans as of December 31, 2016, which consist of our 2011 Incentive Award Plan and our Employee Stock Purchase Plan. The material terms of these plans are described in Note 19 to the consolidated financial statements.

<u>Plan category</u>	<u>Number of shares to be issued upon exercise of outstanding options, warrants and rights</u> <i>(a)</i>	<u>Weighted average exercise price of outstanding options, warrants and rights</u> <i>(b)</i>	<u>Number of shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u> <i>(c)</i>	<u>Total of shares reflected in columns (a) and (c)</u> <i>(d)</i>
Equity compensation plans approved by shareholders	8,122,819	\$ 58.62	37,789,231	45,912,050
Equity compensation plans not requiring shareholder approval	—	—	—	—
<b>Total</b>	<b>8,122,819</b>	<b>\$ 58.62</b>	<b>37,789,231</b>	<b>45,912,050</b>

Other information required to be disclosed by Item 12 will appear in, and is incorporated by reference from, the section entitled “Security Ownership of Certain Beneficial Owners and Management” included in our definitive proxy statement relating to our 2017 annual stockholder meeting.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information required by this item will appear in, and is incorporated by reference from, the section entitled “Certain Relationships and Related Transactions” and the section entitled “Corporate Governance” included in our definitive proxy statement relating to our 2017 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 “Ratification of Appointment of Independent Registered Public Accounting Firm” included in our definitive proxy statement relating to our 2017 annual stockholder meeting.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Documents filed as part of this Report:

(1) Index to Financial Statements:

	<u>Page</u>
<a href="#">Management's Report on Internal Control Over Financial Reporting</a>	F-1
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-2
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-3
<a href="#">Consolidated Statements of Income for the years ended December 31, 2016, 2015, and 2014</a>	F-4
<a href="#">Consolidated Statements of Comprehensive Income for the years ended December 31, 2016, 2015, and 2014</a>	F-5
<a href="#">Consolidated Balance Sheets as of December 31, 2016, and 2015</a>	F-6
<a href="#">Consolidated Statements of Cash Flow for the years ended December 31, 2016, 2015, and 2014</a>	F-7
<a href="#">Consolidated Statements of Equity for the years ended December 31, 2016, 2015, and 2014</a>	F-8
<a href="#">Notes to Consolidated Financial Statements</a>	F-10

(2) Index to Financial Statement Schedules:

<a href="#">Report of Independent Registered Public Accounting Firm</a>	S-3
<a href="#">Schedule II—Valuation and Qualifying Accounts</a>	S-4

(1) Exhibits:

- 2.1 Agreement and Plan of Merger, dated as of May 20, 2012, by and among DaVita Inc., Seismic Acquisition LLC, HealthCare Partners Holdings, LLC, and the Member Representative.(28)
- 2.2 Amendment, dated as of July 6, 2012, to the Agreement and Plan of Merger, dated as of May 20, 2012, by and among DaVita Inc., Seismic Acquisition LLC, HealthCare Partners Holdings, LLC, and the Member Representative.(29)
- 3.1 Restated Certificate of Incorporation of DaVita Inc., as filed with the Secretary of State of Delaware on November 1, 2016.(1)
- 3.2 Certificate of Ownership and Merger Merging DaVita Name Change, Inc. with and into DaVita Inc., as filed with Secretary of State of the State of Delaware on November 1, 2012.(31)
- 3.3 Amended and Restated Bylaws for DaVita Inc. dated as of September 7, 2016.(1)
- 4.1 Indenture, dated August 28, 2012, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee.(30)
- 4.2 Form of 5.750% Senior Notes due 2022 and related Guarantee (included in Exhibit 4.1).(30)
- 4.3 Indenture, dated June 13, 2014, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee. (34)
- 4.4 Form of 5.125% Senior Notes due 2024 and related Guarantee (included in Exhibit 4.3). (34)
- 4.5 Second Supplemental Indenture for the 5.750% Senior Notes due 2022, dated June 13, 2014, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee. (35)
- 4.6 Indenture for the 5.000% Senior Notes due 2025, dated April 17, 2015, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee. (22)
- 4.7 Form of 5.000% Senior Notes due 2025 and related Guarantee (included in Exhibit 4.6). (22)

- 10.1 Employment Agreement, dated as of October 31, 2005, effective October 24, 2005, by and between DaVita Inc. and Dennis Kogod.(6)\*
- 10.2 Amendment to Mr. Kogod's Employment Agreement, effective December 12, 2008.(18)\*
- 10.3 Second Amendment to Mr. Kogod's Employment Agreement, effective December 31, 2012.(18)\*
- 10.4 Employment Agreement, effective September 22, 2005, by and between DaVita Inc. and James Hilger.(8)\*
- 10.5 Separation Agreement, effective November 30, 2016, by and between DaVita Inc. and Mr. Kogod.✓\*
- 10.6 Consulting Agreement, effective December 1, 2016, by and between DaVita Inc. and Mr. Kogod.✓\*
- 10.7 Amendment to Mr. Hilger's Employment Agreement, effective December 12, 2008.(18)\*
- 10.8 Second Amendment to Mr. Hilger's Employment Agreement, effective December 27, 2012.(33)\*
- 10.9 Employment Agreement, effective July 25, 2008, between DaVita Inc. and Kent J. Thiry.(15)\*
- 10.10 Employment Agreement, effective August 1, 2008, between DaVita Inc. and Allen Nissenon.(16)\*
- 10.11 Employment Agreement, effective March 17, 2010, by and between DaVita Inc. and Javier Rodriguez.(20)\*
- 10.12 Employment Agreement, effective November 1, 2016, by and between DaVita Inc. and Charles G. Berg.✓\*
- 10.13 Employment Agreement, effective February 21, 2017, by and between DaVita Inc. and Joel Ackerman.✓\*
- 10.14 Form of Indemnity Agreement.(12)\*
- 10.15 Form of Indemnity Agreement.(7)\*
- 10.16 DaVita Deferred Compensation Plan.✓\*
- 10.17 Executive Incentive Plan (as Amended and Restated effective January 1, 2009).(19)\*
- 10.18 Executive Retirement Plan.(18)\*
- 10.19 DaVita Voluntary Deferral Plan.(5)\*
- 10.20 Deferred Bonus Plan (Prosperity Plan).(17)\*
- 10.21 Amendment No. 1 to Deferred Bonus Plan (Prosperity Plan).(18)\*
- 10.22 Amended and Restated Employee Stock Purchase Plan.(13)\*
- 10.23 Amended and Restated DaVita Inc. Severance Plan.(33)\*
- 10.24 Change in Control Bonus Program.(18)\*
- 10.25 Non-Management Director Compensation Philosophy and Plan.(14)\*
- 10.26 Amended and Restated 2002 Equity Compensation Plan.(4)\*
- 10.27 Amended and Restated 2002 Equity Compensation Plan.(11)\*
- 10.28 Amended and Restated 2002 Equity Compensation Plan.(13)\*
- 10.29 Amended and Restated 2002 Equity Compensation Plan.(18)\*
- 10.30 DaVita Inc. 2002 Equity Compensation Plan.(21)\*
- 10.31 Form of Non-Qualified Stock Option Agreement—Employee (DaVita Inc. 1999 Non-Executive Officer and Non-Director Equity Compensation Plan).(10)\*
- 10.32 Form of Non-Qualified Stock Option Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(2)\*
- 10.33 Form of Non-Qualified Stock Option Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(9)\*
- 10.34 Form of Non-Qualified Stock Option Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(10)\*
- 10.35 Form of Restricted Stock Units Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(2)\*
- 10.36 Form of Restricted Stock Units Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(9)\*



- 10.37 Form of Restricted Stock Units Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(10)\*
- 10.38 Form of Restricted Stock Units Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(18)\*
- 10.39 Form of Stock Appreciation Rights Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(9)\*
- 10.40 Form of Stock Appreciation Rights Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(10)\*
- 10.41 Form of Stock Appreciation Rights Agreement—Board (DaVita Inc. 2002 Equity Compensation Plan).(16)\*
- 10.42 Form of Stock Appreciation Rights Agreement—Board members (DaVita Inc. 2011 Incentive Award Plan).(24)\*
- 10.43 Form of Restricted Stock Units Agreement—Board (DaVita Inc. 2002 Equity Compensation Plan).(16)\*
- 10.44 Form of Restricted Stock Units Agreement—Board members (DaVita Inc. 2011 Incentive Award Plan).(24)\*
- 10.45 Form of Non-Qualified Stock Option Agreement—Board (DaVita Inc. 2002 Equity Compensation Plan).(16)\*
- 10.46 Form of Stock Appreciation Rights Agreement—Executives (DaVita Inc. 2011 Incentive Award Plan).(24)\*
- 10.47 Form of Restricted Stock Units Agreement—Executives (DaVita Inc. 2011 Incentive Award Plan).(24)\*
- 10.48 Form of Restricted Stock Units Agreement (DaVita Inc. 2011 Incentive Award Plan). (33)\*
- 10.49 Form of Stock Appreciation Rights Agreement (DaVita Inc. 2011 Incentive Award Plan). (33)\*
- 10.50 Form of Long-Term Incentive Program Award Agreement (For 162(m) designated teammates) (DaVita Inc. 2011 Incentive Award Plan).(33)\*
- 10.51 Form of Long-Term Incentive Program Award Agreement (DaVita Inc. 2011 Incentive Award Plan). (33)\*
- 10.52 Credit Agreement, dated as of June 24, 2014, by and among DaVita Inc., the guarantors the guarantors party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, Barclays Bank PLC, and Wells Fargo Bank, National Association as Co-Syndication Agents, Bank of America, N.A., Credit Suisse AG, Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., and SunTrust Bank, as Co-Documentation Agents, Barclays Bank PLC, Wells Fargo Securities, LLC, Credit Suisse Securities (USA) LLC, Goldman Sachs Bank USA, J.P. Morgan Securities, LLC, Bank of America, N.A., Morgan Stanley Senior Funding, Inc., and SunTrust Robinson Humphrey, Inc. as Joint Lead Arrangers and Joint Bookrunners, The Bank of Nova Scotia, Credit Agricole Securities (USA) Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Sumitomo Mitsui Banking Corporation, as Senior Managing Agents, HSBC Securities (USA) Inc., Fifth Third Bank, and Compass Bank as Managing Agents. (35)
- 10.53 Perfection Certificate executed as of October 20, 2010 and delivered in connection with the closing of the Credit Agreement filed as Exhibit 10.68.(26)\*\*
- 10.54 Dialysis Organization Agreement between DaVita Inc. and Amgen USA Inc. dated December 20, 2007.(17)\*\*
- 10.55 Dialysis Organization Agreement between DaVita Inc. and Amgen USA Inc. dated December 17, 2010.(23)\*\*
- 10.56 Amended and Restated DaVita Inc. 2011 Incentive Award Plan.(35)\*
- 10.57 Amendment No. 2 to Dialysis Organization Agreement between DaVita Inc. and Amgen USA Inc. effective as of July 1, 2011.(25)\*\*
- 10.58 Form of Non-Competition and Non-Solicitation Agreement, dated as of May 20, 2012, between DaVita Inc. and Dr. Robert Margolis, Dr. William Chin, Dr. Thomas Paulsen, Mr. Zan Calhoun, and Ms. Lori Glisson.(28)
- 10.59 Form of Non-Competition and Non-Solicitation Agreement, dated as of May 20, 2012, between DaVita Inc. and Mr. Matthew Mazdyasni, Dr. Sherif Abdou, and Dr. Amir Bacchus.(28)
- 10.60 Escrow Agreement, dated as of August 28, 2012, by and among DaVita Inc., The Bank of New York Mellon Trust Company, N.A., as trustee, The Bank of New York Mellon Trust Company, N.A., as escrow agent and The Bank of New York Mellon Trust Company, N.A., as bank and securities intermediary.(30)
- 10.61 Form of 2014 Long Term Incentive Program Cash Performance Award Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program (for 162(m) designated teammates). (36) \* \*\*
- 10.62 Form of 2014 Long Term Incentive Program Cash Performance Award Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program. (36)\* \*\*

10.63	Form of 2014 Long Term Incentive Program Performance Stock Units Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program (for 162(m) designated teammates). (36) * **
10.64	Form of 2014 Long Term Incentive Program Restricted Stock Units Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program. (36)*
10.65	Form of 2014 Long Term Incentive Program Stock Appreciation Rights Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program. (36)*
10.66	Corporate Integrity Agreement, dated as of October 22, 2014, by and among the Office of Inspector General of The Department of Health and Human Services and DaVita Inc. (27)
12.1	Computation of Ratio of Earnings to Fixed Charges. ✓
14.1	DaVita Inc. Corporate Governance Code of Ethics.(3)
21.1	List of our subsidiaries. ✓
23.1	Consent of KPMG LLP, independent registered public accounting firm. ✓
24.1	Powers of Attorney with respect to DaVita. (Included on Page II-1).
31.1	Certification of the Chief Executive Officer, dated February 24, 2017, 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 24, 2017, 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 24, 2017, 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 24, 2017, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ✓
101.INS	XBRL Instance Document. ✓
101.SCH	XBRL Taxonomy Extension Schema Document. ✓
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. ✓
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. ✓
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. ✓
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. ✓

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✓ 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 November 2, 2016 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016.
- (2) Filed on November 8, 2004 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004.
- (3) Filed on February 27, 2004 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2003.
- (4) Filed on May 4, 2005 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005.
- (5) Filed on November 8, 2005 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005.
- (6) Filed on November 4, 2005 as an exhibit to the Company's Current Report on Form 8-K.
- (7) Filed on March 3, 2005 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2004.
- (8) Filed on August 7, 2006 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ending June 30, 2006.
- (9) Filed on July 6, 2006 as an exhibit to the Company's Current Report on Form 8-K.
- (10) Filed on October 18, 2006 as an exhibit to the Company's Current Report on Form 8-K.
- (11) Filed on July 31, 2006 as an exhibit to the Company's Current Report on Form 8-K.
- (12) Filed on December 20, 2006 as an exhibit to the Company's Current Report on Form 8-K.

- (13) Filed on June 4, 2007 as an exhibit to the Company's Current Report on Form 8-K.
- (14) Filed on May 8, 2008 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.
- (15) Filed on July 31, 2008 as an exhibit to the Company's Current Report on Form 8-K.
- (16) Filed on November 6, 2008 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.
- (17) Filed on February 29, 2008 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2007.
- (18) Filed on February 27, 2009 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2008
- (19) Filed on June 18, 2009 as an exhibit to the Company's Current Report on Form 8-K.
- (20) Filed on April 14, 2010 as an exhibit to the Company's Current Report on Form 8-K.
- (21) Filed on April 28, 2010 as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A.
- (22) Filed on April 17, 2015 as an exhibit to the Company's Current Report on Form 8-K.
- (23) Filed on December 29, 2011 as an exhibit to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2010.
- (24) Filed on August 4, 2011 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.
- (25) Filed on December 29, 2011 as an exhibit to the Company's Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2011.
- (26) Filed on January 17, 2012 as an exhibit to the Company's Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2011.
- (27) Filed on October 23, 2014 as an exhibit to the Company's Current Report on Form 8-K.
- (28) Filed on May 21, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (29) Filed on July 9, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (30) Filed on August 28, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (31) Filed on November 1, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (32) Filed on August 7, 2013 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.
- (33) Filed on February 28, 2013 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2012.
- (34) Filed on June 16, 2014 as an exhibit to the Company's Current Report on Form 8-K.
- (35) Filed on August 1, 2014 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.
- (36) Filed on November 6, 2014 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.

**Item 16. Form 10-K Summary.**

None.

**DAVITA INC.**  
**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is 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 U.S. generally accepted accounting principles and which includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. 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 (iii) 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 Chief Executive Officer and Chief Financial Officer, 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 (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based upon our evaluation under the COSO framework, we have concluded that the Company's internal control over financial reporting was effective as of December 31, 2016.

The Company's independent registered public accounting firm, KPMG LLP, has issued an attestation report on the Company's internal control over financial reporting, which report is included in this Annual Report.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders  
DaVita Inc.:

We have audited the accompanying consolidated balance sheets of DaVita Inc. and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2016. 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, 2016 and 2015, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, 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), DaVita Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 24, 2017 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP  
Seattle, Washington

February 24, 2017

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders  
DaVita Inc.:

We have audited DaVita Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* 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, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on 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, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included 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, DaVita Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (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, 2016 and 2015, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2016, and our report dated February 24, 2017 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP  
Seattle, Washington

February 24, 2017

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(dollars in thousands, except per share data)

	Year ended December 31,		
	2016	2015	2014
Patient service revenues	\$ 10,354,161	\$ 9,480,279	\$ 8,868,338
Less: Provision for uncollectible accounts	(451,353)	(427,860)	(366,884)
Net patient service revenues	9,902,808	9,052,419	8,501,454
Capitated revenues	3,518,679	3,509,095	3,261,288
Other revenues	1,323,618	1,220,323	1,032,364
Total net revenues	<u>14,745,105</u>	<u>13,781,837</u>	<u>12,795,106</u>
Operating expenses and charges:			
Patient care costs and other costs	10,646,736	9,824,834	9,119,305
General and administrative	1,592,698	1,452,135	1,261,506
Depreciation and amortization	720,252	638,024	590,935
Provision for uncollectible accounts	11,677	9,240	14,453
Equity investment income	(13,044)	(18,325)	(23,234)
Goodwill and other asset impairment charges	296,408	210,234	—
Gain on changes in ownership interests, net	(404,165)	—	—
Settlement charge and loss contingency accrual	—	495,000	17,000
Total operating expenses and charges	<u>12,850,562</u>	<u>12,611,142</u>	<u>10,979,965</u>
Operating income	1,894,543	1,170,695	1,815,141
Debt expense	(414,382)	(408,380)	(410,294)
Debt redemption and refinancing charges	—	(48,072)	(97,548)
Other income, net	8,734	8,893	2,374
Income before income taxes	1,488,895	723,136	1,309,673
Income tax expense	455,813	295,726	446,343
Net income	1,033,082	427,410	863,330
Less: Net income attributable to noncontrolling interests	(153,208)	(157,678)	(140,216)
Net income attributable to DaVita Inc.	<u>\$ 879,874</u>	<u>\$ 269,732</u>	<u>\$ 723,114</u>
<b>Earnings per share:</b>			
Basic net income per share attributable to DaVita Inc.	\$ 4.36	\$ 1.27	\$ 3.41
Diluted net income per share attributable to DaVita Inc.	\$ 4.29	\$ 1.25	\$ 3.33
<b>Weighted average shares for earnings per share:</b>			
Basic	<u>201,641,173</u>	<u>211,867,714</u>	<u>212,301,827</u>
Diluted	<u>204,904,656</u>	<u>216,251,807</u>	<u>216,927,681</u>

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(dollars in thousands)

	Year ended December 31,		
	2016	2015	2014
Net income	\$ 1,033,082	\$ 427,410	\$ 863,330
Other comprehensive income (losses), net of tax:			
Unrealized losses on interest rate swap and cap agreements:			
Unrealized losses on interest rate swap and cap agreements	(3,670)	(12,241)	(10,059)
Reclassifications of net swap and cap agreements realized losses into net income	2,566	3,111	10,608
Unrealized gains (losses) on investments:			
Unrealized gains (losses) on investments	1,427	(1,413)	238
Reclassification of net investment realized gains into net income	(423)	(377)	(207)
Foreign currency translation adjustments			
Foreign currency translation adjustments	(39,614)	(23,889)	(22,952)
Reclassification of foreign currency translation into net income	10,087	—	—
Other comprehensive loss	(29,627)	(34,809)	(22,372)
Total comprehensive income	1,003,455	392,601	840,958
Less: Comprehensive income attributable to noncontrolling interests	(153,398)	(157,678)	(140,216)
Comprehensive income attributable to DaVita Inc.	\$ 850,057	\$ 234,923	\$ 700,742

See notes to consolidated financial statements.



**DAVITA INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(dollars in thousands, except per share data)

	December 31, 2016	December 31, 2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 913,187	\$ 1,499,116
Short-term investments	310,198	408,084
Accounts receivable, less allowance of \$252,056 and \$264,144	1,917,302	1,724,228
Inventories	164,858	185,575
Other receivables	453,483	435,885
Other current assets	210,604	190,322
Income tax receivable	10,596	60,070
Total current assets	3,980,228	4,503,280
Property and equipment, net	3,175,367	2,788,740
Intangible assets, net	1,527,767	1,687,326
Equity investments	502,389	78,368
Long-term investments	103,679	89,122
Other long-term assets	44,510	73,560
Goodwill	9,407,317	9,294,479
	<u>\$ 18,741,257</u>	<u>\$ 18,514,875</u>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 522,415	\$ 513,950
Other liabilities	856,847	682,123
Accrued compensation and benefits	815,761	741,926
Medical payables	336,381	332,102
Current portion of long-term debt	165,041	129,037
Total current liabilities	2,696,445	2,399,138
Long-term debt	8,947,327	9,001,308
Other long-term liabilities	465,358	439,229
Deferred income taxes	809,128	726,962
Total liabilities	12,918,258	12,566,637
Commitments and contingencies		
Noncontrolling interests subject to put provisions	973,258	864,066
Equity:		
Preferred stock (\$0.001 par value, 5,000,000 shares authorized; none issued)		
Common stock (\$0.001 par value, 450,000,000 shares authorized; 194,554,491 and 217,120,346 shares issued and 194,554,491 and 209,754,247 shares outstanding, respectively)	195	217
Additional paid-in capital	1,027,182	1,118,326
Retained earnings	3,710,313	4,356,835
Treasury stock (7,366,099 shares at December 31, 2015)	—	(544,772)
Accumulated other comprehensive loss	(89,643)	(59,826)
Total DaVita Inc. shareholders' equity	4,648,047	4,870,780
Noncontrolling interests not subject to put provisions	201,694	213,392
Total equity	4,849,741	5,084,172
	<u>\$ 18,741,257</u>	<u>\$ 18,514,875</u>

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
(dollars in thousands)

	Year ended December 31,		
	2016	2015	2014
<b>Cash flows from operating activities:</b>			
Net income	\$ 1,033,082	\$ 427,410	\$ 863,330
Adjustments to reconcile net income to net cash provided by operating activities:			
Settlement charge and loss contingency accrual	—	495,000	17,000
Depreciation and amortization	720,252	638,024	590,935
Goodwill and other asset impairment charges	296,408	210,234	—
Debt redemption and refinancing charges	—	48,072	97,548
Stock-based compensation expense	38,338	56,664	56,743
Tax benefits from stock award exercises	28,397	45,749	59,119
Excess tax benefits from stock award exercises	(13,251)	(28,157)	(45,271)
Deferred income taxes	52,010	61,744	210,955
Equity investment income, net	17,766	9,293	10,125
Gain on sales of business interests, net	(404,165)	—	—
Other non-cash charges, net	(7,338)	44,691	39,274
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:			
Accounts receivable	(152,240)	(202,867)	(40,676)
Inventories	22,920	(48,313)	(46,398)
Other receivables and other current assets	(54,038)	32,761	(61,674)
Other long-term assets	35,893	3,723	2,916
Accounts payable	11,897	30,998	(2,956)
Accrued compensation and benefits	68,272	54,950	97,261
Other current liabilities	176,494	113,470	83,590
Settlement payments	—	(493,775)	(410,356)
Income taxes	62,230	24,175	(60,475)
Other long-term liabilities	30,517	33,354	(1,583)
Net cash provided by operating activities	<u>1,963,444</u>	<u>1,557,200</u>	<u>1,459,407</u>
<b>Cash flows from investing activities:</b>			
Additions of property and equipment	(829,095)	(707,998)	(641,330)
Acquisitions	(563,856)	(96,469)	(272,094)
Proceeds from asset and business sales	64,725	19,715	8,791
Purchase of investments available-for-sale	(13,539)	(8,783)	(8,440)
Purchase of investments held-to-maturity	(1,133,192)	(1,709,883)	(472,628)
Proceeds from sale of investments available-for-sale	18,963	2,058	2,475
Proceeds from investments held-to-maturity	1,240,502	1,637,358	141,072
Purchase of intangible assets	—	—	(1,018)
Purchase of equity investments	(27,096)	(17,911)	(35,382)
Proceeds from sale of equity investments	40,920	—	—
Distributions received on equity investments	—	129	825
Net cash used in investing activities	<u>(1,201,668)</u>	<u>(881,784)</u>	<u>(1,277,729)</u>
<b>Cash flows from financing activities:</b>			
Borrowings	51,991,490	54,541,988	60,038,508
Payments on long-term debt and other financing costs	(52,115,932)	(53,922,290)	(60,046,487)
Deferred financing and debt redemption and refinancing costs	(188)	(76,672)	(122,988)
Purchase of treasury stock	(1,097,822)	(549,935)	—
Distributions to noncontrolling interests	(192,401)	(174,635)	(149,339)
Stock award exercises and other share issuances, net	23,543	26,155	19,500
Excess tax benefits from stock award exercises	13,251	28,157	45,271
Contributions from noncontrolling interests	47,590	54,644	64,655
Proceeds from sales of additional noncontrolling interests	—	—	3,777
Purchases of noncontrolling interests	(21,512)	(66,382)	(17,876)
Net cash used in financing activities	<u>(1,351,981)</u>	<u>(138,970)</u>	<u>(164,979)</u>
Effect of exchange rate changes on cash and cash equivalents	4,276	(2,571)	2,293
Net (decrease) increase in cash and cash equivalents	(585,929)	533,875	18,992
Cash and cash equivalents at beginning of the year	1,499,116	965,241	946,249
Cash and cash equivalents at end of the year	<u>\$ 913,187</u>	<u>\$ 1,499,116</u>	<u>\$ 965,241</u>

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(dollars and shares in thousands)

	Non-controlling interests subject to put provisions	DaVita Inc. Shareholders' Equity								Non-controlling interests not subject to put provisions
		Common stock				Treasury stock				
		Shares	Amount	Additional paid-in capital	Retained earnings	Shares	Amount	Accumulated other comprehensive income (loss)	Total	
Balance at December 31, 2013	\$ 697,300	213,163	\$ 213	\$ 1,070,922	\$ 3,363,989	\$ —	\$ —	\$ (2,645)	\$ 4,432,479	\$ 173,062
Comprehensive income:										
Net income	88,425				723,114				723,114	51,791
Other comprehensive loss								(22,372)	(22,372)	
Stock purchase shares issued		298	—	19,010					19,010	
Stock unit shares issued		304	1	(28)					(27)	
Stock-settled SAR shares issued		1,876	2	(2)					—	
Stock-settled stock-based compensation expense				54,969					54,969	
Excess tax benefits from stock awards exercised				45,271					45,271	
Distributions to noncontrolling interests	(93,884)									(55,455)
Contributions from noncontrolling interests	41,876									22,779
Sales and assumptions of additional noncontrolling interests	25,220			355					355	4,165
Purchases from noncontrolling interests	(6,111)			(5,357)					(5,357)	(6,544)
Other reclassification				210					210	
Changes in fair value of noncontrolling interests	77,139			(77,139)					(77,139)	
Balance at December 31, 2014	\$ 829,965	215,641	\$ 216	\$ 1,108,211	\$ 4,087,103	\$ —	\$ —	\$ (25,017)	\$ 5,170,513	\$ 189,798
Comprehensive income:										
Net income	96,510				269,732				269,732	61,168
Other comprehensive loss								(34,809)	(34,809)	
Stock purchase shares issued		—	—	(6,079)		414	30,608		24,529	
Stock unit shares issued		348	—	—					—	
Stock-settled SAR shares issued		1,131	1	(1)					—	
Stock-settled stock-based compensation expense				56,899					56,899	
Excess tax benefits from stock awards exercised				28,157					28,157	
Distributions to noncontrolling interests	(103,355)									(71,280)
Contributions from noncontrolling interests	25,795									28,849
Sales and assumptions of additional noncontrolling interests	10,654									6,875
Purchases from noncontrolling interests	(8,538)			(55,826)					(55,826)	(2,018)
Changes in fair value of noncontrolling interests	13,035			(13,035)					(13,035)	
Purchase of treasury stock						(7,780)	(575,380)		(575,380)	
Balance at December 31, 2015	\$ 864,066	217,120	\$ 217	\$ 1,118,326	\$ 4,356,835	(7,366)	\$ (544,772)	\$ (59,826)	\$ 4,870,780	\$ 213,392

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY — (continued)**  
(dollars and shares in thousands)

	Non-controlling interests subject to put provisions	DaVita Inc. Shareholders' Equity							Non-controlling interests not subject to put provisions	
		Common stock				Treasury stock		Accumulated other comprehensive income (loss)		Total
		Shares	Amount	Additional paid-in capital	Retained earnings	Shares	Amount			
Comprehensive income:										
Net income	99,834				879,874			879,874	53,374	
Other comprehensive loss							(29,817)	(29,817)	190	
Stock purchase shares issued		438	1	23,902				23,903		
Stock unit shares issued		4		(19,815)		276	19,815			
Stock-settled SAR shares issued		218		(36,685)		513	36,685			
Stock-settled stock-based compensation expense				37,970				37,970		
Excess tax benefits from stock awards exercised				13,251				13,251		
Distributions to noncontrolling interests	(111,092)								(81,309)	
Contributions from noncontrolling interests	33,517								14,073	
Sales and assumptions of additional noncontrolling interests	28,874			3,423				3,423	2,585	
Purchases from noncontrolling interests	(6,660)			(13,105)				(13,105)	(1,747)	
Changes in fair value of noncontrolling interests	65,855			(65,855)				(65,855)		
Reclassifications and expirations of noncontrolling interests subject to puts	(1,136)								1,136	
Purchase of treasury stock					(16,649)	(1,072,377)		(1,072,377)		
Retirement of treasury stock		(23,226)	(23)	(34,230)	(1,526,396)	23,226	1,560,649			
Balance at December 31, 2016	\$ 973,258	194,554	\$ 195	\$ 1,027,182	\$ 3,710,313		\$ (89,643)	\$ 4,648,047	\$ 201,694	

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 two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG, formerly known as HealthCare Partners or HCP). Kidney Care is comprised of the Company's U.S. dialysis and related lab services, its ancillary services and strategic initiatives, including its international operations, and its corporate administrative support. The Company's largest line of business is its U.S. dialysis and related lab services business, which operates kidney dialysis centers in the U.S. for patients suffering from chronic kidney failure also known as end stage renal disease (ESRD). As of December 31, 2016, the Company operated or provided administrative services through a network of 2,350 U.S. outpatient dialysis centers in 46 states and the District of Columbia, serving approximately 187,700 patients. The Company's DMG division is a patient- and physician-focused integrated healthcare delivery and management company that provides medical services to members primarily through capitation contracts with some of the nation's leading health plans.

In addition, as of December 31, 2016, the Company operated or provided administrative services to 154 outpatient dialysis centers serving approximately 15,100 patients located in 11 countries outside of the U.S.

The Company's U.S. dialysis and related lab services business and DMG qualify as separately reportable segments and the Company's other ancillary services and strategic initiatives, including its international operations, have been combined and disclosed in the other segments category.

*Basis of presentation*

These consolidated financial statements are prepared in accordance with United States generally accepted accounting principles (U.S. GAAP). The financial statements include DaVita Inc. and its subsidiaries, partnerships and other entities in which it maintains a majority voting interest or other controlling financial interest (collectively, the Company). All significant intercompany transactions and balances have been eliminated. Non-marketable equity investments are recorded under the equity or cost method of accounting based upon whether the Company has significant influence over the investee. For the Company's international subsidiaries, local currencies are considered their functional currencies. Translation adjustments result from translating the Company's international subsidiaries' financial statements from their functional currencies into the Company's reporting currency (USD). Prior year balances and amounts have been reclassified to conform to the current year presentation.

The Company has evaluated subsequent events through the date these consolidated financial statements were issued and has included all necessary adjustments and disclosures.

*Use of estimates*

The preparation of financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingencies and noncontrolling interests subject to put provisions. 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. All significant assumptions and estimates underlying the amounts reported in the financial statements and accompanying notes are regularly reviewed and updated when necessary. 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 accounts receivable, contingencies, impairments of long-lived assets and goodwill, valuation adjustments, accounting for income taxes, quarterly, annual and long-term variable compensation accruals, consolidation of variable interest entities, purchase accounting valuation estimates, other fair value estimates, stock-based compensation and medical liability claims. Specific estimating risks and contingencies are further addressed within these notes to the consolidated financial statements.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
**(dollars in thousands, except per share data)**

*Patient service net revenues and accounts receivable*

*U.S. dialysis and related lab services*

Patient service net revenues are recognized in the period services are provided. Revenues consist primarily of payments from Medicare, Medicaid and commercial health plans for dialysis and ancillary services provided to patients. A usual and customary fee schedule is maintained for the Company's dialysis treatments and other patient services; however, actual collectible revenue is normally recognized at a discount from the fee schedule.

Revenues associated with Medicare and Medicaid programs are recognized based on: (a) the payment rates that are established by statute or regulation for the portion of payment rates paid by the government payor (e.g., 80% for Medicare patients) and (b) for the portion not paid by the primary government payor, estimates of the amounts ultimately collectible from other government programs paying secondary coverage (e.g., Medicaid secondary coverage), the patient's commercial health plan secondary coverage, or the patient. The Company's reimbursements from Medicare are subject to certain variations under Medicare's single bundled payment rate system, whereby reimbursements can be adjusted for certain patient characteristics and other factors. The Company's revenue recognition will depend upon its ability to effectively capture, document and bill for Medicare's base payment rate as well as these other variable factors.

Revenues associated with commercial health plans are estimated based on contractual terms for the patients under healthcare plans with which the Company has formal agreements, non-contracted health plan coverage terms if known, estimated secondary collections, historical collection experience, historical trends of refunds and payor payment adjustments (retractions), inefficiencies in the Company's billing and collection processes that can result in denied claims for payments, and regulatory compliance matters.

Commercial revenue recognition also involves significant estimating risks. With many larger, commercial insurers the Company has several different contracts and payment arrangements, and these contracts often include only a subset of the Company's centers. It is often not possible to determine which contract, if any, should be applied prior to billing. In addition, for services provided by non-contracted centers, final collection may require specific negotiation of a payment amount, typically at a significant discount from the Company's usual and customary rates.

Under Medicare's bundled payment rate system, services covered by Medicare are subject to estimating risk, whereby reimbursements from Medicare can vary significantly depending upon certain patient characteristics and other variable factors. Even with the bundled payment rate system, Medicare payments for bad debt claims as established by cost reports require evidence of collection efforts. As a result, billing and collection of Medicare bad debt claims can be delayed significantly and final payment is subject to audit.

Medicaid payments, when Medicaid coverage is secondary, can also be difficult to estimate. For many states, Medicaid payment terms and methods differ from Medicare, and may prevent accurate estimation of individual payment amounts prior to billing.

The Company's range of revenue estimating risk for the dialysis and related lab services segment is generally expected to be within 1% of its revenue. Changes in revenue estimates for prior periods are not material.

*Other patient service revenues*

Patient service revenues earned by DMG are recognized in the period services are provided, net of an estimated contractual allowance and are mainly attributable to primary care physician services and certain other specialty care services provided to patients.

*Capitated revenue*

*DMG capitated revenue*

The Company's associated medical groups are licensed to contract with health maintenance organizations (HMOs), to provide physician services in California under capitation contracts, and to provide both hospital and physician services under global risk capitation contracts in Florida and Nevada. DMG's revenues consist primarily of fees for medical services provided by these medical group entities' payments from capitated contracts with various HMOs and revenues under risk-sharing programs. Capitation revenue under HMO contracts is prepaid monthly based on the number of enrollees electing physicians affiliated with one of the medical group entities as their healthcare provider, regardless of the level of actual medical services utilized. Capitation revenue is reported as revenue in the month in which enrollees are entitled to receive healthcare. A portion of the capitation revenue pertaining to Medicare enrollees is subject to possible retroactive premium risk adjustments based on their individual acuity. Due to lack of sufficient data to

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
**(dollars in thousands, except per share data)**

project the amount of such retroactive adjustments, the Company records any corresponding retroactive revenues in the year of receipt.

Depending on the applicable state regulation regarding global risk capitation, revenues may be received by the Company or by an independent hospital with which the Company contracts under various managed care-related administrative services agreements. In the Florida and Nevada service markets, the global capitation revenue is recorded by the Company with the corresponding cost of medical care reported by the Company as patient care costs. In California, the Company receives professional capitation and either the health plan retains the capitated revenues in a shared risk pool or the independent hospitals receive the institutional capitation revenues. The revenues are used to pay medical claims for the related enrollees. The Company is entitled to any residual amounts and bears the risk of any deficits. In all cases, an estimate is made for the cost of medical services that have been incurred and where no medical claim has been received (IBNR). DMG enters into contracts with health plans allowing it to recognize revenue under global capitation arrangements for both professional and institutional services. DMG has converted three separate contracts to global risk in California and is in the approval and implementation process to convert more.

Under risk-sharing programs, the medical groups share in the risk for hospitalization services and earn additional incentive revenues or incur penalties based on the utilization of hospital services. Estimated shared-risk receivables from the HMOs are recorded based upon hospital utilization and associated costs incurred by assigned HMO enrollees, including an estimate of IBNR compared to budgeted funding. Differences between actual contract settlements and estimated receivables or payables are recorded in the year of final settlement. The medical groups also receive other incentive payments from health plans based on specified performance and quality criteria. These amounts are accrued when earned and the amounts can be reasonably estimated, and are included in DMG's capitated revenues.

*Other capitated revenues*

One of the Company's subsidiaries operates Medicare Advantage ESRD Special Needs Plans in partnerships with payors that work with CMS to provide full service healthcare to ESRD patients. The Company is at risk for all medical costs of the program in excess of the capitation payments.

*Other revenues*

Other revenues consist of the non-patient service revenues associated with the ancillary services and strategic initiatives, management and administrative support services that are provided to outpatient dialysis centers that the Company does not own or in which the Company owns a noncontrolling interest, retail pharmacies and medical consulting services. The Company also provides administrative and management support services to certain other non-dialysis joint ventures in which the Company owns a noncontrolling interest. 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 revenues when earned and represent less than 1% of total consolidated operating revenues. Revenues related to medical consulting services are recognized in the period services are provided.

*Allowance for uncollectible accounts*

Net revenue recognition and allowances for uncollectible billings require the use of estimates of the amounts that will ultimately be realized considering, among other items, retroactive adjustments that may be associated with regulatory reviews, audits, billing reviews and other matters. The Company's policy is to write off any uncollectible accounts receivable balance only after all collection efforts have been exhausted or when write off is mandated by federal or state policies or required by certain payor contracts. It is also the Company's policy to write off any accounts receivable balance associated with any payors or patients when the Company receives notification of a bankruptcy filing.

*Other income*

Other income includes interest income on cash investments, gains (losses) on foreign currency translation adjustments and other non-operating gains from investment transactions, as well as realized foreign currency transaction gains and losses.

*Cash and cash equivalents*

Cash equivalents are short-term highly liquid investments with maturities of three months or less at date of purchase.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
**(dollars in thousands, except per share data)**

*Inventories*

Inventories are stated at the lower of cost (first-in, first-out) or market and consist principally of pharmaceuticals and dialysis-related supplies. Rebates related to inventory purchases are recorded when earned and are based on certain qualification requirements which are dependent on a variety of factors including future pricing levels by the manufacturer and data submission.

*Funds on deposit with a third party*

The Company's DMG business has established a risk sharing arrangement with a California hospital, wherein the Company shares in any surplus or deficit. One of the terms of this agreement is the establishment of a segregated investment fund to ensure adequate cash to pay IBNR. The Company and the hospital monitor the reserve balance to maintain the adequacy of funds on deposit. The Company has \$75,877 in such funds as of December 31, 2016, included in other current assets on the consolidated balance sheet.

*Property and equipment*

Property and equipment is stated at cost less accumulated depreciation and amortization and is further 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 economic useful life or the expected lease term; and equipment and information systems, principally three to eight years. Disposition gains and losses are included in current operating expenses.

*Amortizable intangibles*

Amortizable intangible assets and liabilities include customer relationships, trade names, provider networks, supply agreements, practice management tools, non-competition and similar agreements, lease agreements and hospital acute services contracts, each of which have finite useful lives. Amortization expense is computed using the straight-line method over the useful lives of the assets estimated as follows: customer relationships, principally ten to twenty years; provider networks and practice management tools, two to fifteen years; trade names, principally four years; non-competition and similar agreements, two to ten years; and lease agreements and hospital acute service contracts, over the term of the lease or contract period, respectively.

*Equity investments*

Equity investments that do not have readily determinable fair values are carried on the cost or equity method, as applicable. The Company classifies its cost and equity method investments as "Equity investments" on its balance sheet. See Note 8 to these consolidated financial statements for further details.

*Investments in debt and equity securities*

The Company classifies certain debt securities as held-to-maturity and records them at amortized cost based on the Company's intentions and strategies concerning those investments. Equity securities that have readily determinable fair values, and certain other financial instruments that have readily determinable fair values or redemption values, are classified as available for sale and recorded at estimated fair value.

*Goodwill*

Goodwill represents the difference between the fair value of businesses acquired and the fair value of the identifiable tangible and intangible net assets acquired. Goodwill is not amortized, but is assessed at the reporting unit for impairment as circumstances warrant and at least annually. An impairment charge is recorded to the extent the carrying amount of goodwill exceeds its implied fair value. The Company operates several reporting units for goodwill impairment assessments. See Note 10 to these consolidated financial statements for further details.

*Impairment of long-lived assets*

Long-lived assets, including property and equipment, equity investments in non-consolidated businesses, and amortizable intangible assets are reviewed for possible impairment whenever significant events or changes in circumstances indicate that an impairment may have occurred, including changes in the Company's business strategy and plans, changes in the quality or structure of its relationships with its partners or deteriorating operating performance of individual outpatient dialysis centers or other operations. An impairment is indicated when the sum of the expected future undiscounted net cash flows identifiable to an asset group is less than



**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
**(dollars in thousands, except per share data)**

its carrying amount. Impairment losses are measured based upon the difference between the actual or estimated fair values, which are based on market values, net realizable values or projections of discounted net cash flows, as appropriate, and the carrying amount of the asset group. Impairment charges are included in operating expenses. Indefinite-lived intangible assets are reviewed for possible impairment at least annually or whenever significant events or changes in circumstances indicate that an impairment may have occurred.

*Self insurance*

The Company's Kidney Care division records insurance liabilities for professional and general liability and workers' compensation in excess of certain individual and or aggregate amounts not covered by third-party carriers. The Company's Kidney Care division estimates the self-insured retention portion of professional and general liability and workers' compensation risks using third-party actuarial calculations that are based upon historical claims experience and expectations for future claims. In addition, DMG has purchased external primary professional and general liability insurance from California Medical Group Insurance (CMGI) in which the Company owns an equity interest of 67%.

*Medical liability costs*

The medical groups are responsible for integrated care that the associated physicians and contracted hospitals provide to assigned HMO enrollees. The Company provides integrated care to health plan enrollees through a network of contracted providers under sub-capitation and direct patient service arrangements, company-operated clinics and staff physicians. Medical costs for professional and institutional services rendered by contracted providers are recorded as patient care costs in the consolidated statements of income. Costs for operating medical clinics, including the salaries of medical and non-medical personnel and support costs, are also recorded in patient care costs.

An estimate of amounts due to contracted physicians, hospitals, and other professional providers for members under global and professional risk arrangements is included in medical payables in the accompanying consolidated balance sheets. Medical payables include claims reported as of the balance sheet date and estimates of IBNR. Such estimates are developed using actuarial methods and are based on many variables, including the utilization of healthcare services, historical payment patterns, cost trends, product mix, seasonality, changes in membership, and other factors. The estimation methods and the resulting reserves are continually reviewed and updated. Many of the medical contracts are complex in nature and may be subject to differing interpretations regarding amounts due for the provision of various services. Such differing interpretations may not come to light until a substantial period of time has passed following the contract implementation. Any adjustments to reserves are reflected in current operations.

*Income taxes*

Federal and state income taxes are computed at currently enacted tax rates less tax credits using the asset and liability method. Deferred taxes are adjusted both for items that do not currently 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, changes in the recognition of tax positions and any changes in the valuation allowance caused by a change in judgment about the realizability of the related deferred tax assets. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized.

The Company uses a recognition threshold of more-likely-than-not and a measurement attribute on all tax positions taken or expected to be taken in a tax return in order to be recognized in the financial statements. Once the recognition threshold is met, the tax position is then measured to determine the actual amount of benefit to recognize in the financial statements.

*Stock-based compensation*

The Company's stock-based compensation awards are measured at their estimated fair values on the date of grant if settled in shares or at their estimated fair values at the end of each reporting period if settled in cash. The value of stock-based awards so measured is recognized as compensation expense on a cumulative straight-line basis over the vesting terms of the awards, adjusted for expected forfeitures. Stock-based compensation to be settled in shares is recorded to the Company's shareholders' equity, while stock-based compensation to be settled in cash is recorded to a liability.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
**(dollars in thousands, except per share data)**

*Interest rate swap and cap agreements*

The Company often carries a combination of interest rate caps, forward interest rate caps, or interest rate swaps on portions of its variable rate debt as a means of hedging its exposure to changes in LIBOR interest rates as part of its overall interest rate risk management strategy. These interest rate caps and swaps are not held for trading or speculative purposes and are typically designated as qualifying cash flow hedges. See Note 14 to these consolidated financial statements for further details.

*Noncontrolling interests*

Noncontrolling interests represent third-party equity ownership interests in entities which are consolidated by the Company for financial statement reporting purposes. As of December 31, 2016, third parties held noncontrolling equity interests in 490 consolidated legal entities.

*Fair value estimates*

The Company currently measures the fair value of certain assets, liabilities (including contingent earn-out consideration) and noncontrolling interests subject to put provisions (temporary equity) based upon valuation techniques that include observable or unobservable market inputs and assumptions that market participants would use in pricing these assets, liabilities and temporary equity. The Company has also classified its assets, liabilities and temporary equity into the appropriate fair value hierarchy levels as defined by the Financial Accounting Standards Board (FASB). See Note 24 to the consolidated financial statements for further details.

*New accounting standards*

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. In July 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of Effective Date*. This guidance approves a one-year deferral of the effective date of ASU 2014-09. The ASU now permits the Company to adopt this standard effective January 1, 2018. Early application is permitted as of January 1, 2017. In March, April, and May 2016, the FASB issued ASU 2016-08, ASU 2016-10, ASU 2016-11, and ASU 2016-12, *Revenue from Contracts with Customers (Topic 606)*, each of which amends the guidance in ASU 2014-09. When they become effective, these ASUs will replace most existing revenue recognition guidance in U.S. GAAP. The Company has assembled an internal revenue task force that meets regularly to discuss and evaluate the overall impact this guidance will have on various revenue streams in the consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor determined the effect of these ASUs on its ongoing financial reporting. The Company expects to adopt these ASU's effective January 1, 2018.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Statements – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The amendments in this ASU revise accounting related to (i) the classification and measurement of investments in equity securities and (ii) the presentation of certain fair value changes for financial liabilities at fair value. The amendments in this ASU are effective for the Company beginning on January 1, 2018 and are to be applied through a cumulative effect adjustment to the statement of financial position. Early adoption is permitted under certain circumstances. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The amendments in this ASU revise the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for substantially all leases with lease terms in excess of twelve months. The new lease guidance also simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. The amendments in this ASU are effective for the Company beginning on January 1, 2019 and are to be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. The Company has assembled an internal lease task force that meets regularly to discuss and evaluate the overall impact of this guidance on its consolidated financial statements and related disclosures, as well as the expected timing of adoption. The Company believes that the new standard will have a material impact on its consolidated balance sheet but will not have a material impact on its results of operations or liquidity. The Company continues to evaluate the effect that the implementation of this ASU will have on its consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU No. 2016-07, *Investments – Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting*. The amendments in this ASU eliminate the requirement that when an investment

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
**(dollars in thousands, except per share data)**

qualifies for use of the equity method as a result of an increase in the level of ownership interest or degree of influence, an investor must adjust the investment, results of operations, and retained earnings retroactively on a step-by-step basis as if the equity method had been in effect during all previous periods that the investment had been held. The amendments in this ASU are effective for the Company beginning on January 1, 2017 to be applied prospectively. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The changes required by this ASU involve several aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The amendments in this ASU are effective for the Company beginning January 1, 2017. The method of adoption differs for each of the topics covered by the ASU. The Company expects that the primary effect of this ASU will be the presentation of excess tax benefits or deficiencies within the Company's consolidated statement of income as a component of income tax expense rather than within additional paid-in capital on its consolidated balance sheet. In addition, these amounts will be presented as an operating activity on the consolidated statement of cash flows rather than as a financing activity. The new standard may cause volatility in the Company's effective tax rates and diluted earnings per share due to the tax effects related to share-based payments being recorded within the Company's consolidated statement of income, including a potential increase in the Company's provision for income taxes if a significant number of outstanding stock awards are exercised at recent levels of the Company's stock price.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The amendments in this ASU clarify how certain cash receipts and cash payments should be classified on the statement of cash flows. The new standard is effective for the Company beginning January 1, 2018 and should be applied retrospectively to all periods presented. The Company has not yet determined the effect that adoption of this ASU will have on its consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*. The amendments in this ASU allow entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The current guidance does not allow recognition until the asset has been sold to an outside party. The amendments in this ASU are effective for the Company beginning on January 1, 2018 and are to be applied on a modified retrospective basis. The Company has not yet determined the effect that adoption of this ASU will have on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The amendments in this ASU simplify the test for goodwill impairment by eliminating the second step in testing for goodwill impairment. The amendments in this new ASU are effective for the Company January 1, 2020 and are to be applied on a prospective basis. Early adoption is permitted after January 1, 2017. The Company is evaluating the effect that the implementation of this ASU will have on its consolidated financial statements, related disclosures and timing of implementation.

## **2. Earnings per share**

Basic net income per share is calculated by dividing net income attributable to the Company, adjusted for any change in noncontrolling interest redemption rights in excess of fair value, by the weighted average number of common shares and vested stock units outstanding, net of shares held in escrow that under certain circumstances may be returned to the Company.

Diluted net income per share includes the dilutive effect of outstanding stock-settled stock appreciation rights (SSARs), stock options and unvested stock units (under the treasury stock method) as well as shares held in escrow that the Company expects will remain outstanding.

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

	Year ended December 31,		
	2016	2015	2014
	(shares in thousands)		
<b>Basic:</b>			
Net income attributable to DaVita Inc. for basic earnings per share calculation	\$ 879,874	\$ 269,732	\$ 723,114
Weighted average shares outstanding during the period	203,835	214,062	214,496
Contingently returnable shares held in escrow for the DaVita HealthCare Partners merger	(2,194)	(2,194)	(2,194)
Weighted average shares for basic earnings per share calculation	201,641	211,868	212,302
<b>Basic net income per share attributable to DaVita Inc.</b>	<b>\$ 4.36</b>	<b>\$ 1.27</b>	<b>\$ 3.41</b>
<b>Diluted:</b>			
Net income attributable to DaVita Inc. for diluted earnings per share calculation	\$ 879,874	\$ 269,732	\$ 723,114
Weighted average shares outstanding during the period	203,835	214,062	214,496
Assumed incremental shares from stock plans	1,070	2,190	2,432
Weighted average shares for diluted earnings per share calculation	204,905	216,252	216,928
<b>Diluted net income per share attributable to DaVita Inc.</b>	<b>\$ 4.29</b>	<b>\$ 1.25</b>	<b>\$ 3.33</b>
Anti-dilutive stock-settled awards excluded from calculation <sup>(1)</sup>	2,523	1,365	1,715

(1) Shares associated with stock-settled stock appreciation rights excluded from the diluted denominator calculation because they are anti-dilutive under the treasury stock method.

### 3. Accounts receivable

For both years ending December 31, 2016 and 2015, approximately 81% of the Company's consolidated net accounts receivable is related to patient and other services, and approximately 19% is related to capitated health plans.

Approximately 16% and 18% of the Company's net patient services accounts receivable balances as of December 31, 2016 and 2015, respectively, were more than six months old, and there were no significant balances over one year old. Accounts receivable are principally from Medicare and Medicaid programs and commercial insurance plans.

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the ultimate collectability of its accounts receivable, the Company analyzes its historical cash collection experience and trends for each payor to estimate the adequacy of the allowance for doubtful accounts and the amount of the provision for uncollectible accounts. Management regularly updates its analysis based upon the most recent information available to it to determine its current provision for uncollectible accounts and the adequacy of its allowance for doubtful accounts.

For receivables associated with dialysis and related lab services covered by government payors, like Medicare, the Company receives 80% of the payment directly from Medicare as established under the government's bundled payment system and determines an appropriate allowance for doubtful accounts and provision for uncollectible accounts on the remaining balance due depending upon the Company's estimate of the amounts ultimately collectible from other secondary coverage sources or from the patients. For receivables associated with services to patients covered by commercial payors that are either based upon contractual terms or for non-contracted health plan coverage, the Company provides an allowance for doubtful accounts by recording a provision for uncollectible accounts based upon its historical collection experience, potential inefficiencies in its billing processes and for which collectability is determined to be unlikely.

For receivables associated with the Company's capitated health plans, the balances remain on the balance sheet for as long as the respective plan years are open, which varies by health plan, but is generally two years in length. The majority of the Company's capitated health plans accounts receivable is one to three months old with collections occurring on a periodic basis throughout the duration of the corresponding plan year.

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Approximately 1% of the Company's U.S. dialysis and related lab services net accounts receivable are associated with patient pay and it is the Company's policy to reserve 100% of the outstanding accounts receivable balances for dialysis services when those amounts due are outstanding for more than three months and to reserve 100% of the outstanding patient pay accounts receivable balances for DMG's services when those amounts due have been outstanding for more than twelve months.

During the year ended December 31, 2016, the Company's allowance for doubtful accounts decreased by \$12,088. The decrease in 2016 was primarily due to an increase in the write-offs of patient pay billings in the Company's U.S. dialysis business. The decrease was also due to a reduction in accounts receivable older than six months. During the year ended December 31, 2015, the Company's allowance for doubtful accounts increased by \$21,470. The increase in 2015 was primarily due to an increase in the provision for uncollectible accounts due to an increase in the write-offs of Medicare secondary billings.

**4. Other receivables**

Other receivables were comprised of the following:

	December 31,	
	2016	2015
Supplier rebates and non-trade receivables	\$ 347,123	\$ 316,644
Medicare bad debt claims	104,658	105,714
Operating advances under management and administrative services agreements	1,702	13,527
	\$ 453,483	\$ 435,885

Operating advances under management and administrative services agreements are generally unsecured.

**5. Other current assets**

Other current assets were comprised of the following:

	December 31,	
	2016	2015
Prepaid expenses	\$ 131,833	\$ 105,216
Funds on deposit with third parties	75,877	82,679
Other	2,894	2,427
	\$ 210,604	\$ 190,322

**6. Property and equipment**

Property and equipment were comprised of the following:

	December 31,	
	2016	2015
Land	\$ 59,013	\$ 42,080
Buildings	491,301	437,283
Leasehold improvements	2,598,471	2,289,425
Equipment and information systems, including internally developed software	2,378,303	2,080,446
New center and capital asset projects in progress	480,439	336,513
	6,007,527	5,185,747
Less accumulated depreciation	(2,832,160)	(2,397,007)
	\$ 3,175,367	\$ 2,788,740

Depreciation expense on property and equipment was \$545,734, \$475,484 and \$428,309 for 2016, 2015 and 2014, 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 \$12,990, \$9,723 and \$7,888 for 2016, 2015 and 2014, respectively.

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**7. Intangibles**

Intangible assets other than goodwill were comprised of the following:

	December 31,	
	2016	2015
Customer relationships	\$ 1,568,161	\$ 1,575,865
Trade names	190,761	170,883
Provider network and practice management tools	187,318	183,724
Noncompetition and other agreements	512,505	510,521
Lease agreements	7,624	7,306
Indefinite-lived assets	1,546	9,310
Other	583	408
	<u>2,468,498</u>	<u>2,458,017</u>
Less accumulated amortization	<u>(940,731)</u>	<u>(770,691)</u>
	<u>\$ 1,527,767</u>	<u>\$ 1,687,326</u>

Amortization expense from amortizable intangible assets, other than lease agreements, was \$174,518, \$166,537 and \$167,956 for 2016, 2015 and 2014, respectively. Lease agreement intangible assets and liabilities were amortized to rent expense in the amounts of \$(923), \$(1,613) and \$(1,798) for 2016, 2015 and 2014, respectively.

During the year ended December 31, 2016, the Company did not recognize impairment charges on any intangible assets other than goodwill. During the year ended December 31, 2015, the Company recognized a \$17,400 impairment charge on an indefinite-lived intangible asset of its DMG Nevada reporting unit.

Amortizable intangible liabilities were comprised of the following:

	December 31,	
	2016	2015
Lease agreements (net of accumulated amortization of \$8,485 and \$6,936)	7,420	8,969
	<u>\$ 7,420</u>	<u>\$ 8,969</u>

There was no amortization benefit recognized from the alliance and product supply agreement in 2016 as it expired in September 2015. Amortization benefit related to this agreement was \$3,997 for 2015 and \$5,330 for 2014 related to this agreement. Lease agreement intangible liabilities are classified in other long-term liabilities and amortized to rent expense.

Scheduled amortization charges from amortizable intangible assets and liabilities as of December 31, 2016 were as follows:

	Customer relationships	Trade names	Provider network and practice management tools	Noncompetition and other agreements	Lease agreements	Other
2017	82,669	47,046	26,941	30,156	(1,228)	102
2018	82,664	47,046	26,881	19,519	(892)	102
2019	82,625	11,008	22,492	15,796	(832)	87
2020	82,609	3,800	581	10,437	(678)	44
2021	82,609	633	97	7,005	(606)	—
Thereafter	821,282	—	—	21,990	(3,184)	—

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
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**8. Equity investments**

Equity investments that do not have readily determinable fair values are carried on the cost or equity method, as applicable. The Company maintains equity method investments in nonconsolidated investees in both its Kidney Care and DMG lines of business, as well as minor cost method investments in private securities of certain other healthcare businesses. The Company classifies its non-marketable cost or equity method investments as equity investments on its balance sheet.

As described in Note 21, the Company deconsolidated its Asia Pacific dialysis business (APAC JV) effective as of August 1, 2016, adjusted its retained investment in the APAC JV to estimated fair value at that time, and has accounted for this retained investment on the equity method since August 1, 2016.

During the year ended December 31, 2016, the Company recorded an impairment of \$14,993 related to a minority equity investment in one of its international reporting units.

Equity investments in nonconsolidated businesses were \$502,389 and \$78,368 at December 31, 2016 and 2015, respectively. The increase in equity investments was primarily related to the APAC JV, as discussed above. During 2016, 2015 and 2014, the Company recognized equity investment income of \$13,044, \$18,325 and \$23,234, respectively, relating to equity investments in nonconsolidated businesses under the equity method of accounting.

**9. Investments in debt and equity securities**

The Company classifies certain debt securities as held-to-maturity and records them at amortized cost based on the Company's intentions and strategies concerning those investments. Equity securities that have readily determinable fair values, and certain other financial instruments that have readily determinable fair values or redemption values, are classified as available for sale and recorded at estimated fair value.

The Company's investments in securities and certain other financial instruments consist of the following:

	December 31, 2016			December 31, 2015		
	Held to maturity	Available for sale	Total	Held to maturity	Available for sale	Total
Certificates of deposit, commercial paper and money market funds due within one year	\$ 256,827	\$ —	\$ 256,827	\$ 406,884	\$ —	\$ 406,884
Investments in mutual funds and common stock	50,000	47,404	97,404	—	33,482	33,482
Cash surrender value of life insurance policies	—	59,646	59,646	—	56,840	56,840
	<u>\$ 306,827</u>	<u>\$ 107,050</u>	<u>\$ 413,877</u>	<u>\$ 406,884</u>	<u>\$ 90,322</u>	<u>\$ 497,206</u>
Short-term investments	\$ 306,827	\$ 3,371	\$ 310,198	\$ 406,884	\$ 1,200	\$ 408,084
Long-term investments	—	103,679	103,679	—	89,122	89,122
	<u>\$ 306,827</u>	<u>\$ 107,050</u>	<u>\$ 413,877</u>	<u>\$ 406,884</u>	<u>\$ 90,322</u>	<u>\$ 497,206</u>

The cost of certificates of deposit, commercial paper and money market funds at December 31, 2016 and 2015 approximate their fair value. As of December 31, 2016 and 2015, available for sale investments included \$3,701 and \$2,589, respectively, of gross pre-tax unrealized gains. During 2016 and 2015 the Company recorded gross pre-tax unrealized gains (losses) of \$1,802 and \$(1,974), respectively, in other comprehensive income associated with changes in the fair value of these investments. During 2016, the Company sold investments in mutual funds and common stock for net proceeds of \$14,971, and recognized a pre-tax gain of \$690, or \$423 after tax, that was previously recorded in other comprehensive income. During 2015, the Company sold investments in mutual funds and common stock for net proceeds of \$1,295, and recognized a pre-tax gain of \$618, or \$377 after tax, that was previously recorded in other comprehensive income.

Investments in mutual funds classified as available for sale are held within trusts to fund existing obligations associated with several of the Company's non-qualified deferred compensation plans.

Investments in life insurance policies are carried at their cash surrender value, are held within trusts to fund existing obligations associated with certain of the Company's non-qualified deferred compensation plans, and are principally classified as long-term to correspond with the long-term classification of the related plan liabilities. See Note 16 for further details.

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**10. Goodwill**

Changes in the carrying value of goodwill by reportable segments were as follows:

	U.S. dialysis and related lab services	DMG	Other ancillary services and strategic initiatives	Consolidated total
Balance at January 1, 2015	\$ 5,610,643	\$ 3,562,534	\$ 242,118	\$ 9,415,295
Acquisitions	21,910	29,910	45,273	\$ 97,093
Divestitures	(3,370)	(5,411)	—	\$ (8,781)
Goodwill impairment charges	—	(188,769)	(4,065)	\$ (192,834)
Foreign currency and other adjustments	—	—	(16,294)	\$ (16,294)
Balance at December 31, 2015	<u>\$ 5,629,183</u>	<u>\$ 3,398,264</u>	<u>\$ 267,032</u>	<u>\$ 9,294,479</u>
Acquisitions	75,295	248,901	123,632	\$ 447,828
Divestitures	(12,891)	(2,223)	(29,645)	\$ (44,759)
Goodwill impairment charges	—	(253,000)	(28,415)	\$ (281,415)
Foreign currency and other adjustments	—	—	(8,816)	\$ (8,816)
Balance at December 31, 2016	<u>\$ 5,691,587</u>	<u>\$ 3,391,942</u>	<u>\$ 323,788</u>	<u>\$ 9,407,317</u>
<b>Balance at December 31, 2016:</b>				
Goodwill	\$ 5,691,587	\$ 3,833,711	\$ 358,112	\$ 9,883,410
Accumulated impairment charges	—	(441,769)	(34,324)	\$ (476,093)
	<u>\$ 5,691,587</u>	<u>\$ 3,391,942</u>	<u>\$ 323,788</u>	<u>\$ 9,407,317</u>

Each of the Company's operating segments described in Note 25 to these consolidated financial statements represents an individual reporting unit for goodwill impairment testing purposes, except that each sovereign jurisdiction within the Company's international operating segments is considered a separate reporting unit.

Within the U.S. dialysis and related lab services operating segment, the Company considers each of its dialysis centers to constitute an individual business for which discrete financial information is available. However, since these dialysis centers have similar operating and economic characteristics, and the allocation of resources and significant investment decisions concerning these businesses are highly centralized and the benefits broadly distributed, the Company has aggregated these centers and deemed them to constitute a single reporting unit.

The Company has applied a similar aggregation to the DMG operations in each region, to the vascular access service centers in its vascular access services reporting unit, to the physician practices in its physician services and direct primary care reporting units, and to the dialysis centers within each international reporting unit. For the Company's other operating segments, discrete business components below the operating segment level constitute individual reporting units.

During the fourth quarter of 2015, the Company recognized impairment charges of \$188,769 on goodwill of certain DMG reporting units based on assessments performed after circumstances indicated it had become more likely than not that the goodwill of certain DMG reporting units had become impaired. These circumstances included under-performance of the business in recent quarters as well as changes in other market conditions, including government reimbursement cuts and the Company's expected ability to mitigate them.

Based on continuing developments at the Company's DMG reporting units during 2016, including the Medicare Advantage final benchmark rates for 2017 announced on April 4, 2016, further changes in expectations concerning future government reimbursement rates and the Company's expected ability to mitigate them, as well as medical cost and utilization trends, underperformance of certain at-risk units in recent quarters and other market conditions, the Company performed additional goodwill impairment assessments for certain at-risk DMG reporting units during each of the first three quarters of 2016 and as of their November 1 annual assessment date.

In addition, during the quarter ended December 31, 2016, the Company determined that circumstances indicated it had become more likely than not that the goodwill of the Company's vascular access reporting unit had become impaired. These circumstances included changes in future governmental reimbursement and the Company's expected ability to mitigate them. Specifically, on November 2, 2016, CMS released the 2017 Physician Fee Schedule Final Rule and the Ambulatory Surgical Center Payment Final



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Rule which reflected significant changes in reimbursement structure for this business unit. Accordingly, the Company performed the required valuations to estimate the fair value of the net assets and implied goodwill of this reporting unit with the assistance of a third-party valuation firm.

As a result of the assessments described above, the Company has recognized the goodwill impairment charges below:

Reporting unit	Year ended December 31,		
	2016	2015	2014
DMG Nevada	\$ 161,800	\$ 181,253	\$ —
DMG Florida	91,200	5,800	—
DMG Arizona	—	1,716	—
Vascular access	28,415	—	—
International operations	—	4,065	1,000
Total	<u>\$ 281,415</u>	<u>\$ 192,834</u>	<u>\$ 1,000</u>

Further reductions in reimbursement rates, increases in medical cost or utilization trends, or other significant adverse changes in expected future cash flows or valuation assumptions could result in goodwill impairment charges in the future for the following reporting units, which remain at risk of goodwill impairment:

Reporting unit	Goodwill balance as of December 31, 2016	Carrying amount coverage(1)	Sensitivities	
			Operating income(2)	Discount rate(3)
DMG Nevada	\$ 261,204	11.4%	-2.2%	-3.9%
DMG Florida	\$ 442,835	7.1%	-1.7%	-3.2%
DMG New Mexico	\$ 70,926	2.6%	-1.5%	-2.2%
DMG Washington	\$ 244,502	3.7%	-1.8%	-3.4%
Vascular access	\$ 34,696	4.3%	-2.7%	-5.3%

- (1) Excess of estimated fair value of the reporting unit over carrying amount as of the latest assessment date.
- (2) Potential impact on estimated fair value of a sustained, long-term reduction of 3% in operating income as of the latest assessment date.
- (3) Potential impact on estimated fair value of an increase in discount rates of 100 basis points as of the latest assessment date.

There were no major changes in the business, prospects, or expected future results of these reporting units from their latest assessment date.

Except as described above, none of the Company's various other reporting units were considered at risk of goodwill impairment as of December 31, 2016. Since the dates of the Company's last annual goodwill impairment tests, there have been certain developments, events, changes in operating performance and other changes in key circumstances that have affected the Company's businesses. However, except as further described above, these did not cause management to believe it is more likely than not that the fair value of any of the Company's other reporting units would be less than their respective carrying amount.

## 11. Other liabilities

Other liabilities were comprised of the following:

	December 31,	
	2016	2015
Payor refunds and retractions	\$ 277,482	\$ 153,104
Contingent earn-out consideration	7,217	29,050
Insurance and self-insurance accruals	80,437	80,355
Accrued interest	82,234	81,585
Other medical payables	36,645	53,687
Accrued non-income tax liabilities	27,759	29,291
Other	345,073	255,051
	<u>\$ 856,847</u>	<u>\$ 682,123</u>

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**12. Medical payables**

The healthcare costs shown in the following table include estimates for the cost of professional medical services provided by non-employed physicians and other providers, as well as inpatient and other ancillary costs for all markets, other than California, where state regulation allows for the assumption of global risk. Healthcare costs payable are included in medical payables.

The following table shows the components of changes in the healthcare costs payable for the year ended December 31, 2016 and 2015:

	December 31,	
	2016	2015
Healthcare costs payable, beginning of the year	\$ 212,641	\$ 214,405
Add: Components of incurred healthcare costs		
Current year	1,673,742	1,587,036
Prior years	(141)	1,523
Total incurred healthcare costs	<u>1,673,601</u>	<u>1,588,559</u>
Less: Claims paid		
Current year	1,473,723	1,397,378
Prior years	198,244	192,945
Total claims paid	<u>1,671,967</u>	<u>1,590,323</u>
Healthcare costs payable, end of the year	<u>\$ 214,275</u>	<u>\$ 212,641</u>

The Company's prior year estimates of healthcare costs payable resulted in medical claims being settled for different amounts than originally estimated. When significant increases (decreases) in prior-year healthcare cost estimates occur that the Company believes significantly impacts its current year operating results, the Company discloses that amount as unfavorable (favorable) development of prior-year's healthcare cost estimates. Actual claim payments for prior year services have not been materially different from the Company's year-end estimates.

**13. Income taxes**

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Income before income taxes consisted of the following:

	Year ended December 31,		
	2016	2015	2014
Domestic	\$ 1,144,544	\$ 764,998	\$ 1,341,208
International	344,351	(41,862)	(31,535)
	<u>\$ 1,488,895</u>	<u>\$ 723,136</u>	<u>\$ 1,309,673</u>

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Income tax expense (benefit) consisted of the following:

	Year ended December 31,		
	2016	2015	2014
<b>Current:</b>			
Federal	\$ 337,178	\$ 183,263	\$ 188,302
State	48,771	30,766	30,789
International	1,928	856	1,687
Total current income tax	\$ 387,877	\$ 214,885	\$ 220,778
<b>Deferred:</b>			
Federal	93,214	88,718	192,267
State	(27,764)	(8,307)	32,360
International	2,486	430	938
Total deferred income tax	\$ 67,936	\$ 80,841	\$ 225,565
	<u>\$ 455,813</u>	<u>\$ 295,726</u>	<u>\$ 446,343</u>

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

	Year ended December 31,		
	2016	2015	2014
Federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	1.2	2.5	3.5
International rate differential	0.2	(1.1)	(0.2)
Gain on APAC JV ownership changes	(9.8)	—	—
Goodwill impairments	6.7	11.7	—
Changes in deferred tax valuation allowances	0.6	2.6	0.6
Other	0.2	1.5	(0.8)
Impact of noncontrolling interests primarily attributable to non-tax paying entities	(3.5)	(11.3)	(4.0)
Effective tax rate	<u>30.6%</u>	<u>40.9%</u>	<u>34.1%</u>

The Company has indefinitely reinvested \$381,523 of undistributed earnings of its foreign operations outside of the United States as of December 31, 2016. Included in this undistributed earnings amount is a non-taxable gain on the APAC JV ownership changes in the amount of \$374,374. No deferred tax liability has been recognized for the remittance of such earnings to the U.S. since it is the Company's intention to utilize these earnings in its foreign operations. The determination of the amount of deferred taxes on these earnings is not practicable since the computation would depend on a number of factors that cannot be known unless a decision is made to repatriate the earnings.

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Deferred tax assets and liabilities arising from temporary differences were as follows:

	December 31,	
	2016	2015
Receivables	\$ 19,283	\$ 43,393
Accrued liabilities	318,596	272,080
Net operating loss carryforwards	130,456	130,977
Other	147,487	114,805
Deferred tax assets	615,822	561,255
Valuation allowance	(56,016)	(57,811)
Net deferred tax assets	559,806	503,444
Intangible assets	(1,025,488)	(927,761)
Property and equipment	(230,870)	(205,071)
Investments in partnerships	(95,936)	(83,584)
Other	(16,640)	(13,990)
Deferred tax liabilities	(1,368,934)	(1,230,406)
Net deferred tax liabilities	\$ (809,128)	\$ (726,962)

At December 31, 2016, the Company had federal net operating loss carryforwards of approximately \$155,790 that expire through 2035, although a substantial amount expire by 2028. The Company also had state net operating loss carryforwards of \$836,774 that expire through 2036 and international net operating loss carryforwards of \$97,281, some of which have an indefinite life. The utilization of a portion of these losses may be limited in future years based on the profitability of certain entities. The valuation allowance net decrease of \$1,795 is primarily due to an increase related to the realizability of losses in certain foreign and state jurisdictions of \$8,339 and a decrease relating to the APAC JV ownership changes of \$10,134.

*Unrecognized tax benefits*

A reconciliation of the beginning and ending liability for unrecognized tax benefits that do not meet the more-likely-than-not threshold were as follows:

	Year ended December 31,	
	2016	2015
Beginning balance	\$ 39,011	\$ 31,877
Additions for tax positions related to current year	9,714	6,131
Additions for tax positions related to prior years	—	2,999
Reductions related to lapse of applicable statute	(1,277)	(1,996)
Reductions related to settlements with taxing authorities	(23,382)	—
Ending balance	\$ 24,066	\$ 39,011

As of December 31, 2016, the Company's total liability for unrecognized tax benefits relating to tax positions that do not meet the more-likely-than-not threshold is \$24,066, all of which would impact the Company's effective tax rate if recognized. This balance represents a decrease of \$14,945 from the December 31, 2015 balance of \$39,011, primarily due to the positive settlement of an IRS and state audit.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in its income tax expense. At December 31, 2016 and 2015, the Company had approximately \$2,595 and \$9,918, respectively, accrued for interest and penalties related to unrecognized tax benefits, net of federal tax benefit.

The Company and its subsidiaries file U.S. federal and state income tax returns and various international income tax returns. The Company is no longer subject to U.S. federal and state examinations by tax authorities for years before 2013 and 2008, respectively.

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**14. Long-term debt**

Long-term debt was comprised of the following:

	December 31,	
	2016	2015
Senior Secured Credit Facilities:		
Term Loan A	\$ 862,500	\$ 925,000
Term Loan B	3,412,500	3,447,500
Senior notes	4,500,000	4,500,000
Acquisition obligations and other notes payable	117,547	70,645
Capital lease obligations	299,682	283,185
Total debt principal outstanding	9,192,229	9,226,330
Discount and deferred financing costs	(79,861)	(95,985)
	9,112,368	9,130,345
Less current portion	(165,041)	(129,037)
	<u>\$ 8,947,327</u>	<u>\$ 9,001,308</u>

Scheduled maturities of long-term debt at December 31, 2016 were as follows:

2017	165,041
2018	167,684
2019	747,871
2020	69,508
2021	3,300,437
Thereafter	4,741,688

*Term Loans*

Total outstanding borrowings under Term Loan A and Term Loan B can consist of various individual tranches that can range in maturity from one month to twelve months (currently all tranches are one month in duration). For Term Loan A and Term Loan B, each tranche bears interest at a London Interbank Offered Rate (LIBOR) rate that is determined by the duration of such tranche plus an interest rate margin. The LIBOR variable component of the interest rate for each tranche is reset as such tranche matures and a new tranche is established. At December 31, 2016, the overall weighted average interest rate for Term Loan A was determined based upon the LIBOR interest rates in effect for all of the individual tranches plus the interest rate margin of 1.75%. At December 31, 2016, Term Loan B bears interest at LIBOR (floor of 0.75%) plus a margin of 2.75%. The Company is subject to LIBOR-based interest rate volatility on Term Loan B as the LIBOR-based component of the interest rate exceeded the floor of 0.75% as of December 31, 2016. The overall weighted average interest rate for Term Loan B was determined based upon the LIBOR interest rates in effect for all individual tranches plus the interest rate margin. The Company has several interest rate cap agreements that have the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on \$3,500,000 of outstanding principal debt. The remaining \$775,000 outstanding principal balance of Term Loan A would still be subject to LIBOR-based interest rate volatility. In addition, the Company maintains several forward interest rate cap agreements with notional amounts totaling \$3,500,000, which will be effective June 29, 2018. The cap agreements will have the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on an equivalent amount of the Company's debt. See below for further details. The Company is restricted from paying dividends under the terms of its senior secured credit facilities.

During the year ended December 31, 2016, the Company made mandatory principal payments under its then existing senior secured credit facilities totaling \$62,500 on Term Loan A and \$35,000 on Term Loan B.

*Revolving lines of credit*

The Company has an undrawn revolving line under the senior secured credit facilities totaling \$1,000,000, of which approximately \$95,629 was committed for outstanding letters of credit. In addition, the Company has approximately \$1,286 of committed outstanding letters of credit related to DMG, which is backed by a certificate of deposit.

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*Senior Notes*

The Company's senior notes as of December 31, 2016 consisted of \$1,500,000 of 5.0% Senior Notes due 2025, \$1,750,000 5 1/8% senior notes due 2024 and \$1,250,000 of 5 3/4% senior notes due 2022 (collectively Senior Notes).

The Senior Notes are unsecured obligations, rank equally in right of payment with the Company's existing and future unsecured senior indebtedness, and are guaranteed by substantially all of the Company's direct and indirect wholly-owned domestic subsidiaries and require semi-annual interest payments. The Company may redeem some or all of the Senior Notes at any time on or after certain specific dates and at certain specific redemption prices as outlined in each senior note agreement. The Company is restricted from paying dividends under the indentures governing its Senior Notes.

In April 2015, the Company issued \$1,500,000 5.0% Senior Notes due 2025 (5.0% Senior Notes). The 5.0% Senior Notes pay interest on May 1 and November 1 of each year beginning November 1, 2015. The 5.0% Senior Notes are unsecured senior obligations, rank equally in right of payment with the Company's existing and future unsecured senior indebtedness, and are guaranteed by certain of the Company's domestic subsidiaries. The Company may redeem up to 35% of the 5.0% Senior Notes at any time prior to May 1, 2018 at a certain specified price from the proceeds of one or more equity offerings. In addition, the Company may redeem some or all of the 5.0% Senior Notes at any time prior to May 1, 2020 at make-whole redemption rates and on or after such date at certain specified redemption prices. The net proceeds from the 5.0% Senior Notes offering were used to repurchase all of the \$775,000 aggregate outstanding principal balances of the 6 5/8% Senior Notes due 2020 (6 5/8% Senior Notes) through a combination of a tender offer and a redemption process and to pay fees and expenses. The remaining net offering proceeds were used for general corporate purposes, acquisitions and share repurchases. As a result of these transactions, the Company incurred \$48,072 in debt redemption charges consisting of tender and redemption premiums as well as the write-off of deferred financing costs associated with the repurchase of the 6 5/8% Senior Notes.

*Interest rate swaps and cap agreements*

During the year ended December 31, 2016 the Company had several interest rate swap agreements as a means of hedging its exposure to and volatility from variable-based interest rate changes as part of its overall interest rate risk management strategy. These agreements were not held for trading or speculative purposes and had the economic effect of converting the LIBOR variable component of the Company's Term Loan A interest rate to a fixed rate. These swap agreements were designated as cash flow hedges, and as a result, hedge-effective gains or losses resulting from changes in the fair values of these swaps were reported in other comprehensive income until such time as the hedged forecasted cash flows occurred, at which time the amounts were reclassified into net income. Net amounts paid or received for each specific swap tranche that had settled were reflected as adjustments to debt expense. In addition, the Company has entered into several interest rate cap agreements and several forward interest rate cap agreements that have the economic effect of capping the Company's maximum exposure to LIBOR variable interest rate changes on specific portions of the Company's floating rate debt, as described below. These cap agreements are also designated as cash flow hedges and, as a result, changes in the fair values of these cap agreements are reported in other comprehensive income. The amortization of the original cap premium is recognized as a component of debt expense on a straight-line basis over the term of the cap agreements. The swap and cap agreements do not contain credit-risk contingent features.

As of December 31, 2016, the Company maintains interest rate cap agreements that were entered into in November 2014 with notional amounts totaling \$3,500,000. These previously forward cap agreements became effective September 30, 2016 and have the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on an equivalent amount of the Company's debt. These cap agreements expire on June 30, 2018. As of December 31, 2016, the total fair value of these cap agreements was an asset of approximately \$116. During the year ended December 31, 2016, the Company recognized debt expense of \$2,070 from these caps. During the year ended December 31, 2016, the Company recorded a loss of \$1,196 in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

As of December 31, 2016, the Company maintains several forward interest rate cap agreements that were entered into in October 2015 with notional amounts totaling \$3,500,000. These forward cap agreements will become effective June 29, 2018 and will have the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on an equivalent amount of its debt. These cap agreements expire on June 30, 2020. As of December 31, 2016, the total fair value of these cap agreements was an asset of approximately \$9,813. During the year ended December 31, 2016, the Company recorded a loss of \$4,002 in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

Previously, the Company maintained several interest rate cap agreements with notional amounts totaling \$2,735,000 on the Company's Term Loan B debt. These agreements had the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 2.50% on an equivalent amount of the Company's Term Loan B. During the year ended

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December 31, 2016, the Company recognized debt expense of \$1,829 from these caps. The cap agreements expired on September 30, 2016.

The Company also previously maintained several interest rate swap agreements. These agreements had the economic effect of modifying the LIBOR variable component of the Company's interest rate on an equivalent amount of the Company's Term Loan A to fixed rates ranging from 0.49% to 0.52%. These interest rate swap agreements required monthly interest payments and expired on September 30, 2016. During the year ended December 31, 2016, the Company recognized debt expense of \$299 from these swaps, and recorded a loss of \$815 in other comprehensive income due to a decrease in the unrealized fair value of these swap agreements.

The following table summarizes the Company's derivative instruments as of December 31, 2016 and 2015:

	<b>Interest rate swap and cap agreements (liabilities and assets)</b>			
	<b>December 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Balance sheet location</b>	<b>Fair value</b>	<b>Balance sheet location</b>	<b>Fair value</b>
<b>Derivatives designated as hedging instruments</b>				
Interest rate swap agreements		\$ —	Other short-term assets	\$ 516
Interest rate cap agreements	Other long-term assets	\$ 9,929	Other long-term assets	\$ 15,127

The following table summarizes the effects of the Company's interest rate swap and cap agreements for the years ended December 31, 2016, 2015 and 2014:

	<b>Amount of losses recognized in OCI on interest rate swap and cap agreements</b>			<b>Location of (losses) gains reclassified from accumulated OCI into income</b>	<b>Amount of gains reclassified from accumulated OCI into income</b>		
	<b>Years ended December 31,</b>				<b>Years ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>		<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Derivatives designated as cash flow hedges</b>							
Interest rate swap agreements	\$ (815)	\$ (3,971)	\$ (8,390)	Debt expense	\$ 299	\$ 2,664	\$ 12,279
Interest rate cap agreements	(5,198)	(16,114)	(8,119)	Debt expense	3,899	2,439	5,130
Tax benefit (expense)	2,343	7,844	6,450		(1,632)	(1,992)	(6,801)
Total	<u>\$ (3,670)</u>	<u>\$ (12,241)</u>	<u>\$ (10,059)</u>		<u>\$ 2,566</u>	<u>\$ 3,111</u>	<u>\$ 10,608</u>

As of December 31, 2016, the interest rate on the Company's Term Loan B debt bears interest at LIBOR plus an interest rate margin of 2.75%. Term Loan B is subject to an interest rate cap if LIBOR should rise above 3.50%. Term Loan A bears interest at LIBOR plus an interest rate margin of 1.75%. The capped portion of Term Loan A is \$87.5 million. In addition, the uncapped portion of Term Loan A, which is subject to the variability of LIBOR, is \$775 million. See above for further details. Interest rates on the Company's Senior Notes are fixed by their terms.

The Company's overall weighted average effective interest rate on the senior secured credit facilities was 3.68%, based upon the current margins in effect of 1.75% for Term Loan A and 2.75% for Term Loan B, as of December 31, 2016.

The Company's overall weighted average effective interest rate for the year ended December 31, 2016 was 4.43% and as of December 31, 2016 was 4.52%.

*Debt expense*

Debt expense consisted of interest expense of \$394,279, \$389,755 and \$385,750 and the amortization and accretion of debt discounts and premiums, amortization of deferred financing costs and the amortization of interest rate cap agreements of \$20,103, \$18,625 and \$24,544 for 2016, 2015 and 2014, respectively. The interest expense amounts are net of capitalized interest.

**15. Leases**

The majority of the Company's facilities are leased under non-cancelable operating leases ranging in terms from five to fifteen years and which contain renewal options of five to ten years at the fair rental value at the time of renewal. The Company's leases are

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generally subject to periodic consumer price index increases or contain fixed escalation clauses. The Company also leases certain facilities and equipment under capital leases.

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

	Operating leases	Capital leases
2017	\$ 473,302	\$ 37,758
2018	442,959	34,442
2019	401,242	35,292
2020	354,559	35,575
2021	310,704	31,133
Thereafter	1,244,309	232,191
	<u>\$ 3,227,075</u>	<u>406,391</u>
Less portion representing interest		(106,709)
Total capital lease obligations, including current portion		<u>\$ 299,682</u>

Rent expense under all operating leases for 2016, 2015, and 2014 was \$563,204, \$514,287 and \$460,093, respectively. Rent expense is recorded on a straight-line basis over the term of the lease for leases that contain fixed escalation clauses or include abatement provisions. Leasehold improvement incentives are deferred and amortized to rent expense over the term of the lease. The net book value of property and equipment under capital leases was \$263,995 and \$261,960 at December 31, 2016 and 2015, respectively. Capital lease obligations are included in long-term debt. See Note 14 to these consolidated financial statements.

#### 16. Employee benefit plans

The Company has a savings plan for substantially all of its non-DMG employees which has been established pursuant to the provisions of Section 401(k) of the Internal Revenue Code (IRC). The plan allows 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 for its non-DMG employees.

The Company also has various savings plans covering substantially all of its DMG employees which have been established pursuant to the provisions of Section 401(k) of the IRC. These plans provide for multiple employer matching contributions up to 4% of employee contributions. The Company made matching contributions in 2016, 2015 and 2014 totaling approximately \$11,266, \$8,324 and \$7,400, respectively.

The Company also maintains a voluntary compensation deferral plan, the DaVita Voluntary Deferral Plan. This plan is non-qualified and permits certain employees whose annualized base salary equals or exceeds a minimum annual threshold amount as set by the Company to elect to defer all or a portion of their annual bonus payment and up to 50% of their base salary into a deferral account maintained by the Company. Total contributions to this plan in 2016, 2015 and 2014 were \$5,344, \$4,234 and \$3,772, respectively. Deferred amounts are generally paid out in cash at the participant's election either in the first or second year following retirement or in a specified future period at least three to four years after the deferral election was effective. During 2016, 2015 and 2014 the Company distributed \$916, \$1,270 and \$1,111, respectively, to participants in this plan. Participants are credited with their proportional amount of annual earnings from the plan. The assets of this plan are held in a rabbi trust and as such are subject to the claims of the Company's general creditors in the event of its bankruptcy. As of December 31, 2016 and 2015, the total fair value of assets held in this plan's trust were \$30,191 and \$23,800, respectively.

The Company also maintains two separate non-qualified voluntary compensation deferral plans for its DMG business, the HealthCare Partners, LLC Deferred Compensation Plan and the HealthCare Partners Medical Group, Inc. Deferred Compensation Plan 2. As of December 31, 2016 and 2015, the total fair value of the assets held in these plans' trusts were \$14,036 and \$8,578, respectively.

The Company also maintains an Executive Retirement Plan for certain members of management. This plan is non-qualified and contributions to the plan were made at the discretion of DVA Renal Healthcare based upon a pre-determined percentage of a participant's base salary. Effective November 2005, all contributions to this plan were discontinued and the balance of the plan assets will be paid out upon termination or retirement of each individual participant. During 2016 and 2015 the Company distributed \$149



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and \$25, respectively, to participants in this plan. During 2014 the Company did not make any distributions to participants under this plan. As of December 31, 2016 and 2015, the total fair value of assets held under this plan's trust was \$1,005 and \$1,104, respectively.

The Company also maintains a frozen non-qualified trust-owned life insurance deferred compensation plan, the HealthCare Partners Medical Group, Inc. Deferred Compensation Plan, for certain key employees of DMG. The total cash surrender value of all of the life insurance policies totaled approximately \$59,646 and \$56,840 at December 31, 2016 and 2015, respectively, and is included in long-term investments. In addition, the total deferred compensation liabilities owed to the participants totaled approximately \$54,486 and \$52,128 at December 31, 2016 and 2015, respectively, and are included in other long-term liabilities. During 2016, 2015 and 2014, the Company did not make any contributions on behalf of its participants.

The fair value of all of the assets held in plan trusts as of December 31, 2016, and 2015 totaled \$45,233 and \$33,482, respectively. The assets of these plans are available for sale and as such are recorded at fair market value with changes in the fair market values being recorded in other comprehensive income. Any fair market value changes to the corresponding liability balance are recorded as compensation expense. See Note 9 to these consolidated financial statements.

Most of the Company's outstanding employee stock plan awards include a provision accelerating the vesting of the award in the event of a change of control. The Company also maintains a change of control protection program for its employees who do not have a significant number of stock awards, which has been in place since 2001, and which provides for cash bonuses to employees in the event of a change of control. Based on the market price of the Company's common stock and shares outstanding on December 31, 2016, these cash bonuses would total approximately \$492,645 if a change of control transaction occurred at that price and the Company's Board of Directors did not modify the program. This amount has not been accrued at December 31, 2016, and would only be accrued upon a change of control. These change of control provisions may affect the price an acquirer would be willing to pay for the Company.

## **17. Contingencies**

The majority of the Company's revenues are from government programs and may be subject to adjustment as a result of: (i) examination by government agencies or contractors, for which the resolution of any matters raised may take extended periods of time to finalize; (ii) differing interpretations of government regulations by different Medicare contractors or regulatory authorities; (iii) differing opinions regarding a patient's medical diagnosis or the medical necessity of services provided; and (iv) retroactive applications or interpretations of governmental requirements. In addition, the Company's revenues from commercial payors may be subject to adjustment as a result of potential claims for refunds, as a result of government actions or as a result of other claims by commercial payors.

The Company operates in a highly regulated industry and is a party to various lawsuits, claims, governmental investigations and audits (including investigations resulting from its obligation to self-report suspected violations of law) and other legal proceedings. The Company records accruals for certain legal proceedings and regulatory matters to the extent that the Company determines an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. While these accruals reflect the Company's best estimate of the probable loss for those matters as the dates of those accruals, the recorded amounts may differ materially from the actual amount of the losses for those matters. Additionally, in some cases, no estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made because of the inherently unpredictable nature of legal proceedings and regulatory matters, which may be exacerbated by various factors, including that they may involve indeterminate claims for monetary damages or may involve fines, penalties or non-monetary remedies; present novel legal theories or legal uncertainties; involve disputed facts; represent a shift in regulatory policy; are in the early stages of the proceedings; or result in a change of business practices. Further, there may be various levels of judicial review available to the Company in connection with any such proceeding.

The following is a description of certain lawsuits, claims, governmental investigations and audits and other legal proceedings to which the Company is subject.

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***Inquiries by the Federal Government and Certain Related Civil Proceedings***

**Vainer Private Civil Suit:** As previously disclosed, the Company received a subpoena for documents from the Office of Inspector General (OIG) for the U.S. Department of Health and Human Services (HHS) relating to the pharmaceutical products Zemplar, Hectorol, Venofer, Ferrlecit and erythropoietin (EPO), as well as other related matters, covering the period from January 2003 to December 2008. The Company subsequently learned that the allegations underlying this inquiry were made as part of a civil complaint filed by relators, Daniel Barbir and Dr. Alon Vainer, pursuant to the *qui tam* provisions of the federal False Claims Act (FCA). The relators also alleged that the Company's drug administration practices for the Company's dialysis operations for Vitamin D and iron agents from 2003 through 2010 fraudulently created unnecessary waste, which was billed to and paid for by the government. In June 2015, the Company finalized the terms of the settlement with plaintiffs, including a settlement amount of \$450,000 and attorney fees and other costs of \$45,000 which was paid in 2015.

**2011 U.S. Attorney Medicaid Investigation:** In October 2011, the Company announced that it would be receiving a request for documents, which could include an administrative subpoena from the OIG. Subsequent to the Company's announcement of this 2011 U.S. Attorney Medicaid Investigation, the Company received a request for documents in connection with the inquiry by the U.S. Attorney's Office for the Eastern District of New York. The request related to payments for infusion drugs covered by Medicaid composite payments for dialysis. It is the Company's understanding that this inquiry is civil in nature. The Company understands further that certain other providers that operate dialysis clinics in New York may have received a similar request for documents. The Company cooperated with the government and produced the requested documents. In April 2014, the Company reached an agreement in principle with the government. In March 2016, the Company finalized and executed settlement agreements with the State of New York and the U.S. Department of Justice (DOJ), including a settlement payment of an immaterial amount.

**Swoben Private Civil Suit:** In April 2013, HealthCare Partners (HCP), now known as the Company's DaVita Medical Group (DMG) subsidiary, was one of several defendants served with a civil complaint filed by a former employee of SCAN Health Plan (SCAN), an HMO. On July 13, 2009, pursuant to the *qui tam* provisions of the federal False Claims Act (FCA) and the California False Claims Act, James M. Swoben, as relator, filed his initial *qui tam* action in the United States District Court for the Central District of California purportedly on behalf of the United States of America and the State of California against SCAN, and certain other defendants whose identities were under seal. The allegations in the complaint relate to alleged overpayments received from government healthcare programs. In 2009 and 2010, the relator twice amended his complaint and added additional defendants, and in November 2011, he filed his Third Amended Complaint under seal alleging violations of the federal FCA and the California False Claims Act, and added additional defendants, including HCP and certain health insurance companies (the defendant HMOs). The allegations in the complaint against HCP relate to patient diagnosis coding to determine reimbursement in the Medicare Advantage program, referred to as HCC and RAF scores. The complaint sought monetary damages and civil penalties as well as costs and expenses. The DOJ reviewed these allegations and in January 2013 declined to intervene in the case. HCP and the other defendants filed motions to dismiss the Third Amended Complaint, and the court dismissed with prejudice the claims and judgment was entered in September 2013. Upon the plaintiff's appeal, a panel of the Ninth Circuit overturned the trial court's ruling and vacated the dismissal of the case. The Company, with certain defendants, petitioned the Ninth Circuit for a rehearing, but in December 2016, the Ninth Circuit rejected the petition and determined the relator should be given an opportunity to amend the complaint, and remanded the case back to district court.

**2015 U.S. Attorney Transportation Investigation:** In February 2015, the Company announced that it received six administrative subpoenas from the OIG for medical records from six different dialysis centers in southern California operated by the Company. Specifically, each subpoena sought the medical records of a single patient of each respective dialysis center. In February 2016, the Company received four additional subpoenas for four additional dialysis centers in southern California. The subpoenas were similarly limited in scope to the subpoenas received in 2015. On February 8, 2017, the Company was served with a *qui tam* complaint in the U.S. District Court for the Central District of California. The Company has been advised by an attorney with the United States Attorney's Office for the Central District of California that the *qui tam* is related to the investigation concerning the medical necessity of patient transportation, which was the basis for the subpoenas. The relator alleges that an ambulance company submitted false claims for patient transportation. Although the Company does not provide transportation nor does it bill for the transport of its dialysis patients, the relator alleges that two of its purported clinical staff caused the submission of a small number of those claims through improper certifications of medical necessity. The Company is investigating these allegations and intends to defend accordingly. The DOJ has declined to intervene.

**2015 U.S. Office of Inspector General (OIG) Medicare Advantage Civil Investigation:** In March 2015, JSA HealthCare Corporation (JSA), a subsidiary of DMG, received a subpoena from the OIG. The Company has been advised by an attorney with the Civil Division of the DOJ in Washington, D.C. that the subpoena relates to an ongoing civil investigation concerning Medicare Advantage service providers' risk adjustment practices and data, including identification and verification of patient diagnoses and

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factors used in making the diagnoses. The subpoena requests documents and information for the period from January 1, 2008 through December 31, 2013, for certain Medicare Advantage plans for which JSA provided services. It also requests information regarding JSA's communications about patient diagnoses as they relate to certain Medicare Advantage plans generally, and more specifically as related to two Florida physicians with whom JSA previously contracted. The Company is producing the requested information and is cooperating with the government's investigation.

In addition to the subpoena described above, in June 2015, the Company received a subpoena from the OIG. This civil subpoena covers the period from January 1, 2008 through the present and seeks production of a wide range of documents relating to the Company's and its subsidiaries' (including DMG's and its subsidiary JSA's) provision of services to Medicare Advantage plans and related patient diagnosis coding and risk adjustment submissions and payments. The Company believes that the request is part of a broader industry investigation into Medicare Advantage patient diagnosis coding and risk adjustment practices and potential overpayments by the government. The information requested includes information relating to patient diagnosis coding practices for a number of conditions, including potentially improper historical DMG coding for a particular condition. With respect to that condition, the guidance related to that coding issue was discontinued following the Company's November 1, 2012 acquisition of DMG, and the Company notified CMS in April 2015 of the coding practice and potential overpayments. In that regard, the Company has identified certain additional coding practices which may have been problematic and is in discussions with the DOJ about the scope and nature of a review of claims relating to those practices. The Company is cooperating with the government and is producing the requested information. In addition, the Company is continuing to review other DMG coding practices to determine whether there were any improper coding issues. In connection with the DMG merger, the Company has certain indemnification rights against the sellers and an escrow was established as security for the indemnification. The Company has submitted an indemnification claim against the sellers secured by the escrow for any and all liabilities incurred relating to these matters and intends to pursue recovery from the escrow. However, the Company can make no assurances that the indemnification and escrow will cover the full amount of the Company's potential losses related to these matters.

2015 U.S. Department of Justice Vascular Access Investigation and Related *Qui Tam* Litigation: In November 2015, the Company announced that RMS Lifeline, Inc., a wholly-owned subsidiary of the Company that operates under the name Lifeline Vascular Access (Lifeline), received a Civil Investigative Demand (CID) from the DOJ. The CID relates to two vascular access centers in Florida that are part of Lifeline's vascular access business. The CID covers the period from January 1, 2008 through the present. The Company acquired these two centers in December 2012. Based on the language of the CID, the DOJ appeared to be looking at whether angiograms performed at the two centers were medically unnecessary and therefore whether related claims filed with federal healthcare programs possibly violated the FCA. Lifeline does not perform dialysis services but instead provides vascular access management services for dialysis patients. The Company cooperated with the government and produced the requested information. The DOJ investigation was initiated pursuant to a complaint brought under the *qui tam* provisions of the FCA (the Complaint). The Complaint was originally filed under seal in August 2014 in the U.S. District Court, Middle District of Florida, United States ex. rel James Spafford v. DaVita HealthCare Partners, Inc., et al., Case Number 6:14-cv-1251-Orl-41DAB, naming several doctors along with the Company as defendants. In December 2015, a First Amended Complaint was filed under seal. In May 2016, the First Amended Complaint was unsealed. The First Amended Complaint alleges violations of the FCA due to the submission of claims to the government for allegedly medically unnecessary angiograms and angiography procedures at the two vascular access centers as well as employment-related claims. The Complaint covers alleged conduct dating from July 2008, prior to the Company's acquisition of the centers, to the present. The DOJ declined to intervene. In the third quarter of 2016 the Company recorded an accrual of a non-material amount for potential damages and liabilities. In January 2017, the Company finalized and executed a settlement agreement with the relator and the government for an immaterial amount.

2016 U.S. Attorney Prescription Drug Investigation: In early February 2016, the Company announced that its pharmacy services' wholly-owned subsidiary, DaVita Rx, received a CID from the U.S. Attorney's Office for the Northern District of Texas. It appears the government is conducting an FCA investigation concerning allegations that DaVita Rx presented or caused to be presented false claims for payment to the government for prescription medications, as well as into the Company's relationship with pharmaceutical manufacturers. The CID covers the period from January 1, 2006 through the present. In the spring of 2015, the Company initiated an internal compliance review of DaVita Rx during which it identified potential billing and operational issues. The Company notified the government in September 2015 that it was conducting this review of DaVita Rx and began providing regular updates of its review. As of December 31, 2016, the Company recorded estimated accruals totaling \$38,330 for potential damages and liabilities associated with write-offs and discounts of patient co-payment obligations, and credits to payors for returns of prescriptions drugs, related to DaVita Rx that were identified during the course of this internal compliance review. Upon completion of its review, the Company filed a self-disclosure with the OIG in early February 2016 and has been working to address and update the practices it identified in the self-disclosure, some of which overlap with information requested by the U.S. Attorney's Office. The Company may accrue additional reserves for refunds and related damages and potential liabilities arising out of this review. The Company does not

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know if the U.S. Attorney's Office, which is part of the DOJ, knew when it served the CID on the Company that it was already in the process of developing a self-disclosure to the OIG. The OIG informed the Company in February 2016 that its submission was not accepted. They indicated that the OIG is not expressing an opinion regarding the conduct disclosed or the Company's legal positions. The Company is cooperating with the government and is producing the requested information.

Solari Post-Acquisition Matter: In 2016, HCP Nevada disclosed to the OIG for the Department of Health and Human Services (HHS) that proper procedures for clinical and eligibility determinations may not have been followed by Las Vegas Solari Hospice (Solari), which was acquired in March 2013 and sold in September 2016 by HCP Nevada. In June 2016, the Company was notified by the OIG that the disclosure submission had been accepted into the OIG's Self Disclosure Protocol. The Company recorded an estimated accrual of \$16,000 for potential damages and liabilities associated with this matter. HCP Nevada had previously made a disclosure and repayment of overpayments to National Government Services (NGS), the Medicare Administrative Contractor for HCP Nevada, for claims submitted by Solari to the federal government prior to DMG's acquisition of Solari and claims made to the government post-acquisition for which the sellers had certain responsibilities pursuant to a management services agreement. The Company may accrue additional reserves for potential damages and liabilities related to this matter. The Company is cooperating with the government in this matter.

2017 U.S. Attorney American Kidney Fund Investigation: On January 4, 2017, the Company was served with an administrative subpoena for records by the United States Attorney's Office, District of Massachusetts, relating to an investigation into possible federal health care offenses. The subpoena covers the period from January 1, 2007 through the present, and seeks documents relevant to charitable patient assistance organizations, particularly the American Kidney Fund, including documents related to efforts to provide patients with information concerning the availability of charitable assistance. The Company intends to cooperate with the government in this investigation.

Although the Company cannot predict whether or when proceedings might be initiated or when these matters may be resolved (other than as described above), it is not unusual for inquiries such as these to continue for a considerable period of time through the various phases of document and witness requests and on-going discussions with regulators. In addition to the inquiries and proceedings specifically identified above, the Company is frequently subject to other inquiries by state or federal government agencies and/or private civil qui tam complaints filed by relators. Negative findings or terms and conditions that the Company might agree to accept as part of a negotiated resolution of pending or future government inquiries or relator proceedings could result in, among other things, substantial financial penalties or awards against the Company, substantial payments made by the Company, harm to the Company's reputation, required changes to the Company's business practices, exclusion from future participation in the Medicare, Medicaid and other federal health care programs and, if criminal proceedings were initiated against the Company, possible criminal penalties, any of which could have a material adverse effect on the Company.

#### ***Shareholder Claims***

Peace Officers' Annuity and Benefit of Georgia Securities Laws Class Action Civil Suit: On February 1, 2017, the Peace Officers' Annuity and Benefit Fund of Georgia filed a putative federal securities class action complaint in the U.S. District Court for the District of Colorado against the Company and certain executives. The complaint covers the time period of August 2015 to October 2016 and alleges, generally, that the Company and its executives violated federal securities laws concerning the Company's financial results and revenue derived from patients who received charitable premium assistance from an industry-funded non-profit organization. The complaint further alleges that the process by which patients obtained commercial insurance and received charitable premium assistance was improper and "created a false impression of DaVita's business and operational status and future growth prospects." The Company disputes these allegations and intends to defend this action accordingly.

Blackburn Shareholder Derivative Civil Suit: On February 10, 2017, Charles Blackburn filed a derivative shareholder lawsuit in the U.S. District Court for the District of Delaware against the Company, as nominal defendant, the Board of Directors and certain executives. The complaint covers the time period from 2015 to present and alleges, generally, breach of fiduciary duty, unjust enrichment and misrepresentations and/or failures to disclose certain information in violation of the federal securities laws in the Company's 2016 proxy statement in connection with an alleged practice to direct patients with government-subsidized health insurance into private health insurance plans to maximize the Company's profits. The Company disputes these allegations and intends to defend this action accordingly.

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***Other Proceedings***

In addition to the foregoing, from time to time the Company is subject to other lawsuits, claims, governmental investigations and audits and legal proceedings that arise due to the nature of its business, including contractual disputes, such as with payors, suppliers and others, employee-related matters and professional and general liability claims.

From time to time, the Company initiates litigation or other legal proceedings as a plaintiff arising out of contracts or other matters. In that regard, the Company had a pending lawsuit in the U.S. Court of Federal Claims against the federal government which was originally filed in May 2011. The lawsuit related to the U.S. Department of Veterans Affairs (VA) underpayment of dialysis services the Company provided from 2005 through 2011 to veterans pursuant to VA regulations. In January 2017, the Company reached a resolution of its claims with the government for \$538,000, which the Company expects to recognize in its first quarter 2017 financial statements.

\* \* \*

Other than as described above, the Company cannot predict the ultimate outcomes of the various legal proceedings and regulatory matters to which the Company is or may be subject from time to time, including those described in this Note 17, or the timing of their resolution or the ultimate losses or impact of developments in those matters, which could have a material adverse effect on the Company's revenues, earnings and cash flows. Further, any legal proceedings or regulatory matters involving the Company, whether meritorious or not, are time consuming, and often require management's attention and result in significant legal expense, and may result in the diversion of significant operational resources, or otherwise harm the Company's business or reputation.

**18. Noncontrolling interests subject to put provisions and other commitments**

*Noncontrolling interests subject to put provisions*

The Company has potential obligations to purchase the equity interests held by third parties in several of its majority-owned joint ventures and other nonconsolidated entities. These obligations are in the form of put provisions and are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, the Company would be required to purchase the third-party owners' equity interests at either the appraised fair market value or a predetermined multiple of earnings or cash flow attributable to the equity interests put to the Company, which is intended to approximate fair value. The methodology the Company uses to estimate the fair values of noncontrolling interests subject to put provisions assumes the higher of either a liquidation value of net assets or an average multiple of earnings, based on historical earnings, patient mix and other performance indicators that can affect future results, as well as other factors. The estimated fair values of the noncontrolling interests subject to put provisions is a critical accounting estimate that involves significant judgments and assumptions and may not be indicative of the actual values at which the noncontrolling interests may ultimately be settled, which could vary significantly from the Company's current estimates. The estimated fair values of noncontrolling interests subject to put provisions can fluctuate and the implicit multiple of earnings at which these noncontrolling interests obligations may be settled will vary significantly depending upon market conditions including potential purchasers' access to the capital markets, which can impact the level of competition for dialysis and non-dialysis related businesses, the economic performance of these businesses and the restricted marketability of the third-party owners' equity interests. The amount of noncontrolling interests subject to put provisions that employ a contractually predetermined multiple of earnings rather than fair value are immaterial.

Additionally, the Company has certain other potential commitments to provide operating capital to several dialysis centers that are wholly-owned by third parties or centers in which the Company owns a noncontrolling equity interest as well as to physician-owned vascular access clinics or medical practices that the Company operates under management and administrative service agreements of approximately \$1,500.

Certain consolidated joint ventures are originally contractually scheduled to dissolve after terms ranging from 10 to 50 years. Accordingly, the noncontrolling interests in these joint ventures are considered mandatorily redeemable instruments, for which the classification and measurement requirements have been indefinitely deferred. Future distributions upon dissolution of these entities would be valued below the related noncontrolling interest carrying balances in the consolidated balance sheet.

*Other commitments*

In January 2017, the Company entered into a six year Sourcing and Supply Agreement with Amgen USA Inc. (Amgen) that expires on December 31, 2022, replacing the Company's prior agreement that was to expire in 2018. Under terms of the agreement,

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the Company will purchase EPO in amounts necessary to meet no less than 90% of its requirements for ESAs from Amgen. The actual amount of EPO that the Company will purchase will depend upon the amount of EPO administered during dialysis as prescribed by physicians and the overall number of patients that the Company serves.

In 2010, the Company entered into an agreement with Fresenius Medical Care (FMC) which committed the Company to purchase a certain amount of dialysis equipment, parts and supplies from FMC through 2013. This agreement has been subsequently extended through December 31, 2017. During 2016, 2015 and 2014, the Company purchased \$164,766, \$154,566 and \$154,266, respectively, of certain equipment, parts and supplies from FMC.

In 2014, the Company entered into an agreement with Baxter Healthcare (Baxter) which committed the Company to purchase a certain amount of its hemodialysis non-equipment product supplies, such as dialyzers, at fixed prices through 2018. During 2016, 2015 and 2014, the Company purchased \$162,109, \$112,931 and \$112,645 of hemodialysis product supplies from Baxter under this agreement.

Certain DMG entities are required to maintain minimum cash balances in order to comply with regulatory requirements in conjunction with medical claim reserves. As of December 31, 2016, this minimum cash balance was approximately \$60,796.

Other than operating leases disclosed in Note 15 to the consolidated financial statements, the letters of credit disclosed in Note 14 to the consolidated financial statements, and the arrangements as described above, the Company has no off balance sheet financing arrangements as of December 31, 2016.

**19. Long-term incentive compensation and shareholders' equity**

*Long-term incentive compensation*

Long-term incentive program (LTIP) compensation includes both stock-based awards (principally stock-settled stock appreciation rights, restricted stock units and performance stock units) as well as long-term performance-based cash awards. Long-term incentive compensation expense, which was primarily general and administrative in nature, was attributed to the Company's U.S. dialysis and related lab services business, DMG business, corporate administrative support, and the ancillary services and strategic initiatives.

The Company's stock-based compensation awards are measured at their estimated fair values on the date of grant if settled in shares or at their estimated fair values at the end of each reporting period if settled in cash. The value of stock-based awards so measured is recognized as compensation expense on a cumulative straight-line basis over the vesting terms of the awards, adjusted for expected forfeitures.

Stock-based compensation to be settled in shares is recorded to the Company's shareholders' equity, while stock-based compensation to be settled in cash is recorded to a liability. Shares issued upon exercise of stock awards have generally been issued from treasury shares.

*Long-term incentive compensation plans*

The Company's 2011 Incentive Award Plan (the 2011 Plan) is the Company's omnibus equity compensation plan and provides for grants of stock-based awards to employees, directors and other individuals providing services to the Company, except that incentive stock options may only be awarded to employees. The 2011 Plan authorizes the Company to award stock options, stock appreciation rights, restricted stock units, restricted stock, and other stock-based or performance-based awards, and is designed to enable the Company to grant equity and cash awards that qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code. The 2011 Plan mandates a maximum award term of five years and stipulates that stock appreciation rights and stock options be granted with prices not less than fair market value on the date of grant. The 2011 Plan also requires that full value share awards such as restricted stock units reduce shares available under the 2011 Plan at a ratio of 3.5:1. The Company's nonqualified stock appreciation rights and stock units awarded under the 2011 Plan generally vest over 36 to 48 months from the date of grant. At December 31, 2016, there were 7,337,266 stock-settled stock appreciation rights, 785,553 stock-settled stock units, 33,000 cash-settled stock appreciation rights and 1,600 cash-settled stock units outstanding, and 30,543,883 shares available for future grants, under the 2011 Plan.

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A combined summary of the status of the Company's stock-settled awards under the 2011 Plan, including base shares for stock-settled stock appreciation rights and stock-settled stock unit awards is as follows:

	Year ended December 31, 2016				
	Stock appreciation rights		Stock units		
	Awards	Weighted average exercise price	Weighted average remaining contractual life	Awards	Weighted average remaining contractual life
Outstanding at beginning of year	8,533,561	\$ 59.05		765,060	
Granted	1,280,034	73.40		328,457	
Exercised	(2,031,593)	45.35		(280,197)	
Cancelled	(444,736)	66.50		(27,767)	
Outstanding at end of period	<u>7,337,266</u>	<u>\$ 64.90</u>	<u>2.2</u>	<u>785,553</u>	<u>1.9</u>
Exercisable at end of period	<u>3,026,721</u>	<u>\$ 56.83</u>	<u>1.1</u>	<u>—</u>	<u>—</u>
Weighted-average fair value of grants in 2016	<u>\$ 13.74</u>			<u>\$ 70.99</u>	
Weighted-average fair value of grants in 2015	<u>\$ 17.97</u>			<u>\$ 80.25</u>	
Weighted-average fair value of grants in 2014	<u>\$ 16.41</u>			<u>\$ 72.24</u>	

Range of SSAR base prices	Awards outstanding	Weighted average exercise price	Awards exercisable	Weighted average exercise price
\$30.01–\$40.00	16,000	39.89	16,000	39.89
\$40.01–\$50.00	267,621	44.44	267,621	44.44
\$50.01–\$60.00	3,489,398	57.53	2,420,035	56.84
\$60.01–\$70.00	1,306,049	67.46	232,816	65.04
\$70.01–\$80.00	1,581,487	74.76	50,806	70.44
\$80.01–\$90.00	676,711	83.60	39,443	81.51
Total	<u>7,337,266</u>	<u>\$ 64.90</u>	<u>3,026,721</u>	<u>\$ 56.83</u>

The Company granted 9,600 cash-settled stock-based awards during 2016. Liability-classified awards contributed \$376, \$(236) and \$1,774 to stock-based compensation expense for the years ended December 31, 2016, 2015 and 2014, respectively. As of December 31, 2016 the Company had 34,600 liability-classified stock-based awards outstanding, 5,000 of which were vested, and a total stock-based compensation liability balance of \$124.

For the years ended December 31, 2016, 2015, and 2014, the aggregate intrinsic value of stock-based awards exercised was \$73,001, \$116,933 and \$151,342, respectively. At December 31, 2016, the aggregate intrinsic value of stock awards outstanding was \$79,717 and the aggregate intrinsic value of stock awards exercisable was \$23,566.

*Estimated fair value of stock-based compensation awards*

The Company has estimated the grant-date fair value of stock-settled stock appreciation rights awards using the Black-Scholes-Merton valuation model and stock-settled stock unit awards at intrinsic value on the date of grant, except for portions of the Company's performance stock unit awards for which a Monte Carlo simulation was used to estimate the grant-date fair value. The following assumptions were used in estimating these values and determining the related stock-based compensation attributable to the current period:

*Expected term of the awards:* The expected term of awards granted represents the period of time that they are expected to remain outstanding from the date of grant. The Company determines the expected term of its stock awards based on its historical experience with similar awards, considering the Company's historical exercise and post-vesting termination patterns, and the terms expected by peer companies in near industries.

*Expected volatility:* Expected volatility represents the volatility anticipated over the expected term of the award. The Company determines the expected volatility for its awards based on the volatility of the price of its common stock over the most recent

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retrospective period commensurate with the expected term of the award, considering the volatility expectations implied by the market price of its exchange-traded options and the volatilities expected by peer companies in near industries.

*Expected dividend yield:* The Company has not paid dividends on its common stock and does not currently expect to pay dividends during the term of stock awards granted.

*Risk-free interest rate:* The Company bases the expected risk-free interest rate on the implied yield currently available on stripped interest coupons of U.S. Treasury issues with a remaining term equivalent to the expected term of the award.

A summary of the weighted average valuation inputs described above used for estimating the grant-date fair value of stock-settled stock appreciation rights awards granted in the periods indicated is as follows:

	Year ended December 31,		
	2016	2015	2014
Expected term	4.2 years	4.1 years	4.2 years
Expected volatility	21.0%	24.6%	25.8%
Expected dividend yield	0.0%	0.0%	0.0%
Risk-free interest rate	1.0%	1.5%	1.5%

The Company estimates expected forfeitures based upon historical experience with separate groups of employees that have exhibited similar forfeiture behavior in the past. Stock-based compensation expense is recorded only for awards that are expected to vest.

*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. This compensatory 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 and July 1, and end on December 31. Contributions used to purchase the Company's common stock under this plan for the 2016, 2015 and 2014 participation periods were \$23,902, \$24,523 and \$19,010, respectively. Shares purchased pursuant to the plan's 2016, 2015 and 2014 participation periods were 438,002, 413,859 and 297,954, respectively. At December 31, 2016, there were 7,484,395 shares remaining available for future grants under this plan, which includes an additional 7,500,000 shares approved by stockholders on June 20, 2016.

The fair value of employees' purchase rights was estimated as of the beginning dates of the purchase right periods using the Black-Scholes-Merton valuation model with the following weighted average assumptions for purchase right periods in 2016, 2015 and 2014, respectively: expected volatility of 22%, 26% and 27%; risk-free interest rate of 0.8%, 0.2% and 0.2%, and no dividends. Using these assumptions, the weighted average estimated fair value of these purchase rights was \$16.73, \$18.76 and \$16.40 for 2016, 2015 and 2014, respectively.

*Long-term incentive compensation expense and proceeds*

For the years ended December 31, 2016, 2015 and 2014, the Company recognized \$73,337, \$130,682 and \$118,970, respectively, in total long-term incentive program (LTIP) expense, of which \$38,338, \$56,664 and \$56,743, respectively, was stock-based compensation expense for stock appreciation rights, stock units and discounted employee stock plan purchases, which are primarily included in general and administrative expenses. The estimated tax benefits recorded for stock-based compensation in 2016, 2015 and 2014 were \$12,731, \$19,689 and \$20,351, respectively. As of December 31, 2016, there was \$92,987 total estimated unrecognized compensation cost for outstanding LTIP awards, including \$59,016 related to stock-based compensation arrangements under the Company's equity compensation and stock purchase plans. The Company expects to recognize the performance-based cash component of these LTIP costs over a weighted average remaining period of 1.0 year and the stock-based component of these LTIP costs over a weighted average remaining period of 1.4 years.

For the years ended December 31, 2016, 2015 and 2014, the Company received \$28,397, \$45,749 and \$59,119, respectively, in actual tax benefits upon the exercise of stock awards. Since the Company issues stock-settled stock appreciation rights rather than stock options, it does not receive cash proceeds from stock option exercises.



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*Stock repurchases*

During the years ended December 31, 2016 and 2015, the Company repurchased a total of 16,649,090 shares and 7,779,958 shares of its common stock for \$1,072,377 and \$575,380, or an average price of \$64.41 and \$73.96 per share, respectively, pursuant to previously announced authorizations by the Board of Directors. The Company has not repurchased any additional shares of its common stock from January 1, 2017 through February 24, 2017.

On July 13, 2016, the Company's Board of Directors approved a share repurchase authorization in the amount of \$1,240,748. This share repurchase authorization is in addition to the \$259,252 remaining at that time under the Company's Board of Directors' prior share repurchase authorization announced in April 2015. As of December 31, 2016, there was \$677,104 available under the current Board authorizations for additional share repurchases. Although these share repurchase authorizations have no expiration dates, the Company remains subject to share repurchase limitations under the terms of its senior secured credit facilities and the indentures governing its Senior Notes.

*Charter documents & Delaware law*

The Company's charter documents include provisions that may deter hostile takeovers, delay or prevent changes of control or changes in management, or limit the ability of stockholders to approve transactions that they may otherwise determine to be in their best interests. These include provisions prohibiting stockholders from acting by written consent, requiring 90 days advance notice of stockholder proposals or nominations to the Board of Directors and granting the 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.

The Company is also subject to Section 203 of the Delaware General Corporation Law which, subject to exceptions, would prohibit the Company 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 the Company.

*Changes in DaVita Inc.'s ownership interest in consolidated subsidiaries*

The effects of changes in DaVita Inc.'s ownership interest on the Company's equity are as follows:

	Year ended December 31,		
	2016	2015	2014
Net income attributable to DaVita Inc.	\$ 879,874	\$ 269,732	\$ 723,114
Increase in paid-in capital for sales of noncontrolling interest	—	—	355
Decrease in paid-in capital for the purchase of noncontrolling interests	(13,105)	(55,826)	(5,357)
Net transfer to noncontrolling interests	(13,105)	(55,826)	(5,002)
Change from net income attributable to DaVita Inc. and transfers to noncontrolling interests	<u>\$ 866,769</u>	<u>\$ 213,906</u>	<u>\$ 718,112</u>

The Company acquired additional ownership interests in several existing majority-owned joint ventures for \$21,512 in 2016 and \$66,382 in 2015 in cash, and \$17,876 in cash and deferred purchase price of \$136 in 2014.

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**20. Other comprehensive (loss) income**

Charges and credits to other comprehensive (loss) income have been as follows:

	Interest rate swap and cap agreements	Investment securities	Foreign currency translation adjustments	Accumulated other comprehensive income (loss)
<b>Balance at December 31, 2013</b>	\$ (2,344)	\$ 3,120	\$ (3,421)	\$ (2,645)
Unrealized (losses) gains	(16,509)	425	(22,952)	(39,036)
Related income tax	6,450	(187)	—	6,263
	<u>(10,059)</u>	<u>238</u>	<u>(22,952)</u>	<u>(32,773)</u>
Reclassification from accumulated other comprehensive losses (income) into net income	17,409	(340)	—	17,069
Related income tax	(6,801)	133	—	(6,668)
	<u>10,608</u>	<u>(207)</u>	<u>—</u>	<u>10,401</u>
<b>Balance at December 31, 2014</b>	\$ (1,795)	\$ 3,151	\$ (26,373)	\$ (25,017)
Unrealized losses	(20,085)	(1,974)	(23,889)	(45,948)
Related income tax	7,844	561	—	8,405
	<u>(12,241)</u>	<u>(1,413)</u>	<u>(23,889)</u>	<u>(37,543)</u>
Reclassification from accumulated other comprehensive losses (income) into net income	5,103	(618)	—	4,485
Related income tax	(1,992)	241	—	(1,751)
	<u>3,111</u>	<u>(377)</u>	<u>—</u>	<u>2,734</u>
<b>Balance at December 31, 2015</b>	\$ (10,925)	\$ 1,361	\$ (50,262)	\$ (59,826)
Unrealized (losses) gains	(6,013)	1,802	(39,614)	(43,825)
Related income tax	2,343	(565)	—	1,778
	<u>(3,670)</u>	<u>1,237</u>	<u>(39,614)</u>	<u>(42,047)</u>
Reclassification from accumulated other comprehensive losses (income) into net income	4,198	(690)	10,087	13,595
Related income tax	(1,632)	267	—	(1,365)
	<u>2,566</u>	<u>(423)</u>	<u>10,087</u>	<u>12,230</u>
<b>Balance at December 31, 2016</b>	\$ (12,029)	\$ 2,175	\$ (79,789)	\$ (89,643)

The reclassification of net swap and cap realized losses into income are recorded as debt expense in the corresponding consolidated statements of income. See Note 14 to these consolidated financial statements for further details.

The reclassification of net investment realized gains into income are recorded in other income in the corresponding consolidated statements of income. See Note 9 to these consolidated financial statements for further details.

**21. Acquisitions and divestitures**

*Change in ownership interests in Asia Pacific joint venture*

On August 1, 2016, the Company consummated an agreement with Khazanah Nasional Berhad (Khazanah) and Mitsui and Co., Ltd (Mitsui) whereby Khazanah and Mitsui subscribed to invest a total of \$300,000 over three years in exchange for a 40% total equity interest in the Company's APAC JV. Khazanah and Mitsui each made related initial investments of \$50,000 in this business on August 1, 2016.

Based on the governance structure and voting rights put in place upon the formation of the APAC JV, certain key decisions affecting the JV's operations are no longer at the unilateral discretion of the Company, but rather are shared with the noncontrolling investors. As a result, the Company deconsolidated its Asia Pacific dialysis business in the third quarter and recognized a non-cash non-taxable gain of \$374,374 on its retained investment, net of contingent obligations. This retained interest was adjusted to the Company's proportionate share of the estimated fair value of the business, as implied by the Khazanah and

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Mitsui investment and adjusted for certain time value of money and uncertainty discounts. Subsequent to the deconsolidation, the Company's retained interest in the APAC JV is accounted for under the equity method.

The calculation of the Company's non-cash gain on its retained investment in the APAC JV is based upon the best information available to management and will be finalized when certain information arranged to be obtained has been received, including issuance of the final valuation report by an independent third party and certain post-closing adjustments subject to audit of the APAC JV's financial statements.

*Sales of Tandigm Health and DMG Arizona ownership interests*

Effective June 30, 2016, the Company sold a portion of DMG's ownership interest in the Tandigm Health (Tandigm) joint venture, reducing its ownership from fifty percent to nineteen percent and resulting in a gain of \$40,280. In addition, on June 1, 2016, the Company sold its DMG Arizona business, resulting in a loss of \$10,489.

*Acquisition of TEC*

On March 1, 2016, the Company completed its acquisition of The Everett Clinic (TEC) pursuant to an agreement and plan of merger dated November 23, 2015, whereby TEC became a 100% consolidated subsidiary of DMG. TEC has 500 providers in primary and specialty care locations throughout Snohomish County, Washington who care for more than 315,000 patients. The total consideration paid at closing for all outstanding common units of TEC was approximately \$393,687, net of cash acquired, plus the assumption of certain liabilities totaling approximately \$7,284.

The initial purchase price allocation for the acquisition of TEC is recorded at estimated fair values based upon the best information available to management and will be finalized when certain information arranged to be obtained has been received. The fair values of property and equipment and intangible assets were valued by an independent third party and are pending issuance of the final valuation report. Certain income tax amounts are pending issuance of final tax returns.

The following table summarizes the assets acquired and liabilities assumed in this transaction and recognized at the acquisition date at their estimated fair values:

Current assets, net of cash acquired	\$ 91,591
Property and equipment	108,533
Covenant not-to-compete	3,200
Amortizable intangible and other long-term assets	30,850
Goodwill	244,502
Liabilities assumed	(50,940)
Long-term deferred income taxes	(16,880)
Noncontrolling interests	(9,885)
	<u>\$ 400,971</u>

Amortizable intangible assets acquired in this acquisition have a weighted average estimated useful life of six years. None of the goodwill recognized in this acquisition is expected to be deductible for tax purposes.

The noncontrolling interests assumed as part of the acquisition are stated at estimated fair value based on the estimated fair value of the underlying assets and liabilities of each non-wholly-owned entity.

The operating results of TEC are included in the Company's consolidated financial statements from March 1, 2016.

*Other routine acquisitions*

During 2016, the Company acquired eight dialysis centers in the U.S., 21 dialysis centers outside the U.S., and other medical businesses for a total of \$170,169 in net cash, earn-outs of \$1,511, and deferred purchase price and liabilities assumed of \$18,373. During 2015, the Company acquired dialysis-related and other ancillary businesses consisting of six dialysis centers in the U.S., 21 dialysis centers outside the U.S., three vascular access centers, and other medical businesses for a total of \$96,469 in net cash and deferred purchase price and earn-outs of \$8,395. During 2014, the Company acquired dialysis-related and other ancillary businesses consisting of 18 dialysis centers in the U.S., seven dialysis centers outside the U.S. and other medical businesses for a total of \$272,094 in net cash and deferred purchase price of \$23,781. The assets and liabilities for all acquisitions were recorded at their

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estimated fair values at the dates of the acquisitions and are included in the Company's financial statements and operating results from the effective dates of the acquisitions. For several of the 2016 acquisitions, certain income tax amounts are pending final evaluation and quantification of any pre-acquisition tax contingencies. In addition, valuation of medical claims liabilities and certain other working capital items relating to several of these acquisitions are pending final quantification.

The following table summarizes the assets acquired and liabilities assumed in the above described transactions and recognized at their acquisition dates at estimated fair values, as well as the estimated fair value of the noncontrolling interests assumed in these transactions:

	Year ended December 31,		
	2016	2015	2014
Current assets	\$ 3,996	\$ 3,843	\$ 915
Property and equipment	9,407	12,436	5,999
Customer relationships	—	—	74,515
Non-compete agreements	5,395	8,959	16,585
Amortizable intangible and other long-term assets	986	4,345	4,193
Goodwill	203,326	97,093	221,514
Long-term deferred income taxes	597	(1,467)	—
Noncontrolling interests assumed	(30,337)	(18,905)	(25,963)
Liabilities assumed	(3,317)	(1,440)	(1,883)
Aggregate purchase cost	<u>\$ 190,053</u>	<u>\$ 104,864</u>	<u>\$ 295,875</u>

Amortizable intangible assets acquired during 2016, 2015 and 2014 had weighted-average estimated useful lives of seven, eight and ten years, respectively. The majority of the intangible assets acquired relate to non-compete agreements and customer relationships. The weighted-average amortization period for customer relationships was ten years for 2014. The weighted-average amortization period for non-compete agreements was seven years for 2016, and eight years for both 2015 and 2014. The total amount of goodwill deductible for tax purposes associated with these acquisitions for 2016, 2015, and 2014 was approximately \$173,718, \$73,733 and \$175,247, respectively.

*Other pending transactions*

On August 9, 2016, the Company entered into an amendment to its agreement to acquire Colorado-based Renal Ventures Limited, LLC (Renal Ventures). As a result of the amended agreement, the Company will acquire a 100 percent interest in all 38 outpatient dialysis centers owned by Renal Ventures, including one new center under construction, and a fifty-one percent interest in one vascular access clinic. The purchase price will be approximately \$360,000 in cash, subject to, among other things, adjustments for certain items such as working capital. The transaction is subject to approval by the Federal Trade Commission (FTC), including Hart-Scott-Rodino antitrust clearance. The Company anticipates that it will be required by the FTC to divest some outpatient dialysis centers as a condition of the transaction. The Company expects the transaction to close in mid 2017.

*Pro forma financial information (unaudited)*

The following summary, prepared on a pro forma basis, combines the results of operations as if all acquisitions in 2016 and 2015 had been consummated as of the beginning of 2015, including the impact of certain adjustments such as amortization of intangibles, interest expense on acquisition financing and income tax effects.

	Year ended December 31,	
	2016	2015
	(unaudited)	
Pro forma net revenues	\$ 14,875,592	\$ 14,342,138
Pro forma net income attributable to DaVita Inc.	884,284	280,124
Pro forma basic net income per share attributable to DaVita Inc.	4.39	1.32
Pro forma diluted net income per share attributable to DaVita Inc.	4.32	1.30

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*Contingent earn-out obligations*

The Company has several contingent earn-out obligations associated with acquisitions that could result in the Company paying the former shareholders of acquired companies a total of up to approximately \$19,557 if certain EBITDA, operating income performance targets or quality margins are met over the next one to eight years.

Contingent earn-out obligations are remeasured to fair value at each reporting date until the contingencies are resolved with changes in the liability due to the remeasurement recorded in earnings. See Note 24 to these consolidated financial statements for further details. As of December 31, 2016, the Company has estimated the fair value of these contingent earn-out obligations to be \$9,977, of which a total of \$7,217 is included in other liabilities and the remaining \$2,760 is included in other long-term liabilities in the Company's consolidated balance sheet.

The following is a reconciliation of changes in the contingent earn-out obligations for the year ended December 31, 2016:

Beginning balance January 1, 2016	\$ 34,135
Contingent earn-out obligations associated with acquisitions	1,511
Remeasurement of fair value	(4,132)
Payments of contingent earn-out obligations	(21,537)
	<u>\$ 9,977</u>

**22. Variable interest entities**

The Company relies on the operating activities of certain entities that it does not directly own or control, but over which it has indirect influence and of which it is considered the primary beneficiary. These entities are subject to the consolidation guidance applicable to variable interest entities (VIEs).

Under U.S. GAAP, VIEs typically include entities for which (i) the entity's equity is not sufficient to finance its activities without additional subordinated financial support; (ii) the equity holders as a group lack the power to direct the activities that most significantly influence the entity's economic performance, the obligation to absorb the entity's expected losses, or the right to receive the entity's expected returns; or (iii) the voting rights of some investors are not proportional to their obligations to absorb the entity's losses.

The Company has determined that substantially all of the entities it is associated with that qualify as VIEs must be included in its consolidated financial statements. The Company manages these entities and provides operating and capital funding as necessary for the entities to accomplish their operational and strategic objectives. A number of these entities are subject to nominee share ownership or share transfer restriction agreements that effectively transfer the majority of the economic risks and rewards of their ownership to the Company. In other cases the Company's management agreements with these entities include both financial terms and protective and participating rights to the entities' operating, strategic and non-clinical governance decisions which transfer substantial powers over and economic responsibility for the entities to the Company. In some cases such entities are subject to broad exclusivity or noncompetition restrictions that benefit the Company. Further, in some cases the Company has contractual arrangements with its related party nominee owners that effectively indemnify these parties from the economic losses from, or entitle the Company to the economic benefits of, these entities.

The analyses upon which these consolidation determinations rest are complex, involve uncertainties, and require significant judgment on various matters, some of which could be subject to different interpretations. At December 31, 2016, these consolidated financial statements include total assets of VIEs of \$747,574 and total liabilities and noncontrolling interests of VIEs to third parties of \$425,034.

The Company also sponsors certain deferred compensation plans whose trusts qualify as VIEs and the Company consolidates each of these plans as their primary beneficiary. The assets of these plans are recorded in short-term or long-term investments with related liabilities recorded in accrued compensation and benefits and other long-term liabilities. See Note 16 to these consolidated financial statements for disclosures on the assets of these consolidated non-qualified deferred compensation plans.

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**23. Concentrations**

Approximately 64%, 66% and 67% of total U.S. dialysis services revenues in 2016, 2015 and 2014, respectively, are from government-based programs, principally Medicare and Medicaid. Related net accounts receivable and other receivables from Medicare, including Medicare-assigned plans, and Medicaid, including Medicaid-assigned plans, were approximately \$831,445 and \$830,060, as of December 31, 2016 and 2015, respectively.

Approximately 72%, 70% and 71% of DMG's revenues in 2016, 2015 and 2014, respectively, are from government-based programs, principally Medicare and Medicaid. Approximately 63%, 61% and 64% for 2016, 2015 and 2014, respectively, of DMG's capitated medical revenues are associated with three health plans. In addition, approximately \$289,798 and \$231,278 at December 31, 2016 and 2015, respectively, of DMG's capitated accounts receivables are associated with three health plans.

One commercial payor, Humana, accounted for approximately 11% of total consolidated net revenues.

There is no single commercial payor that accounted for more than 10% of total consolidated accounts receivable at December 31, 2016 and 2015.

**24. Fair values of financial instruments**

The Company measures the fair value of certain assets, liabilities and noncontrolling interests subject to put provisions (temporary equity) based upon certain valuation techniques that include observable or unobservable inputs and assumptions that market participants would use in pricing these assets, liabilities, temporary equity and commitments. The Company has also classified certain assets, liabilities and temporary equity that are measured at fair value into the appropriate fair value hierarchy levels as defined by FASB.

The following tables summarize the Company's assets, liabilities and temporary equity measured at fair value on a recurring basis as of December 31, 2016 and 2015:

	<u>Total</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
<b>December 31, 2016</b>				
<b>Assets</b>				
Available for sale securities	\$ 47,404	\$ 47,404	\$ —	\$ —
Cash surrender value of life insurance policies	\$ 59,646	\$ —	\$ 59,646	\$ —
Interest rate cap agreements	\$ 9,929	\$ —	\$ 9,929	\$ —
Funds on deposit with third parties	\$ 75,877	\$ 75,877	\$ —	\$ —
<b>Liabilities</b>				
Contingent earn-out obligations	\$ 9,977	\$ —	\$ —	\$ 9,977
<b>Temporary equity</b>				
Noncontrolling interests subject to put provisions	\$ 973,258	\$ —	\$ —	\$ 973,258
<b>December 31, 2015</b>				
<b>Assets</b>				
Available for sale securities	\$ 33,482	\$ 33,482	\$ —	\$ —
Cash surrender value of life insurance policies	\$ 56,840	\$ —	\$ 56,840	\$ —
Interest rate cap agreements	\$ 15,127	\$ —	\$ 15,127	\$ —
Interest rate swap agreements	\$ 516	\$ —	\$ 516	\$ —
Funds on deposit with third parties	\$ 82,679	\$ 82,679	\$ —	\$ —
<b>Liabilities</b>				
Contingent earn-out obligations	\$ 34,135	\$ —	\$ —	\$ 34,135
<b>Temporary equity</b>				
Noncontrolling interests subject to put provisions	\$ 864,066	\$ —	\$ —	\$ 864,066

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Available for sale securities represent investments in various open-ended registered investment companies, or mutual funds, and are recorded at fair value estimated based upon quoted prices reported by each mutual fund. See Note 9 to these consolidated financial statements for further discussion.

Investments in life insurance policies are carried at their cash surrender value which approximates their fair value. See Note 16 to these consolidated financial statements for further discussion.

The interest rate swap and cap agreements are recorded at fair value based upon valuation models utilizing the income approach and commonly accepted valuation techniques that use inputs from closing prices for similar assets and liabilities in active markets as well as other relevant observable market inputs at quoted intervals such as current interest rates, forward yield curves, implied volatility and credit default swap pricing. The Company does not believe the ultimate amount that could be realized upon settlement of these interest rate swap and cap agreements would be materially different from the fair values currently reported. See Note 14 to these consolidated financial statements for further discussion.

The funds on deposit with third parties represent funds held with various third parties as required by regulation or contract and invested by those parties in various investments, which are measured at estimated fair value based primarily on quoted market prices.

The estimated fair value measurements of contingent earn-out obligations are primarily based on unobservable inputs including projected EBITDA, estimated probabilities of achieving gross margin of certain medical procedures and the estimated probability of earn-out payments being made using an option pricing technique and a simulation model for expected EBITDA and operating income. In addition, a probability adjusted model was used to estimate the fair values of the quality measures involved. The estimated fair value of these contingent earn-out obligations will be remeasured as of each reporting date and could fluctuate based upon any significant changes in key assumptions, such as changes in the Company credit risk adjusted rate that is used to discount obligations to present value.

See Note 18 to these consolidated financial statements for a discussion of the Company's methodology for estimating the fair value of noncontrolling interests subject to put obligations.

Other financial instruments consist primarily of cash, accounts receivable, accounts payable, other accrued liabilities and debt. The balances of the non-debt financial instruments are presented in the consolidated financial statements at December 31, 2016 and 2015 at their approximate fair values due to the short-term nature of their settlements. The carrying balance of the Company's senior secured credit facilities totaled \$4,217,348 as of December 31, 2016, and the fair value was approximately \$4,336,969 based upon quoted market prices. The fair value of the Company's Senior Notes was approximately \$4,530,875 at December 31, 2016 based upon quoted market prices, as compared to the carrying amount of \$4,500,000.

## **25. Segment reporting**

The Company operates two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG). The Kidney Care division is comprised of the Company's U.S. dialysis and related lab services business, various ancillary services and strategic initiatives, including its international operations, and the Company's corporate administrative support. The Company's U.S. dialysis and related lab services business is its largest line of business, and is a leading provider of kidney dialysis services in the U.S. for patients suffering from chronic kidney failure, also known as ESRD. The Company's DMG division is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of providing coordinated outcomes-based medical care in a cost-effective manner.

The Company's ancillary services and strategic initiatives consist primarily of pharmacy services, disease management services, vascular access services, clinical research programs, physician services, direct primary care and the Company's international operations.

The Company's operating segments have been defined based on the separate financial information that is regularly produced and reviewed by the Company's chief operating decision maker in making decisions about allocating resources to and assessing the financial performance of the Company's various operating lines of business. The chief operating decision maker for the Company is its Chief Executive Officer.

The Company's separate operating segments include its U.S. dialysis and related lab services business, its DMG operations in each region, each of its ancillary services and strategic initiatives, and its consolidated international kidney care and other health operations in the European and Middle Eastern, Latin American, and Asian Pacific markets, and under the Saudi Ministry of Health charter. The U.S. dialysis and related lab services business and the DMG business each qualify as separately reportable segments, and

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all other ancillary services and strategic initiatives operating segments, including the international operating segments, have been combined and disclosed in the other segments category.

The Company's operating segment financial information included in this report is prepared on the internal management reporting basis that the chief operating decision maker uses to allocate resources and assess the financial performance of the operating segments. For internal management reporting, segment operations include direct segment operating expenses but exclude corporate administrative support costs, which consist primarily of indirect labor, benefits and long-term incentive-based compensation of certain departments which provide support to all of the Company's various operating lines of business. These corporate administrative support costs are reduced by internal management fees received from the Company's ancillary lines of business and were increased by the reduction of a tax asset associated with the DMG acquisition escrow provisions.



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The following is a summary of segment revenues, segment operating margin (loss), and a reconciliation of segment operating margin to consolidated income from continuing operations before income taxes:

	Year ended December 31,		
	2016	2015	2014
<b>Segment revenues:</b>			
<b>U.S. dialysis and related lab services</b>			
Patient service revenues:			
External sources	\$ 9,482,648	\$ 8,980,515	\$ 8,513,089
Intersegment revenues	68,774	53,476	37,112
Total dialysis and related lab services revenues	9,551,422	9,033,991	8,550,201
Less: Provision for uncollectible accounts	(429,882)	(406,530)	(353,028)
Net dialysis and related lab services patient service revenues	9,121,540	8,627,461	8,197,173
Other revenues <sup>(1)</sup>	16,649	13,971	13,498
Total net dialysis and related lab services revenues	9,138,189	8,641,432	8,210,671
<b>DMG</b>			
DMG revenues:			
Capitated revenues	\$ 3,430,576	\$ 3,436,705	\$ 3,190,903
Net patient service revenues	621,583	317,950	219,306
Other revenues <sup>(2)</sup>	61,040	82,470	91,374
Intersegment capitated and other revenues	215	136	716
Total revenues	\$ 4,113,414	\$ 3,837,261	\$ 3,502,299
<b>Other - Ancillary services and strategic initiatives</b>			
Net patient service revenues	\$ 228,459	\$ 160,484	\$ 122,087
Capitated revenues	88,103	72,390	70,385
Other external sources	1,245,929	1,123,882	927,492
Intersegment revenues	58,881	25,674	19,535
Total ancillary services and strategic initiatives revenues	1,621,372	1,382,430	1,139,499
Total net segment revenues	14,872,975	13,861,123	12,852,469
Elimination of intersegment revenues	(127,870)	(79,286)	(57,363)
Consolidated net revenues	\$ 14,745,105	\$ 13,781,837	\$ 12,795,106
<b>Segment operating margin (loss):</b>			
U.S. dialysis and related lab services	\$ 1,777,014	\$ 1,259,632	\$ 1,637,626
DMG	(104,233)	33,929	214,983
Other—Ancillary services and strategic initiatives	266,323	(103,901)	(24,456)
Total segment margin	1,939,104	1,189,660	1,828,153
<b>Reconciliation of segment operating margin to consolidated income from continuing operations before income taxes:</b>			
Corporate administrative support <sup>(3)</sup>	(44,561)	(18,965)	(13,012)
Consolidated operating income	1,894,543	1,170,695	1,815,141
Debt expense	(414,382)	(408,380)	(410,294)
Debt refinancing and redemption charges	—	(48,072)	(97,548)
Other income	8,734	8,893	2,374
Consolidated income from continuing operations before income taxes	\$ 1,488,895	\$ 723,136	\$ 1,309,673

- (1) Includes management fees for providing management and administrative services to dialysis centers in which the Company owns a noncontrolling interest or which are wholly-owned by third parties.
- (2) Includes medical consulting service fees and management fees for providing management and administrative services to unconsolidated joint ventures, as well as revenue related to the maintenance of existing physician networks.
- (3) Corporate administrative support costs in 2016 also include \$30,934 of an adjustment to reduce a tax asset associated with the DMG acquisition escrow provisions.

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Depreciation and amortization expense by segment is as follows:

	December 31,		
	2016	2015	2014
U.S. dialysis and related lab services	\$ 482,768	\$ 438,238	\$ 402,767
DMG	210,755	174,118	169,485
Other - Ancillary services and strategic initiatives	26,729	25,668	18,683
	<u>\$ 720,252</u>	<u>\$ 638,024</u>	<u>\$ 590,935</u>

Summary of assets by segment is as follows:

	December 31,	
	2016	2015
<b>Segment assets</b>		
U.S. dialysis and related lab services (including equity investments of \$66,924 and \$29,801, respectively)	\$ 11,438,100	\$ 11,591,507
DMG (including equity investments of \$10,350 and \$22,714, respectively)	6,213,091	6,150,666
Other - Ancillary services and strategic initiatives <sup>(1)</sup> (including equity investments of \$425,115 and \$20,853, respectively)	1,090,066	772,702
Consolidated assets	<u>\$ 18,741,257</u>	<u>\$ 18,514,875</u>

(1) Includes approximately \$96,396 and \$ 69,519 in 2016 and 2015, respectively, of net property and equipment related to the Company's international operations.

Expenditures for property and equipment by segment is as follows:

	December 31,		
	2016	2015	2014
U.S. dialysis and related lab services	\$ 675,994	\$ 584,513	\$ 560,610
DMG	84,399	66,800	27,885
Other - Ancillary services and strategic initiatives	68,702	56,685	52,835
	<u>\$ 829,095</u>	<u>\$ 707,998</u>	<u>\$ 641,330</u>

**26. Supplemental cash flow information**

The table below provides supplemental cash flow information:

	Year ended December 31,		
	2016	2015	2014
<b>Cash paid:</b>			
Income taxes	\$ 339,411	\$ 156,075	\$ 238,615
Interest	406,987	405,120	351,967
<b>Non-cash investing and financing activities:</b>			
Fixed assets under capital lease obligations	28,127	74,035	72,389

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**27. Selected quarterly financial data (unaudited)**

	2016				2015			
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Net revenues	\$ 3,715,742	\$ 3,730,576	\$ 3,717,651	\$ 3,581,136	\$ 3,533,589	\$ 3,525,665	\$ 3,434,618	\$ 3,287,965
Operating income (loss)	\$ 381,428	\$ 819,156	\$ 329,070	\$ 364,889	\$ 244,935	\$ 509,368	\$ 480,548	\$ (64,156)
Income (loss) before income taxes	\$ 278,072	\$ 716,451	\$ 229,391	\$ 264,981	\$ 146,307	\$ 408,371	\$ 330,539	\$ (162,081)
Net income (loss) attributable to DaVita Inc.	\$ 157,726	\$ 571,332	\$ 53,382	\$ 97,434	\$ (6,000)	\$ 215,872	\$ 170,477	\$ (110,617)
Basic net income (loss) per share attributable to DaVita Inc.	\$ 0.81	\$ 2.80	\$ 0.26	\$ 0.48	\$ (0.03)	\$ 1.02	\$ 0.80	\$ (0.52)
Diluted net income (loss) per share attributable to DaVita Inc.	\$ 0.80	\$ 2.76	\$ 0.26	\$ 0.47	\$ (0.03)	\$ 1.00	\$ 0.78	\$ (0.52)

**28. Consolidating financial statements**

The following information is presented in accordance with Rule 3-10 of Regulation S-X. The operating and investing activities of the separate legal entities included in the Company's consolidated financial statements are fully interdependent and integrated. Revenues and operating expenses of the separate legal entities include intercompany charges for management and other services. The Company's Senior Notes are guaranteed by substantially all of its domestic subsidiaries. Each of the guarantor subsidiaries has guaranteed the Senior Notes on a joint and several basis. However, the guarantor subsidiaries can be released from their obligations in the event of a sale or other disposition of all or substantially all of the assets of such subsidiary, including by merger or consolidation or the sale of all equity interests in such subsidiary owned by the Company, if such subsidiary guarantor is designated as an unrestricted subsidiary or otherwise ceases to be a restricted subsidiary, and if such subsidiary guarantor no longer guaranties any other indebtedness of the Company. Certain domestic subsidiaries, foreign subsidiaries, joint ventures, partnerships and third parties are not guarantors of the Senior Notes.

**Consolidating Statements of Income**

	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>For the twelve months ended December 31, 2016</b>					
Patient services revenues	\$ —	\$ 6,766,138	\$ 3,761,590	\$ (173,567)	\$ 10,354,161
Less: Provision for uncollectible accounts	—	(278,761)	(172,592)	—	(451,353)
Net patient service revenues	—	6,487,377	3,588,998	(173,567)	9,902,808
Capitated revenues	—	1,795,673	1,723,279	(273)	3,518,679
Other revenues	767,791	2,089,749	125,203	(1,659,125)	1,323,618
Total net revenues	767,791	10,372,799	5,437,480	(1,832,965)	14,745,105
Operating expenses and charges	524,108	9,735,334	4,424,085	(1,832,965)	12,850,562
Operating income	243,683	637,465	1,013,395	—	1,894,543
Debt expense	(407,925)	(358,535)	(50,710)	402,788	(414,382)
Other income, net	396,797	6,196	8,529	(402,788)	8,734
Income tax expense	79,301	210,338	166,174	—	455,813
Equity earnings in subsidiaries	726,620	651,832	—	(1,378,452)	—
Net income	879,874	726,620	805,040	(1,378,452)	1,033,082
Less: Net income attributable to noncontrolling interests	—	—	—	(153,208)	(153,208)
Net income attributable to DaVita Inc.	<u>\$ 879,874</u>	<u>\$ 726,620</u>	<u>\$ 805,040</u>	<u>\$ (1,531,660)</u>	<u>\$ 879,874</u>

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**Consolidating Statements of Income**

	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>For twelve months ended December 31, 2015</b>					
Patient services revenues	\$ —	\$ 6,578,185	\$ 3,047,048	\$ (144,954)	\$ 9,480,279
Less: Provision for uncollectible accounts	—	(285,454)	(142,406)	—	(427,860)
Net patient service revenues	—	6,292,731	2,904,642	(144,954)	9,052,419
Capitated revenues	—	1,776,311	1,733,027	(243)	3,509,095
Other revenues	727,887	1,875,133	32,137	(1,414,834)	1,220,323
Total net revenues	727,887	9,944,175	4,669,806	(1,560,031)	13,781,837
Operating expenses and charges	488,595	9,565,667	4,116,911	(1,560,031)	12,611,142
Operating income	239,292	378,508	552,895	—	1,170,695
Debt (expense) and refinancing charges	(449,598)	(340,176)	(42,500)	375,822	(456,452)
Other income, net	365,752	11,562	7,401	(375,822)	8,893
Income tax expense	81,221	173,063	41,442	—	295,726
Equity earnings in subsidiaries	195,507	318,676	—	(514,183)	—
Net income	269,732	195,507	476,354	(514,183)	427,410
Less: Net income attributable to noncontrolling interests	—	—	—	(157,678)	(157,678)
Net income attributable to DaVita Inc.	<u>\$ 269,732</u>	<u>\$ 195,507</u>	<u>\$ 476,354</u>	<u>\$ (671,861)</u>	<u>\$ 269,732</u>
<b>For the year ended December 31, 2014</b>					
Patient services revenues	\$ —	\$ 6,246,683	\$ 2,739,204	\$ (117,549)	\$ 8,868,338
Less: Provision for uncollectible accounts	—	(238,600)	(128,284)	—	(366,884)
Net patient service revenues	—	6,008,083	2,610,920	(117,549)	8,501,454
Capitated revenues	—	1,681,668	1,579,804	(184)	3,261,288
Other revenues	684,066	1,639,828	24,155	(1,315,685)	1,032,364
Total net revenues	684,066	9,329,579	4,214,879	(1,433,418)	12,795,106
Operating expenses and charges	443,951	8,269,025	3,700,407	(1,433,418)	10,979,965
Operating income	240,115	1,060,554	514,472	—	1,815,141
Debt (expense) and refinancing charges	(502,762)	(363,623)	(43,449)	401,992	(507,842)
Other income, net	385,532	11,731	7,103	(401,992)	2,374
Income tax expense	46,856	397,268	2,219	—	446,343
Equity earnings in subsidiaries	647,085	335,691	—	(982,776)	—
Net income	723,114	647,085	475,907	(982,776)	863,330
Less: Net income attributable to noncontrolling interests	—	—	—	(140,216)	(140,216)
Net income attributable to DaVita Inc.	<u>\$ 723,114</u>	<u>\$ 647,085</u>	<u>\$ 475,907</u>	<u>\$ (1,122,992)</u>	<u>\$ 723,114</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Comprehensive Income**

	<u>DaVita Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Consolidating Adjustments</u>	<u>Consolidated Total</u>
<b>For the year ended December 31, 2016</b>					
Net income	\$ 879,874	\$ 726,620	\$ 805,040	\$ (1,378,452)	\$ 1,033,082
Other comprehensive loss	(290)	—	(29,337)	—	(29,627)
Total comprehensive income	879,584	726,620	775,703	(1,378,452)	1,003,455
Less: Comprehensive income attributable to noncontrolling interest	—	—	—	(153,398)	(153,398)
Comprehensive income attributable to DaVita Inc.	<u>\$ 879,584</u>	<u>\$ 726,620</u>	<u>\$ 775,703</u>	<u>\$ (1,531,850)</u>	<u>\$ 850,057</u>
<b>For the year ended December 31, 2015</b>					
Net income	\$ 269,732	\$ 195,507	\$ 476,354	\$ (514,183)	\$ 427,410
Other comprehensive loss	(10,920)	—	(23,889)	—	(34,809)
Total comprehensive income	258,812	195,507	452,465	(514,183)	392,601
Less: Comprehensive income attributable to noncontrolling interest	—	—	—	(157,678)	(157,678)
Comprehensive income attributable to DaVita Inc.	<u>\$ 258,812</u>	<u>\$ 195,507</u>	<u>\$ 452,465</u>	<u>\$ (671,861)</u>	<u>\$ 234,923</u>
<b>For the year ended December 31, 2014</b>					
Net income	\$ 723,114	\$ 647,085	\$ 475,907	\$ (982,776)	\$ 863,330
Other comprehensive income (losses)	580	—	(22,952)	—	(22,372)
Total comprehensive income	723,694	647,085	452,955	(982,776)	840,958
Less: Comprehensive income attributable to noncontrolling interest	—	—	—	(140,216)	(140,216)
Comprehensive income attributable to DaVita Inc.	<u>\$ 723,694</u>	<u>\$ 647,085</u>	<u>\$ 452,955</u>	<u>\$ (1,122,992)</u>	<u>\$ 700,742</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
(dollars in thousands, except per share data)

**Consolidating Balance Sheets**

	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>As of December 31, 2016</b>					
Cash and cash equivalents	\$ 549,921	\$ 59,192	\$ 304,074	\$ —	\$ 913,187
Accounts receivable, net	—	1,215,232	702,070	—	1,917,302
Other current assets	277,911	736,727	135,101	—	1,149,739
Total current assets	827,832	2,011,151	1,141,245	—	3,980,228
Property and equipment, net	337,200	1,689,798	1,148,369	—	3,175,367
Intangible assets, net	487	1,491,057	36,223	—	1,527,767
Investments in subsidiaries	9,717,728	2,002,660	—	(11,720,388)	—
Intercompany receivables	3,250,692	—	866,955	(4,117,647)	—
Other long-term assets and investments	39,994	86,710	523,874	—	650,578
Goodwill	—	7,838,984	1,568,333	—	9,407,317
Total assets	<u>\$ 14,173,933</u>	<u>\$ 15,120,360</u>	<u>\$ 5,284,999</u>	<u>\$ (15,838,035)</u>	<u>\$ 18,741,257</u>
<b>Current liabilities</b>	<b>\$ 303,840</b>	<b>\$ 1,865,193</b>	<b>\$ 527,412</b>	<b>\$ —</b>	<b>\$ 2,696,445</b>
Intercompany payables	—	2,322,124	1,795,523	(4,117,647)	—
Long-term debt and other long-term liabilities	8,614,445	1,215,315	392,053	—	10,221,813
Noncontrolling interests subject to put provisions	607,601	—	—	365,657	973,258
Total DaVita Inc. shareholders' equity	4,648,047	9,717,728	2,002,660	(11,720,388)	4,648,047
Noncontrolling interests not subject to put provisions	—	—	567,351	(365,657)	201,694
Total equity	<u>4,648,047</u>	<u>9,717,728</u>	<u>2,570,011</u>	<u>(12,086,045)</u>	<u>4,849,741</u>
Total liabilities and equity	<u>\$ 14,173,933</u>	<u>\$ 15,120,360</u>	<u>\$ 5,284,999</u>	<u>\$ (15,838,035)</u>	<u>\$ 18,741,257</u>
<b>As of December 31, 2015</b>					
Cash and cash equivalents	\$ 1,186,636	\$ 109,357	\$ 203,123	\$ —	\$ 1,499,116
Accounts receivable, net	—	929,390	794,838	—	1,724,228
Other current assets	431,504	769,947	78,485	—	1,279,936
Total current assets	1,618,140	1,808,694	1,076,446	—	4,503,280
Property and equipment, net	268,066	1,575,890	944,784	—	2,788,740
Intangible assets, net	540	1,634,920	51,866	—	1,687,326
Investments in subsidiaries	8,893,079	1,597,185	—	(10,490,264)	—
Intercompany receivables	3,474,133	—	701,814	(4,175,947)	—
Other long-term assets and investments	74,458	53,346	113,246	—	241,050
Goodwill	—	7,834,257	1,460,222	—	9,294,479
Total assets	<u>\$ 14,328,416</u>	<u>\$ 14,504,292</u>	<u>\$ 4,348,378</u>	<u>\$ (14,666,211)</u>	<u>\$ 18,514,875</u>
<b>Current liabilities</b>	<b>\$ 185,217</b>	<b>\$ 1,730,123</b>	<b>\$ 483,798</b>	<b>\$ —</b>	<b>\$ 2,399,138</b>
Intercompany payables	—	2,750,102	1,425,845	(4,175,947)	—
Long-term debt and other long-term liabilities	8,730,673	1,130,988	305,838	—	10,167,499
Noncontrolling interests subject to put provisions	541,746	—	—	322,320	864,066
Total DaVita Inc. shareholders' equity	4,870,780	8,893,079	1,597,185	(10,490,264)	4,870,780
Noncontrolling interests not subject to put provisions	—	—	535,712	(322,320)	213,392
Total equity	<u>4,870,780</u>	<u>8,893,079</u>	<u>2,132,897</u>	<u>(10,812,584)</u>	<u>5,084,172</u>
Total liabilities and equity	<u>\$ 14,328,416</u>	<u>\$ 14,504,292</u>	<u>\$ 4,348,378</u>	<u>\$ (14,666,211)</u>	<u>\$ 18,514,875</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Cash Flows**

	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>For the year ended December 31, 2016</b>					
<b>Cash flows from operating activities:</b>					
Net income	\$ 879,874	\$ 726,620	\$ 805,040	\$ (1,378,452)	\$ 1,033,082
Changes in operating assets and liabilities and non-cash items included in net income	(614,642)	335,166	(168,614)	1,378,452	930,362
Net cash provided by operating activities	<u>265,232</u>	<u>1,061,786</u>	<u>636,426</u>	<u>—</u>	<u>1,963,444</u>
<b>Cash flows from investing activities:</b>					
Additions of property and equipment, net	(139,303)	(382,305)	(307,487)	—	(829,095)
Acquisitions	—	(472,413)	(91,443)	—	(563,856)
Proceeds from asset sales, net of cash divested	—	70,342	(5,617)	—	64,725
Investments and other items	153,031	(29,038)	2,565	—	126,558
Net cash provided by (used in) investing activities	<u>13,728</u>	<u>(813,414)</u>	<u>(401,982)</u>	<u>—</u>	<u>(1,201,668)</u>
<b>Cash flows from financing activities:</b>					
Long-term debt and related financing costs, net	(92,460)	(27,830)	(4,152)	—	(124,442)
Intercompany borrowing	237,988	(249,182)	11,194	—	—
Other items	(1,061,203)	(21,525)	(144,811)	—	(1,227,539)
Net cash used in financing activities	<u>(915,675)</u>	<u>(298,537)</u>	<u>(137,769)</u>	<u>—</u>	<u>(1,351,981)</u>
Effect of exchange rate changes on cash	—	—	4,276	—	4,276
Net (decrease) increase in cash and cash equivalents	(636,715)	(50,165)	100,951	—	(585,929)
Cash and cash equivalents at beginning of the year	1,186,636	109,357	203,123	—	1,499,116
Cash and cash equivalents at the end of the year	<u>\$ 549,921</u>	<u>\$ 59,192</u>	<u>\$ 304,074</u>	<u>\$ —</u>	<u>\$ 913,187</u>
<b>For the year ended December 31, 2015</b>					
<b>Cash flows from operating activities:</b>					
Net income	\$ 269,732	\$ 195,507	\$ 476,354	\$ (514,183)	\$ 427,410
Changes in operating assets and liabilities and non-cash items included in net income	(146,531)	688,106	74,032	514,183	1,129,790
Net cash provided by operating activities	<u>123,201</u>	<u>883,613</u>	<u>550,386</u>	<u>—</u>	<u>1,557,200</u>
<b>Cash flows from investing activities:</b>					
Additions of property and equipment, net	(115,269)	(319,695)	(273,034)	—	(707,998)
Acquisitions	—	(76,983)	(19,486)	—	(96,469)
Proceeds from asset sales	—	19,715	—	—	19,715
Investments and other items	(74,474)	(2,144)	(20,414)	—	(97,032)
Net cash used in investing activities	<u>(189,743)</u>	<u>(379,107)</u>	<u>(312,934)</u>	<u>—</u>	<u>(881,784)</u>
<b>Cash flows from financing activities:</b>					
Long-term debt and related financing costs, net	640,009	(11,953)	(8,358)	—	619,698
Intercompany borrowing	486,588	(394,735)	(91,853)	—	—
Other items	(572,295)	(66,382)	(119,991)	—	(758,668)
Net cash provided by (used in) financing activities	<u>554,302</u>	<u>(473,070)</u>	<u>(220,202)</u>	<u>—</u>	<u>(138,970)</u>
Effect of exchange rate changes on cash	—	—	(2,571)	—	(2,571)
Net increase in cash and cash equivalents	487,760	31,436	14,679	—	533,875
Cash and cash equivalents at beginning of the year	698,876	77,921	188,444	—	965,241
Cash and cash equivalents at the end of the year	<u>\$ 1,186,636</u>	<u>\$ 109,357</u>	<u>\$ 203,123</u>	<u>\$ —</u>	<u>\$ 1,499,116</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Cash Flows**

	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>For the year ended December 31, 2014</b>					
<b>Cash flows from operating activities:</b>					
Net income	\$ 723,114	\$ 647,085	\$ 475,907	\$ (982,776)	\$ 863,330
Changes in operating assets and liabilities and non-cash items included in net income	(597,992)	120,772	90,521	982,776	596,077
Net cash provided by operating activities	<u>125,122</u>	<u>767,857</u>	<u>566,428</u>	<u>—</u>	<u>1,459,407</u>
<b>Cash flows from investing activities:</b>					
Additions of property and equipment, net	(51,374)	(312,191)	(277,765)	—	(641,330)
Acquisitions	—	(228,569)	(43,525)	—	(272,094)
Proceeds from asset sales	—	8,791	—	—	8,791
Investments and other items	(333,803)	(316)	(38,977)	—	(373,096)
Net cash used in investing activities	<u>(385,177)</u>	<u>(532,285)</u>	<u>(360,267)</u>	<u>—</u>	<u>(1,277,729)</u>
<b>Cash flows from financing activities:</b>					
Long-term debt and related financing costs, net	4,513	(12,545)	43	—	(7,989)
Intercompany borrowing	410,437	(282,461)	(127,976)	—	—
Other items	(58,207)	(14,099)	(84,684)	—	(156,990)
Net cash provided by (used in) financing activities	<u>356,743</u>	<u>(309,105)</u>	<u>(212,617)</u>	<u>—</u>	<u>(164,979)</u>
Effect of exchange rate changes on cash	—	—	2,293	—	2,293
Net increase (decrease) in cash and cash equivalents	96,688	(73,533)	(4,163)	—	18,992
Cash and cash equivalents at beginning of the year	602,188	151,454	192,607	—	946,249
Cash and cash equivalents at the end of the year	<u>\$ 698,876</u>	<u>\$ 77,921</u>	<u>\$ 188,444</u>	<u>\$ —</u>	<u>\$ 965,241</u>



**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
(dollars in thousands, except per share data)

**29. Supplemental data (unaudited)**

The following information is presented as supplemental data as required by the indentures governing the Company's Senior Notes.

**Condensed Consolidating Statements of Income**

	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries(1)
<b>For the year ended December 31, 2016</b>				
Patient services revenues	\$ 10,354,161	\$ 449,473	\$ —	\$ 9,904,688
Less: Provision for uncollectible accounts	(451,353)	(12,696)	—	(438,657)
Net patient service revenues	9,902,808	436,777	—	9,466,031
Capitated revenues	3,518,679	1,617,794	—	1,900,885
Other revenues	1,323,618	32,938	—	1,290,680
Total net revenues	14,745,105	2,087,509	—	12,657,596
Operating expenses and charges	12,850,562	2,035,001	110	10,815,451
Operating income	1,894,543	52,508	(110)	1,842,145
Debt expense	(414,382)	(10,140)	—	(404,242)
Other income, net	8,734	576	—	8,158
Income tax expense	455,813	10,643	(44)	445,214
Net income	1,033,082	32,301	(66)	1,000,847
Less: Net income attributable to noncontrolling interests	(153,208)	—	—	(153,208)
Net income attributable to DaVita Inc.	\$ 879,874	\$ 32,301	\$ (66)	\$ 847,639

**Condensed Consolidating Statements of Comprehensive Income**

	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries(1)
<b>For the year ended December 31, 2016</b>				
Net income (losses)	\$ 1,033,082	\$ 32,301	\$ (66)	\$ 1,000,847
Other comprehensive losses	(29,627)	—	—	(29,627)
Total comprehensive income (losses)	1,003,455	32,301	(66)	971,220
Less: Comprehensive income attributable to noncontrolling interest	(153,398)	—	—	(153,398)
Comprehensive income (losses) attributable to DaVita Inc.	\$ 850,057	\$ 32,301	\$ (66)	\$ 817,822

(1) After the elimination of the unrestricted subsidiaries and the physician groups

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(continued)**  
(dollars in thousands, except per share data)

**Condensed Consolidating Balance Sheets**

	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries(1)
<b>As of December 31, 2016</b>				
Cash and cash equivalents	\$ 913,187	\$ 104,691	\$ —	\$ 808,496
Accounts receivable, net	1,917,302	207,430	—	1,709,872
Other current assets	1,149,739	15,124	—	1,134,615
Total current assets	3,980,228	327,245	—	3,652,983
Property and equipment, net	3,175,367	1,378	—	3,173,989
Amortizable intangibles, net	1,527,767	4,858	—	1,522,909
Other long-term assets	650,578	78,215	2,714	569,649
Goodwill	9,407,317	16,405	—	9,390,912
Total assets	<u>\$ 18,741,257</u>	<u>\$ 428,101</u>	<u>\$ 2,714</u>	<u>\$ 18,310,442</u>
Current liabilities	\$ 2,696,445	\$ 223,302	\$ —	\$ 2,473,143
Payables to parent	—	56,699	2,714	(59,413)
Long-term debt and other long-term liabilities	10,221,813	44,094	—	10,177,719
Noncontrolling interests subject to put provisions	973,258	—	—	973,258
Total DaVita Inc. shareholders' equity	4,648,047	104,006	—	4,544,041
Noncontrolling interests not subject to put provisions	201,694	—	—	201,694
Shareholders' equity	<u>4,849,741</u>	<u>104,006</u>	<u>—</u>	<u>4,745,735</u>
Total liabilities and shareholder's equity	<u>\$ 18,741,257</u>	<u>\$ 428,101</u>	<u>\$ 2,714</u>	<u>\$ 18,310,442</u>

**Condensed Consolidating Statements of Cash Flows**

	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries(1)
<b>For the year ended December 31, 2016</b>				
<b>Cash flows from operating activities:</b>				
Net income	\$ 1,033,082	\$ 32,301	\$ (66)	\$ 1,000,847
Changes in operating and intercompany assets and liabilities and non-cash items included in net income	930,362	131,863	66	798,433
Net cash provided by operating activities	<u>1,963,444</u>	<u>164,164</u>	<u>—</u>	<u>1,799,280</u>
<b>Cash flows from investing activities:</b>				
Additions of property and equipment	(829,095)	(863)	—	(828,232)
Acquisitions and divestitures, net	(563,856)	—	—	(563,856)
Proceeds from asset sales	64,725	—	—	64,725
Investments and other items	126,558	(3,014)	—	129,572
Net cash used in investing activities	<u>(1,201,668)</u>	<u>(3,877)</u>	<u>—</u>	<u>(1,197,791)</u>
<b>Cash flows from financing activities:</b>				
Long-term debt and related financing costs, net	(124,442)	(4)	—	(124,438)
Intercompany	—	(143,837)	—	143,837
Other items	(1,227,539)	—	—	(1,227,539)
Net cash used in financing activities	<u>(1,351,981)</u>	<u>(143,841)</u>	<u>—</u>	<u>(1,208,140)</u>
Effect of exchange rate changes on cash	4,276	—	—	4,276
Net increase (decrease) in cash	(585,929)	16,446	—	(602,375)
Cash at beginning of the year	1,499,116	88,245	—	1,410,871
Cash at the end of the year	<u>\$ 913,187</u>	<u>\$ 104,691</u>	<u>\$ —</u>	<u>\$ 808,496</u>

(1) After the elimination of the unrestricted subsidiaries and the physician groups



Signature	Title	Date
/s/ ROGER J. VALINE Roger J. Valine	Director	February 24, 2017
/s/ PHYLLIS R. YALE Phyllis R. Yale	Director	February 24, 2017

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Shareholders  
DaVita Inc.:

Under date of February 24, 2017, we reported on the consolidated balance sheets of DaVita Inc. and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2016, which are included in the Annual Report on Form 10-K. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related Schedule II – Valuation and Qualifying Accounts included in the Annual Report on Form 10-K. This financial statement schedule is the responsibility of the Company’s management. Our responsibility is to express an opinion on this 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 24, 2017

**DAVITA INC.**  
**SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS**

<b>Description</b>	<b>Balance at beginning of year</b>	<b>Acquisitions</b>	<b>Amounts charged to income</b>	<b>Amounts written off</b>	<b>Balance at end of year</b>
	(in thousands)				
Allowance for uncollectible accounts:					
Year ended December 31, 2014	\$ 237,143	\$ —	\$ 381,337	\$ 375,806	\$ 242,674
Year ended December 31, 2015	\$ 242,674	\$ —	\$ 437,100	\$ 415,630	\$ 264,144
Year ended December 31, 2016	\$ 264,144	\$ —	\$ 463,030	\$ 475,118	\$ 252,056

## EXHIBIT INDEX

- 2.1 Agreement and Plan of Merger, dated as of May 20, 2012, by and among DaVita Inc., Seismic Acquisition LLC, HealthCare Partners Holdings, LLC, and the Member Representative.(28)
- 2.2 Amendment, dated as of July 6, 2012, to the Agreement and Plan of Merger, dated as of May 20, 2012, by and among DaVita Inc., Seismic Acquisition LLC, HealthCare Partners Holdings, LLC, and the Member Representative.(29)
- 3.1 Restated Certificate of Incorporation of DaVita Inc., as filed with the Secretary of State of Delaware on November 1, 2016.(1)
- 3.2 Certificate of Ownership and Merger Merging DaVita Name Change, Inc. with and into DaVita Inc., as filed with Secretary of State of the State of Delaware on November 1, 2012.(31)
- 3.3 Amended and Restated Bylaws for DaVita Inc. dated as of September 7, 2016.(1)
- 4.1 Indenture, dated August 28, 2012, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee.(30)
- 4.2 Form of 5.750% Senior Notes due 2022 and related Guarantee (included in Exhibit 4.1).(30)
- 4.3 Indenture, dated June 13, 2014, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee. (34)
- 4.4 Form of 5.125% Senior Notes due 2024 and related Guarantee (included in Exhibit 4.3). (34)
- 4.5 Second Supplemental Indenture for the 5.750% Senior Notes due 2022, dated June 13, 2014, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee. (35)
- 4.6 Indenture for the 5.000% Senior Notes due 2025, dated April 17, 2015, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee. (22)
- 4.7 Form of 5.000% Senior Notes due 2025 and related Guarantee (included in Exhibit 4.6). (22)
- 10.1 Employment Agreement, dated as of October 31, 2005, effective October 24, 2005, by and between DaVita Inc. and Dennis Kogod.(6)\*
- 10.2 Amendment to Mr. Kogod's Employment Agreement, effective December 12, 2008.(18)\*
- 10.3 Second Amendment to Mr. Kogod's Employment Agreement, effective December 31, 2012.(18)\*
- 10.4 Employment Agreement, effective September 22, 2005, by and between DaVita Inc. and James Hilger.(8)\*
- 10.5 Separation Agreement, effective November 30, 2016, by and between DaVita Inc. and Mr. Kogod. ✓ \*
- 10.6 Consulting Agreement, effective December 1, 2016, by and between DaVita Inc. and Mr. Kogod. ✓ \*
- 10.7 Amendment to Mr. Hilger's Employment Agreement, effective December 12, 2008.(18)\*
- 10.8 Second Amendment to Mr. Hilger's Employment Agreement, effective December 27, 2012.(33)\*
- 10.9 Employment Agreement, effective July 25, 2008, between DaVita Inc. and Kent J. Thiry.(15)\*
- 10.10 Employment Agreement, effective August 1, 2008, between DaVita Inc. and Allen Nissenson.(16)\*
- 10.11 Employment Agreement, effective March 17, 2010, by and between DaVita Inc. and Javier Rodriguez.(20)\*
- 10.12 Employment Agreement, effective November 1, 2016, by and between DaVita Inc. and Charles G. Berg. ✓ \*
- 10.13 Employment Agreement, effective February 21, 2017, by and between DaVita Inc. and Joel Ackerman. ✓ \*
- 10.14 Form of Indemnity Agreement.(12)\*
- 10.15 Form of Indemnity Agreement.(7)\*
- 10.16 DaVita Deferred Compensation Plan. ✓ \*
- 10.17 Executive Incentive Plan (as Amended and Restated effective January 1, 2009).(19)\*
- 10.18 Executive Retirement Plan.(18)\*
- 10.19 DaVita Voluntary Deferral Plan.(5)\*

- 10.20 Deferred Bonus Plan (Prosperity Plan).(17)\*
- 10.21 Amendment No. 1 to Deferred Bonus Plan (Prosperity Plan).(18)\*
- 10.22 Amended and Restated Employee Stock Purchase Plan.(13)\*
- 10.23 Amended and Restated DaVita Inc. Severance Plan.(33)\*
- 10.24 Change in Control Bonus Program.(18)\*
- 10.25 Non-Management Director Compensation Philosophy and Plan.(14)\*
- 10.26 Amended and Restated 2002 Equity Compensation Plan.(4)\*
- 10.27 Amended and Restated 2002 Equity Compensation Plan.(11)\*
- 10.28 Amended and Restated 2002 Equity Compensation Plan.(13)\*
- 10.29 Amended and Restated 2002 Equity Compensation Plan.(18)\*
- 10.30 DaVita Inc. 2002 Equity Compensation Plan.(21)\*
- 10.31 Form of Non-Qualified Stock Option Agreement—Employee (DaVita Inc. 1999 Non-Executive Officer and Non-Director Equity Compensation Plan).(10)\*
- 10.32 Form of Non-Qualified Stock Option Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(2)\*
- 10.33 Form of Non-Qualified Stock Option Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(9)\*
- 10.34 Form of Non-Qualified Stock Option Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(10)\*
- 10.35 Form of Restricted Stock Units Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(2)\*
- 10.36 Form of Restricted Stock Units Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(9)\*
- 10.37 Form of Restricted Stock Units Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(10)\*
- 10.38 Form of Restricted Stock Units Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(18)\*
- 10.39 Form of Stock Appreciation Rights Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(9)\*
- 10.40 Form of Stock Appreciation Rights Agreement—Employee (DaVita Inc. 2002 Equity Compensation Plan).(10)\*
- 10.41 Form of Stock Appreciation Rights Agreement—Board (DaVita Inc. 2002 Equity Compensation Plan).(16)\*
- 10.42 Form of Stock Appreciation Rights Agreement—Board members (DaVita Inc. 2011 Incentive Award Plan).(24)\*
- 10.43 Form of Restricted Stock Units Agreement—Board (DaVita Inc. 2002 Equity Compensation Plan).(16)\*
- 10.44 Form of Restricted Stock Units Agreement—Board members (DaVita Inc. 2011 Incentive Award Plan).(24)\*
- 10.45 Form of Non-Qualified Stock Option Agreement—Board (DaVita Inc. 2002 Equity Compensation Plan).(16)\*
- 10.46 Form of Stock Appreciation Rights Agreement—Executives (DaVita Inc. 2011 Incentive Award Plan).(24)\*
- 10.47 Form of Restricted Stock Units Agreement—Executives (DaVita Inc. 2011 Incentive Award Plan).(24)\*
- 10.48 Form of Restricted Stock Units Agreement (DaVita Inc. 2011 Incentive Award Plan). (33)\*
- 10.49 Form of Stock Appreciation Rights Agreement (DaVita Inc. 2011 Incentive Award Plan). (33)\*
- 10.50 Form of Long-Term Incentive Program Award Agreement (For 162(m) designated teammates) (DaVita Inc. 2011 Incentive Award Plan).(33)\*
- 10.51 Form of Long-Term Incentive Program Award Agreement (DaVita Inc. 2011 Incentive Award Plan). (33)\*



- 10.52 Credit Agreement, dated as of June 24, 2014, by and among DaVita Inc., the guarantors the guarantors party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, Barclays Bank PLC, and Wells Fargo Bank, National Association as Co-Syndication Agents, Bank of America, N.A., Credit Suisse AG, Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., and SunTrust Bank, as Co-Documentation Agents, Barclays Bank PLC, Wells Fargo Securities, LLC, Credit Suisse Securities (USA) LLC, Goldman Sachs Bank USA, J.P. Morgan Securities, LLC, Bank of America, N.A., Morgan Stanley Senior Funding, Inc., and SunTrust Robinson Humphrey, Inc. as Joint Lead Arrangers and Joint Bookrunners, The Bank of Nova Scotia, Credit Agricole Securities (USA) Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Sumitomo Mitsui Banking Corporation, as Senior Managing Agents, HSBC Securities (USA) Inc., Fifth Third Bank, and Compass Bank as Managing Agents. (35)
- 10.53 Perfection Certificate executed as of October 20, 2010 and delivered in connection with the closing of the Credit Agreement filed as Exhibit 10.68.(26)\*\*
- 10.54 Dialysis Organization Agreement between DaVita Inc. and Amgen USA Inc. dated December 20, 2007.(17)\*\*
- 10.55 Dialysis Organization Agreement between DaVita Inc. and Amgen USA Inc. dated December 17, 2010.(23)\*\*
- 10.56 Amended and Restated DaVita Inc. 2011 Incentive Award Plan.(35)\*
- 10.57 Amendment No. 2 to Dialysis Organization Agreement between DaVita Inc. and Amgen USA Inc. effective as of July 1, 2011.(25)\*\*
- 10.58 Form of Non-Competition and Non-Solicitation Agreement, dated as of May 20, 2012, between DaVita Inc. and Dr. Robert Margolis, Dr. William Chin, Dr. Thomas Paulsen, Mr. Zan Calhoun, and Ms. Lori Glisson.(28)
- 10.59 Form of Non-Competition and Non-Solicitation Agreement, dated as of May 20, 2012, between DaVita Inc. and Mr. Matthew Mazdyasni, Dr. Sherif Abdou, and Dr. Amir Bacchus.(28)
- 10.60 Escrow Agreement, dated as of August 28, 2012, by and among DaVita Inc., The Bank of New York Mellon Trust Company, N.A., as trustee, The Bank of New York Mellon Trust Company, N.A., as escrow agent and The Bank of New York Mellon Trust Company, N.A., as bank and securities intermediary.(30)
- 10.61 Form of 2014 Long Term Incentive Program Cash Performance Award Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program (for 162(m) designated teammates). (36) \* \*\*
- 10.62 Form of 2014 Long Term Incentive Program Cash Performance Award Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program. (36)\* \*\*
- 10.63 Form of 2014 Long Term Incentive Program Performance Stock Units Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program (for 162(m) designated teammates). (36) \* \*\*
- 10.64 Form of 2014 Long Term Incentive Program Restricted Stock Units Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program. (36)\*
- 10.65 Form of 2014 Long Term Incentive Program Stock Appreciation Rights Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program. (36)\*
- 10.66 Corporate Integrity Agreement, dated as of October 22, 2014, by and among the Office of Inspector General of The Department of Health and Human Services and DaVita Inc. (27)
- 12.1 Computation of Ratio of Earnings to Fixed Charges. ✓
- 14.1 DaVita Inc. Corporate Governance Code of Ethics.(3)
- 21.1 List of our subsidiaries. ✓
- 23.1 Consent of KPMG LLP, independent registered public accounting firm. ✓
- 24.1 Powers of Attorney with respect to DaVita. (Included on Page II-1).
- 31.1 Certification of the Chief Executive Officer, dated February 24, 2017, 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 24, 2017, 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 24, 2017, 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 24, 2017, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ✓
- 101.INS XBRL Instance Document. ✓
- 101.SCH XBRL Taxonomy Extension Schema Document. ✓
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document. ✓
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document. ✓
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document. ✓
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document. ✓

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- ✓ 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.
- (37) Filed on November 2, 2016 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016.
- (38) Filed on November 8, 2004 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004.
- (39) Filed on February 27, 2004 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2003.
- (40) Filed on May 4, 2005 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005.
- (41) Filed on November 8, 2005 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005.
- (42) Filed on November 4, 2005 as an exhibit to the Company's Current Report on Form 8-K.
- (43) Filed on March 3, 2005 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2004.
- (44) Filed on August 7, 2006 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ending June 30, 2006.
- (45) Filed on July 6, 2006 as an exhibit to the Company's Current Report on Form 8-K.
- (46) Filed on October 18, 2006 as an exhibit to the Company's Current Report on Form 8-K.
- (47) Filed on July 31, 2006 as an exhibit to the Company's Current Report on Form 8-K.
- (48) Filed on December 20, 2006 as an exhibit to the Company's Current Report on Form 8-K.
- (49) Filed on June 4, 2007 as an exhibit to the Company's Current Report on Form 8-K.
- (50) Filed on May 8, 2008 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.
- (51) Filed on July 31, 2008 as an exhibit to the Company's Current Report on Form 8-K.
- (52) Filed on November 6, 2008 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.
- (53) Filed on February 29, 2008 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2007.
- (54) Filed on February 27, 2009 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2008.
- (55) Filed on June 18, 2009 as an exhibit to the Company's Current Report on Form 8-K.
- (56) Filed on April 14, 2010 as an exhibit to the Company's Current Report on Form 8-K.
- (57) Filed on April 28, 2010 as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A.
- (58) Filed on April 17, 2015 as an exhibit to the Company's Current Report on Form 8-K.
- (59) Filed on December 29, 2011 as an exhibit to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2010.
- (60) Filed on August 4, 2011 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.
- (61) Filed on December 29, 2011 as an exhibit to the Company's Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2011.
- (62) Filed on January 17, 2012 as an exhibit to the Company's Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2011.
- (63) Filed on October 23, 2014 as an exhibit to the Company's Current Report on Form 8-K.
- (64) Filed on May 21, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (65) Filed on July 9, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (66) Filed on August 28, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (67) Filed on November 1, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (68) Filed on August 7, 2013 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.

- (69) Filed on February 28, 2013 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2012.
- (70) Filed on June 16, 2014 as an exhibit to the Company's Current Report on Form 8-K.
- (71) Filed on August 1, 2014 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.
- (72) Filed on November 6, 2014 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.

**SEPARATION AGREEMENT AND RELEASE**

This Separation Agreement and Release (“Agreement”) is made and entered into by and between DaVita Healthcare Partners Inc. and/or any of its parents, subsidiaries, successors and assigns (collectively “DaVita” or the “Company”) and Dennis Kogod (“Kogod”).

**WHEREAS**, DaVita and Kogod wish to provide for the termination of their employment relationship, all roles in which Kogod serves as an officer, board member or other non-employment role with DaVita (the “Non-Employment Roles”), and all agreements (including the October 31, 2005 Employment Agreement and any amendments thereto) except as otherwise noted herein, that exist and may have existed between them, and fully and finally resolve any and all matters arising out of Kogod’s employment by DaVita or the termination of his employment, without any admission of any kind by either party; and

**WHEREAS**, the parties wish to document their understanding and agreement with respect to the terms of Kogod’s separation from employment with DaVita.

**NOW, THEREFORE**, in consideration of the provisions and agreements set forth hereinafter, and for good and valuable consideration, the sufficiency of which is acknowledged by both parties, the parties agree as follows:

**1. Employment Termination.** DaVita will eliminate Kogod’s position, CEO of DaVita International, as part of a reorganization of the Company effective November 30, 2016. The Company will continue to employ Kogod as CEO of DaVita International until November 30, 2016 (the “Termination Date”). Until the Termination Date, Kogod’s job duties and responsibilities, pay, and entitlement to health and welfare benefits shall remain the same as of the date of his execution of this Agreement. However, during this time, Kogod may not bind the Company or DaVita International to any contract or make any representation or commitment on behalf of the Company or DaVita International that would tend to bind the Company or DaVita International without prior written authorization from the Chief Executive Officer of DaVita. In addition, during this time if requested to do so by the Company, Kogod will submit his written and signed resignation from any Non-Employment Roles or, in lieu thereof, the Company may remove Kogod from all such roles at any time(s) prior to the Termination Date. Prior to the date of any such resignation or removal from the Non-Employment Roles, Kogod shall cooperate with the Company to take such action as might be necessary to complete any pending or essential matters that need to be accomplished prior to the Termination Date and/or to provide for a smooth transition out of the Non-Employment Roles. The parties will announce the termination of Kogod’s employment consistent with applicable regulations.

**2. Consulting.** Kogod agrees to provide consulting services to DaVita from the termination of his employment until November 30, 2019. The terms of Kogod’s provision of consulting services to DaVita are outlined in the Consulting Agreement attached hereto as Exhibit A. Notwithstanding anything to the contrary in this Agreement, the Consulting Agreement or any other writing of any kind whatsoever, upon Kogod’s commencement of the consulting services under the Consulting Agreement, those services will not be deemed to be a simultaneous commencement of or remaining in service with the Company by Kogod for

purposes of the definition of “Termination of Services” under Section 2.53 of the 2011 DaVita HealthCare Partners Inc. Incentive Award Plan, as amended and restated on June 17, 2014 (the “Plan”). Without limiting the generality of the foregoing, and for the avoidance of doubt, any rights that Kogod might have under any equity-based or cash-based awards made to Kogod by the Company pursuant to the Plan prior to the Termination Date, including without limitation, to exercise any such award (other than awards that have vested prior to the Termination Date) or to continue to have such awards vest or to otherwise derive value of any kind therefrom, will cease as of the Termination Date, and any unvested portions thereof shall be forfeited. Any exercise of any vested but unexercised awards under the Plan are subject to pre-clearance by the Chief Legal Officer of the Company and the other usual requirements under the Company’s Insider Trading Policy, and must occur no later than 90 days after the Termination Date, provided that no exercises may occur during the Company’s regular third quarter trading blackout that begins at the close of the New York Stock Exchange on September 23, 2016 and is expected to end in or about the first week of November, unless prior to the beginning of such trading blackout Kogod establishes a 10b5-1 trading plan that complies with the DaVita Insider Trading Policy with respect to any desired exercise of any award during the blackout period, and provided further that any exercise dates under such trading plan during the trading blackout or after must occur no later than 90 days after the Termination Date.

**3. Consideration.** In consideration for Kogod’s execution and non-revocation of this Agreement and the promises and covenants contained herein, DaVita shall pay Kogod a lump sum of One Million Five Hundred Thousand Dollars (\$1,500,000) (less standard federal and state withholdings and authorized deductions), to be reported on an IRS Form W-2, within 10 business days of Kogod’s execution of this Agreement, provided he does not revoke the Agreement as set forth in paragraph 12.

**4. Return of Company Property.** Kogod agrees to return all of DaVita’s proprietary or confidential information, emails, documents, and property, including but not limited to cellular phones, credit cards, calling cards, keys, computers, employment badges and any company-provided hardware and software to DaVita on or before the Termination Date.

**5. Non-Required Benefits.** Kogod acknowledges that by accepting the provisions of this Agreement, Kogod is receiving certain benefits to which he would not otherwise be entitled.

**6. Release.** In consideration of the obligations of DaVita under this Agreement, Kogod, for himself and his heirs, executors, administrators, attorneys, successors, and assigns, hereby releases DaVita and its parents, subsidiaries, divisions, affiliates, related entities, its and their joint ventures and joint venturers, insurers, insurance policies and benefit plans, each of the past and present shareholders, officers, directors, agents, employees (including, but not limited to, Kent Thiry), representatives, administrators, fiduciaries and attorneys of the foregoing entities and plans, and the predecessors, successors, transferees and assigns of each of the persons and entities described in this sentence (“Released Parties”), from any and all claims of any kind, known or unknown, that arose on or before the date Kogod signed this Agreement.

The claims Kogod is releasing include, without limitation, any and all claims arising out of or related to his employment with DaVita.

The claims Kogod is releasing also include, without limitation, claims of wrongful termination, claims of constructive discharge, claims arising out of agreements, representations or policies related to his employment, claims arising under federal, state or local laws or ordinances prohibiting discrimination, harassment, or retaliation for whistleblowing or requiring accommodation on the basis of age, race, color, national origin, religion, sex, disability, marital status, sexual orientation or any other protected status, claims of failure to accommodate a disability or religious practice, claims for violation of public policy, claims of retaliation, claims under the federal false claims act and/or any state false claims act relating in any manner to information Kogod learned while employed by DaVita, claims of failure to assist Kogod in applying for future position openings, claims of failure to hire Kogod for future position openings, claims for wages or compensation of any kind (including overtime claims), claims of willful withholding of wages, claims of tortious interference with contract or expectancy, claims of fraud or negligent misrepresentation, claims of breach of privacy, defamation claims, claims of intentional or negligent infliction of emotional distress, claims of unfair labor practices, claims arising out of any claimed right to stock or to the receipt of any equity grant or for the issuance, vesting or derivation of any value of stock or other equity or cash in connection with any award made under the Plan (other than the right to exercise vested but unexercised equity awards as provided under paragraph 2 above), claims for attorneys' fees or costs, claims that he may have or assert based on alleged acts or omissions by DaVita, and any other claims that are based on any alleged legal obligations of DaVita.

Kogod understands and agrees that this Agreement is a full and final release covering all known and unknown, suspected or unsuspected injuries, debts, claims or damages which have arisen or may have arisen from any matters, acts, omissions or dealings released. As to such released matters, Kogod expressly waives any and all rights or benefits which he may now have, or in the future may have, under the terms of California Civil Code Section 1542 and any similar law of any state or territory in the United States. Said section provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Kogod fully understands that if any fact with respect to any matter covered in this Agreement is found hereinafter to be other than or different from the facts now believed by him to be true, he expressly accepts and assumes that this Agreement shall be and remain effective, notwithstanding such difference in facts.

7. **Waiver of Rights.** Kogod specifically waives any rights or claims that Kogod may have under the California Labor Code, the California Fair Employment and Housing Act, the California Family Rights Act, the Nevada Revised Statutes, the Nevada Fair Employment Practices Act, the Colorado Civil Rights Act, the Colorado Revised Statutes, the Civil Rights Act of 1964 (including Title VII of that Act), the Americans with Disabilities Act of 1990 (ADA), the Family and Medical Leave Act, the Age Discrimination in Employment Act (ADEA), the Worker Adjustment and Retraining Notification Act (WARN), the Employee Retirement Income Security Act of 1974 (ERISA), the National Labor Relations Act (NLRA), the Consolidated

Omnibus Budget Reconciliation Act of 1985 (COBRA), the Sarbanes-Oxley Act of 2002, the Dodd-Frank Act of 2010 (all as amended), and all similar federal, state and local laws.

**8. Remedies for Breach of Release and Waiver of Rights.** Kogod acknowledges and agrees that if he breaches the provisions in paragraphs 6 and/or 7, then, to the fullest extent permitted by law, DaVita will be entitled to apply for and receive an injunction to restrain any violation of the release and/or waiver of rights and DaVita will not be obligated to make any additional payments or provide any additional benefits under this Agreement, subject to an arbitrator subsequently ruling otherwise pursuant to the dispute resolution mechanism set forth in paragraph 19 below.

**9. Waiver of Reinstatement Rights.** To the extent permitted by law, Kogod further waives, releases, and discharges DaVita and the Released Parties from any reinstatement rights which Kogod has or could have, and Kogod acknowledges that he has not suffered any on-the job injury for which he has not already filed a claim.

**10. No Pending Actions.** Kogod represents and warrants that as of the date of his signing this Agreement, he has not initiated any complaint, charge, administrative proceeding, lawsuit or arbitration seeking damages or equitable relief for any of the claims Kogod is releasing in this Agreement, including, without limitation, any administrative or civil actions pending with respect to DaVita and/or any alleged or perceived violation by DaVita or the Released Parties with respect to Kogod.

**11. Protected Rights.** Kogod expressly acknowledges that this Release does not relinquish any protected rights he may have under Title VII of the Civil Rights Act of 1964, the Equal Pay Act (“EPA”), the Americans with Disabilities Act (“ADA”), Older Workers Benefit Protection Act (“OWBPA”) or the Age Discrimination in Employment Act (“ADEA”) to file a charge, testify, assist or participate in any manner in an investigation, hearing or proceeding conducted by the Equal Employment Opportunity Commission or the Office of Federal Contract Compliance. However, Kogod may not recover additional compensation or damages as a result of that participation.

Kogod agrees that he will not file or permit any other person to file a claim on Kogod’s behalf, with any judicial body, administrative agency or arbitrator, any claim or cause of action herein released.

The foregoing notwithstanding, nothing herein shall prohibit or restrict Kogod from communicating directly with, or responding to any inquiry from, cooperating with, or providing testimony before, the Securities and Exchange Commission (SEC), Department of Justice (DOJ), Office of the Inspector General (OIG), or any other governmental or self-regulatory authority about a possible violation of law.

This Agreement does not waive Kogod’s vested rights, if any, to receive pension or medical benefits pursuant to any formally-adopted written benefit plan, unemployment compensation benefits or workers’ compensation benefits, nor does it waive Kogod’s rights that he cannot waive, including claims for indemnification, and any claim that the Company has failed to make any payments or to provide any of the payments or benefits described in paragraph 3 of this Agreement.

**12. Notice of Rights of Review and Revocation.** Kogod acknowledges receipt of this Agreement as notice in writing from DaVita advising him to consult with an attorney prior to executing this Agreement and further acknowledges that he has been provided the right to consider this Agreement, including the release contained herein, for a period of twenty-one (21) days following the date of such receipt prior to executing same. The parties acknowledge that Kogod has seven (7) days from the date of execution of this Agreement to revoke same, and that this entire Agreement shall not be effective or enforceable in whole or in part until the revocation period has expired. If Kogod chooses to revoke this Agreement within seven (7) days of execution, such revocation shall apply to the entire Agreement, and it is understood and agreed that such revocation shall render this entire Agreement null and void. To be effective, the rescission must be in writing and delivered by hand or mailed to Timothy J. Long, Orrick Herrington & Sutcliffe, LLP, 777 S. Figueroa Street, Suite 3200, Los Angeles, CA 90017. If mailed, the rescission must be (a) postmarked within the seven-day revocation period; (b) properly addressed to Timothy J. Long and (c) sent by certified mail, return receipt requested. If Kogod accepts this Agreement, the signed Agreement must be postmarked or returned by the close of the twenty-first day of the consideration period, to Timothy J. Long at the address stated herein.

**13. Cooperation/Full Disclosure.** Kogod agrees, upon request of DaVita, to cooperate with DaVita in the transition of his duties.

Kogod will fully cooperate with DaVita in the investigation, prosecution and/or defense of any claims or concerns regarding the business of DaVita about which he has relevant knowledge, including by providing truthful information and testimony as reasonably requested by DaVita. Such assistance shall include, but is not limited to, participating in interviews with representatives of DaVita, attending, as a witness, depositions, trials, or other similar proceedings without requiring a subpoena, and producing and/or providing any documents or names of other persons with relevant information.

Kogod also acknowledges his obligation to raise any and all compliance concerns prior to the Termination Date. Kogod shall fill out DaVita's form Compliance Questionnaire and be available to participate in an exit interview with DaVita's Corporate Compliance Department or its designee if Kogod is asked by DaVita to do so prior to the Termination Date. In the event an interview is desired, at the sole discretion of DaVita, DaVita will contact Kogod to establish a mutually agreeable time for the interview. Kogod agrees to answer any questions fully and completely, and a failure to do so is a material breach of this Agreement. If Kogod is aware of a compliance-related issue, he acknowledges his obligation to raise the concern(s) in the form Compliance Questionnaire and the exit interview (if any), and that failure to do so is a material breach of this Agreement.

**14. Duty to DaVita.** Kogod acknowledges his duty of loyalty to DaVita including, but not limited to, a duty not to improperly profit from or improperly seek to profit from knowledge he has acquired while in a position of trust at DaVita, to the detriment of DaVita.

**15. No Future Employment.** Kogod represents and confirms that, after the Termination Date, Kogod has no interest in future employment with DaVita or its parents, subsidiaries, successors or affiliates, and that DaVita and its parents, subsidiaries and affiliates



have no obligation to assist Kogod in identifying or applying for positions with DaVita. Kogod agrees not to apply for future employment with DaVita or its parents, subsidiaries or affiliates and agrees that DaVita and its parents, subsidiaries and affiliates have no obligation to consider Kogod for future employment.

**16. Kogod's Representations and Warranties.** Kogod expressly represents and warrants that he is the sole owner of the actual or alleged claims, demands, rights, causes of action, and other matters that are released by Kogod herein; that the same have not been transferred or assigned or caused to be transferred or assigned to any other person, firm, corporation or other legal entity; and that Kogod has the full right and power to grant, execute and deliver the releases, undertakings, and agreements contained herein. Kogod further represents and warrants that he is unaware of any lien that has been noticed or filed and that would attach to any payment or benefit to be made or given by DaVita pursuant to this Agreement. Kogod agrees to indemnify DaVita and the Released Parties, including payment of any attorneys' fees and costs, and hold DaVita and the Released Parties harmless from and against any and all damages which may be suffered by them in the event that any of the foregoing representations and warranties are untrue in whole or part, and any and all claims based on or arising from any such assignment or transfer, or any attempted assignment or transfer, of any matters released herein. Kogod also represents that the total payment fully and adequately compensates him for anything he is releasing and anything that is owed to him (including wages and benefits) and that he is not owed any other sums.

**17. Entire Agreement.** The parties agree that, except as otherwise stated herein, this Agreement supersedes any prior arrangements, agreements or contracts, whether written, oral or implied (in law or fact), between them on the subject matter contained herein and contains the entire understanding and agreement between the parties and cannot be amended, modified or supplemented in any respect, except by a subsequent written agreement executed by both parties.

**18. Choice of Law.** This Agreement shall be governed by the laws of the State of Colorado, without regard to conflict of law principles.

**19. Enforcement of Agreement by Arbitration.** Any dispute over the terms of or obligations under this Agreement shall be resolved by final and binding arbitration before JAMS in Denver, Colorado, except that the Company may seek judicial intervention to obtain temporary injunctive relief to restrain any violation of the releases provided in this Agreement and/or waiver of rights pursuant to paragraph 8 above. The parties agree that the venue for any such court action will be Denver, Colorado. The arbitrator (or the Court) shall be obligated to follow substantive Colorado law. Kogod and DaVita agree to waive any and all rights to a jury trial or a bench trial in connection with the resolution of any dispute under this Agreement. The prevailing party shall be entitled to reasonable attorneys' fees and/or costs incurred to enforce this Agreement.

**20. Severability.** If any provision of this Agreement or the application thereof is held invalid, such invalidation shall not affect other provisions or applications of this Agreement and to this end, the provisions of this Agreement are declared to be severable; provided that if the release and covenants not to sue provided for in paragraphs 6 and 10 or any parts thereof are declared or adjudged invalid or unenforceable for any reason, the entire Agreement shall be a nullity and all consideration provided in this Agreement shall be returned. Each party agrees, at

the other party's option, to execute a release, waiver, and/or covenant that is legal and enforceable to effectuate the terms of this Agreement.

**21. Section 409A.** For purposes of this Agreement and the Second Agreement, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")). For purposes of the rules under Section 409A of the Code, each payment made under this Agreement and the Second Agreement shall be treated as a separate payment, and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. It is intended that the payments satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code. Notwithstanding anything to the contrary in this Agreement or the Second Agreement, if DaVita determines (i) that on the date that Kogod's employment with the Company terminates or at such other times that DaVita determines to be relevant, Kogod is a "specified employee" (within the meaning of Section 409A of the Code) of Da Vita and (ii) that any payments to be provided to Kogod pursuant to this Agreement are or may become subject to the additional tax under Section 409A(a)(1)(B) of the Code or any other taxes or penalties imposed under Section 409A of the Code if provided at the time otherwise required under this Agreement, then such payments shall be delayed until the date that is six months after the date of Kogod's "separation from service" (as such term is defined under Section 409A of the Code) with Da Vita, or, if earlier, the date of Kogod's death. Any payments delayed pursuant to this paragraph shall be made in lump sum on the first day of the seventh month following Kogod's "separation from service" (as such term is defined under Section 409A of the Code), or, if earlier, the date of Kogod's death. In addition, to the extent that any benefits are provided in-kind or through reimbursement, (i) the amount eligible for reimbursement or payment in one calendar year may not affect the amount eligible for reimbursement or payment in any other calendar year, and (ii) the right to any reimbursement or in-kind benefit is not subject to liquidation or exchange for another benefit. Notwithstanding any other provision to the contrary, in no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Section 409A of the Code be subject to offset by any other amount unless otherwise permitted by Section 409A of the Code.

**22. Counterparts and Copies.** This Agreement may be signed in any number of copies and counterparts, each of which shall be deemed an original when signed and shall constitute the same instrument. Fully executed photocopies of the Agreement shall be treated as originals.

**WHEREFORE**, the parties execute this Agreement effective the date set forth below.

DaVita Healthcare Partners, Inc.

\_\_\_\_\_  
/s/ Kent J. Thiry  
Kent J. Thiry  
Chief Executive Officer

\_\_\_\_\_  
/s/ Dennis L. Kogod  
Dennis L. Kogod

Dated: October 17, 2016

Dated: October 17, 2016

## EXHIBIT A

## CONSULTING AGREEMENT

The following confirms the agreement (the “Consulting Agreement”) between DaVita Healthcare Partners Inc. and/or any of its parents, subsidiaries, successors and assigns (collectively “DaVita” or the “Company”) and Dennis L. Kogod (“Kogod”) with respect to the provision of consulting services to DaVita.

1. **Term of Consulting Agreement.** This Consulting Agreement is effective as of December 1, 2016 and will continue for three (3) years, until November 30, 2019 unless terminated earlier pursuant to paragraph 10 of this Consulting Agreement.

2. **Services, Obligations and Cooperation.** Kogod and DaVita agree to the following with respect to the services, obligation and coordination under the Consulting Agreement: (a) In Year One of this Consulting Agreement, Kogod shall provide no more than 100 hours per month of consulting services to DaVita under this Consulting Agreement as Advisor to DaVita’s Chief Executive Officer, or his/her designee. In Years Two and Three of this Consulting Agreement, the cap on consulting services shall be reduced to 90 hours per month. Kogod shall include in the monthly time record all time he spends attending to administrative functions, which will count towards his consulting services. If Kogod does not work 100 hours (or, as applicable, 90 hours) in any given month, the difference between hours worked and 100 hours (or, as applicable, 90 hours) shall not carry over to the following month, unless Kogod and DaVita agree otherwise. Kogod shall maintain a record of the hours he works each month and shall send the log to DaVita’s Chief Executive Officer no later than five (5) business days after the end of each month. The parties agree that the spirit and intent of this Consulting Agreement is for Kogod to provide 100 hours (or, as applicable, 90 hours) of substantive consulting services to DaVita, but recognize that this will require substantial travel in addition to the substantive consulting services. As such, DaVita agrees to pay Kogod \$350 per hour for his travel time, which will be limited to 40 hours per month. However, if travel exceeds 40 hours per month, then each travel hour in excess of 40 shall be treated as consulting services, thereby counting towards the 100 (or 90) hour monthly consulting services maximum. For purposes of recording Kogod’s travel hours, travel time shall be measured from the scheduled airline departure time to landing, including any lay-overs and travel delays. Travel time is not be considered part of the 100 hours (or, as applicable, 90 hours) required under this section unless the travel time exceeds 40 hours per month, as discussed above.

(b) Kogod shall give DaVita five (5) business days’ notice of any days on which he cannot perform work, including travel or phone calls, provided that Kogod has not previously agreed to a commitment to DaVita pursuant to Section 2(d)-(e).

(c) In this role, Kogod shall report to DaVita’s Chief Executive Officer or his/her designee and attend meetings called by him/her and/or DaVita’s senior management, with reasonable notice as set forth below. Kogod understands and agrees that in performing services under this Consulting Agreement he may be required to travel internationally, with reasonable notice as set forth below. DaVita will pay for Kogod to travel on a commercial airline, first

class, and to stay in executive level accommodations consistent with similarly situated DaVita executives. Kogod shall seek reimbursement for other reasonable expenses he incurs in connection with performing these consulting services. None of the travel costs will be imputed to Kogod as income. Kogod will not be permitted to use the fractionally-owned or chartered corporate aircraft. Kogod shall also provide Quarterly Financial Disclosure Certifications to the Company in the form of Exhibit 1 attached hereto.

(d) DaVita shall give Kogod no fewer than six (6) business days' notice for any domestic travel that DaVita requires of Kogod and ten (10) business days' notice for any international travel that DaVita requires of Kogod.

(e) DaVita shall give Kogod no fewer than five (5) business days' notice of any conference call or in person meeting in which his participation is required. DaVita shall give Kogod no fewer than five (5) business days' notice of any one on one or other similar regular calls with international management team members.

(f) DaVita and Kogod agree and understand that the notice provisions in Sections 2(b), (d) and (e) may not always be possible in the event of an emergency or urgent business situation. If a legitimately urgent or emergent situation arises, both parties agree to act reasonably to accommodate the request by the other party that would be less than the required time of the notice provisions in Sections 2(b), (d) and (e).

(g) DaVita shall not require Kogod to attend any meeting of the Board of Directors.

(h) Kogod shall utilize his expertise, experience and professional judgment in performing such consulting services.

(i) Kogod acknowledges his duty of loyalty to DaVita including, but not limited to, a duty not to improperly profit from or improperly seek to profit from knowledge he has acquired while in a position of trust at DaVita, to the detriment of DaVita.

(j) Kogod shall fully cooperate with DaVita in the investigation, prosecution and/or defense of any claims or concerns regarding the business of DaVita about which he has relevant knowledge, including by providing truthful information and testimony as reasonably requested by DaVita.

3. **Compensation.** For the duration of this Consulting Agreement, and in consideration for this Consulting Agreement, DaVita shall pay Kogod One Million Two Hundred Thousand Dollars (\$1,200,000) per year, to be reported on an IRS Form 1099 and paid out monthly. In addition, and subject to executing a Second Agreement attached hereto as Exhibit 2, no later than January 15, 2017, DaVita shall pay Kogod a lump sum of One Million Eight Hundred Thousand Dollars (\$1,800,000), to be reported on an IRS Form 1099. The payment of this lump sum shall be conditioned solely on Kogod executing the Second Agreement and once paid, shall not be subject to later recapture or repayment, even if Kogod should later breach this Consulting Agreement or the Third Agreement (see paragraph 4 below).

4. **Additional Consideration.** Upon expiration or termination of this Consulting Agreement, Kogod shall sign a Third Agreement attached hereto as Exhibit 3. As good and

valuable consideration for Kogod's execution of the Third Agreement, as well as the post-consulting noncompetition and nonsolicitation provisions set out in paragraphs 7 and 8 herein, DaVita shall pay Kogod a lump sum of One Hundred Thousand Dollars (\$100,000), to be reported on an IRS Form 1099.

5. **Independent Contractor Status.** It is the express intention of the parties to this Consulting Agreement that Kogod is an independent contractor, and is not an employee, agent, joint venturer or partner of DaVita. Nothing in this Consulting Agreement shall be interpreted or construed as creating or establishing an employment relationship between DaVita and Kogod. Both parties understand and agree that Kogod may perform services for others during the term of this Consulting Agreement.

6. **Taxes.** Kogod and DaVita agree that all tax obligations, if any, which may arise from the payments set forth above shall be the sole obligation of Kogod, and that Kogod defends and indemnifies DaVita against any and all costs, penalties, taxes or other payments made or required as a result of the allocation of those payments, if any, or the reporting of those payments. Kogod agrees to notify DaVita promptly of any claims made for costs, penalties or taxes related to those payments. Kogod acknowledges that DaVita makes no representations as to the tax consequences or characterization of the nature of the payment made pursuant to this Consulting Agreement. Kogod is solely responsible for all taxes, withholdings and other similar statutory obligations; and Kogod agrees to defend, indemnify and hold DaVita harmless from any and all claims made by any entity on account of an alleged failure by Kogod to satisfy any such tax or withholding obligations.

7. **Noncompete.** Kogod agrees that, during the term of this Consulting Agreement and for a period of eight (8) months following the expiration this Consulting Agreement, he will not perform or engage in any activities that would be competitive with DaVita, including providing any services for (whether as an owner, partner, investor, director, officer, representative, manager, employee, principal, agent, advisor, or consultant) any business which provides dialysis services in the United States, Australia, Brazil, China (PRC), Colombia, Germany, India, Indonesia, Malaysia, the Netherlands, the Philippines, Poland, Portugal, Saudi Arabia, Singapore, Spain, Taiwan, the United Arab Emirates, and United Kingdom. Kogod agrees that this provision is only as wide in scope, geographic reach and duration as necessary to safeguard DaVita's business, including its trade secret information. Additionally, Kogod agrees that this provision does not impose undue hardship on him. If any court of competent jurisdiction shall determine that any portion of this provision is invalid in any respect, the parties agree that such court may limit this provision in geographic scope, in duration, or in any other manner which the court determines such that the provision shall be enforceable against Kogod.

8. **Non-Solicitation of Employees.** Kogod understands and acknowledges that DaVita has expended and continues to expend significant time and expense in recruiting and training its employees and that the loss of employees would cause significant and irreparable harm to DaVita. Kogod agrees that he will not directly or indirectly solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee employed by DaVita during the term of this Consulting Agreement and for a period of one (1) year following the expiration of this Consulting Agreement.

9. **Confidential Information.** Kogod understands and acknowledges that DaVita has and will continue to spend significant time, effort and money to develop proprietary information which is vital to DaVita's business. In connection with performing services under this Consulting Agreement, Kogod will have access to DaVita's confidential, proprietary and trade secret information including but not limited to information and strategy relating to the Company's products and services including customer lists and files, product description and pricing, information and strategy regarding profits, costs, marketing, purchasing, sales, customers, suppliers, contract terms, employees, salaries; product development plans; business, acquisition and financial plans and forecasts and marketing and sales plans and forecasts (collectively called "Company Confidential Information"). Kogod will not, throughout the duration of this Consulting Agreement and after, directly or indirectly disclose to any other person or entity, or use for his own benefit or for the benefit of others besides the Company, any Company Confidential Information. Upon termination of this Consulting Agreement, Kogod agrees to promptly return all Company Confidential Information.

10. **Termination of Consulting Agreement.** DaVita shall have the right to terminate this Consulting Agreement for any reason, including for convenience. In the event of termination of this Consulting Agreement by DaVita for any reason except Cause, as defined below, the full unpaid balance of payment described in paragraph 3 above shall be paid to Kogod at the time of termination. Kogod agrees, however, that the noncompetition and nonsolicitation provisions set out in paragraphs 7 and 8 herein shall continue in force and effect for the anticipated duration of these provisions – i.e., three (3) years and eight months from the effective date of this Consulting Agreement.

For purposes of this Agreement, "Cause" shall mean the occurrence of any of the following events, as determined in the good faith reasonable judgment of the Board: (i) any violation by Kogod of any securities law or regulation; (ii) Kogod's conviction for, indictment for, or plea of nolo contendere to fraud, theft, embezzlement, or any crime involving moral turpitude that is injurious to DaVita; (iii) Kogod's failure to adequately perform the consulting services under this Agreement as determined by the Board, which failure continues for a period of more than 15 business days after the Board has given written notice thereof to Kogod, which written notice shall set forth in reasonable detail the manner in which Kogod's performance of the consulting services is not adequate; (iv) Kogod's breach, non-performance or non-observance of any of the material terms of this Agreement; provided, that, if such breach, non-performance or non-observance of any such material term is capable of cure, it continues without cure beyond a period of 15 business days immediately after written notice thereof by the Board to Kogod, which written notice shall set forth in reasonable detail the facts or circumstances constituting or giving rise to such breach, non-performance or non-observance; (v) any gross negligence or willful misconduct by Kogod in the performance of his consulting services; (vi) egregious conduct by Kogod that brings the Company or any of its subsidiaries or affiliates into public disgrace or disrepute; (vii) any act of unlawful discrimination, including sexual harassment, by Kogod; or (viii) exclusion or notice of exclusion of Kogod from participating in any federal health care program.

If the Company determines that it has Cause to terminate this agreement, Kogod shall have the right to request a hearing, with an arbitrator agreed upon by the parties, to determine whether Cause exists. There shall be no discovery prior to the hearing. The parties shall share

the cost of the arbitrator and shall bear their own attorneys' fees and costs. The decision of the arbitrator following the hearing shall be final.

11. **Entire Agreement.** The parties agree that, except as otherwise stated herein, this Consulting Agreement supersedes any prior arrangements, agreements or contracts, whether written, oral or implied (in law or fact), between them on the subject matter contained herein and contains the entire understanding and agreement between the parties and cannot be amended, modified or supplemented in any respect, except by a subsequent written agreement executed by both parties.

12. **Choice of Law.** This Consulting Agreement shall be governed by the laws of the State of Colorado, without regard to conflict of law principles.

13. **Enforcement of Consulting Agreement by Arbitration.** Any dispute over the terms of or obligations under this Consulting Agreement shall be resolved by final and binding arbitration before JAMS in Denver, Colorado. The arbitrator shall be obligated to follow substantive Colorado law. Kogod and DaVita agree to waive any and all rights to a jury trial or a bench trial in connection with the resolution of any dispute under this Consulting Agreement, except as described herein. The prevailing party shall be entitled to reasonable attorneys' fees and/or costs incurred to enforce this Consulting Agreement. Expressly excluded from the provisions of this paragraph are actions by either party for temporary restraining orders or preliminary injunctions in cases where such temporary equitable relief would otherwise be authorized by law.

14. **Severability.** If any provision of this Consulting Agreement or the application thereof is held invalid, such invalidation shall not affect other provisions or applications of this Consulting Agreement and to this end, the provisions of this Consulting Agreement are declared to be severable. Each party agrees, at the other party's option, to execute a release, waiver, and/or covenant that is legal and enforceable to effectuate the terms of this Consulting Agreement.

**WHEREFORE**, the parties execute this Consulting Agreement effective the date set forth below.

DaVita Healthcare Partners, Inc.

\_\_\_\_\_  
/s/ Ken J. Thiry  
Kent J. Thiry  
Chief Executive Officer

Date: October 17, 2016

\_\_\_\_\_  
/s/ Dennis L. Kogod  
Dennis L. Kogod

Date: October 17, 2016

## EXHIBIT 2

### SECOND AGREEMENT

1. I, Dennis L. Kogod, for myself and my heirs, executors, administrators, attorneys, successors, and assigns, in consideration for the payments provided pursuant to the Separation and Release Agreement with DaVita Healthcare Partners Inc. ("DaVita" or the "Company") (dated October 17, \_\_\_\_\_, 2016) (the "Original Agreement"), which I expressly agree are more than I would otherwise be entitled, hereby release DaVita and its parents, subsidiaries, divisions, affiliates, related entities, its and their joint ventures and joint venturers, insurers, insurance policies and benefit plans, each of the past and present shareholders, officers, directors, agents, employees (including, but not limited to, Kent Thiry), representatives, administrators, fiduciaries and attorneys of the foregoing entities and plans, and the predecessors, successors, transferees and assigns of each of the persons and entities described in this sentence, from any and all claims of any kind, known or unknown, that arose on or before the time I signed this Second Agreement.

2. The claims I am releasing include, without limitation, any and all claims arising out of or related to my employment with DaVita and my consulting for DaVita. The claims I am releasing include, without limitation, claims of wrongful termination, claims of constructive discharge, claims arising out of agreements, representations or policies related to his employment, claims arising under federal, state or local laws or ordinances prohibiting discrimination, or harassment, or whistleblowing or requiring accommodation on the basis of age, race, color, national origin, religion, sex, disability, marital status, sexual orientation or any other protected status, claims of failure to accommodate a disability or religious practice, claims for violation of public policy, claims of retaliation, claims under the federal false claims act and/or any state false claims act relating in any manner to information I learned while employed by DaVita, claims of failure to assist in applying for future position openings, claims of failure to hire for future position openings, claims for wages or compensation of any kind (including overtime claims), claims of willful withholding of wages, claims of tortious interference with contract or expectancy, claims of fraud or negligent misrepresentation, claims of breach of privacy, defamation claims, claims of intentional or negligent infliction of emotional distress, claims of unfair labor practices, claims arising out of any claimed right to stock or stock options, claims for attorneys' fees or costs, claims that he may have or assert based on alleged acts or omissions by DaVita, and any other claims that are based on any alleged legal obligations of DaVita.

3. I understand and agree that this Second Agreement is a full and final release covering all known and unknown, suspected or unsuspected injuries, debts, claims or damages which have arisen or may have arisen from any matters, acts, omissions or dealings released. As to such released matters, I expressly waive any and all rights or benefits which I may now have, or in the future may have, under the terms of California Civil Code Section 1542 and any similar law of any state or territory in the United States. Said section provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT



TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

4. I fully understand that, if any fact with respect to any matter covered in this Second Agreement is found hereinafter to be other than or different from the facts now believed by me to be true, I expressly accept and assume that this Second Agreement shall be and remain effective, notwithstanding such difference in facts.

5. I specifically waive any rights or claims that I may have under the California Labor Code, the California Fair Employment and Housing Act, the California Family Rights Act, the Nevada Revised Statutes, the Nevada Fair Employment Practices Act, the Colorado Civil Rights Act, the Colorado Revised Statutes, the Civil Rights Act of 1964 (including Title VII of that Act), the Americans with Disabilities Act of 1990 (ADA), the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act (WARN), the Employee Retirement Income Security Act of 1974 (ERISA), the National Labor Relations Act (NLRA), the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the Sarbanes-Oxley Act of 2002, the Dodd-Frank Act of 2010, and all similar federal, state and local laws.

6. The foregoing notwithstanding, this Second Agreement does not waive my vested rights, if any, to receive pension or medical benefits pursuant to any formally-adopted written benefit plan, unemployment compensation benefits or workers' compensation benefits. Nor does it waive my rights that I cannot waive, including claims for indemnification.

7. I represent and warrant that as of the date of his signing this Second Agreement, I have not initiated any complaint, charge, administrative proceeding, lawsuit or arbitration seeking damages or equitable relief for any of the claims I released in the Original Agreement, including, without limitation, any administrative or civil actions with respect to my employment and/or any alleged or perceived violation by DaVita or the Released Parties with respect to me.

8. I acknowledge that I have fulfilled my obligation to inform DaVita completely, forthrightly and fully of all allegations, perceived allegations, facts, and incidents or other information of which I may be aware about alleged or perceived violations by DaVita of any federal, state or local law or regulation, or DaVita's Corporate Integrity Agreement, Code of Conduct, Business Conduct Standards, or any other conduct prescribed by legal or regulatory authority or by DaVita.

9. I have returned all of DaVita's proprietary and confidential information, emails, documents, and property, including but not limited to cellular phones, credit cards, calling cards, keys, computers, employment badges and any company-provided hardware and software ("Company Property") to DaVita. I have not made any images and/or copies of Company Property, nor have I disclosed, provided, and/or shared any Company Property with any third party.



## EXHIBIT 3

### THIRD AGREEMENT

1. I, Dennis L. Kogod, for myself and my heirs, executors, administrators, attorneys, successors, and assigns, in consideration for the payments provided pursuant to the Separation and Release Agreement with DaVita Healthcare Partners Inc. ("DaVita" or the "Company") (dated August 18, 2016) (the "Original Agreement"), which I expressly agree are more than I would otherwise be entitled, hereby release DaVita and its parents, subsidiaries, divisions, affiliates, related entities, its and their joint ventures and joint venturers, insurers, insurance policies and benefit plans, each of the past and present shareholders, officers, directors, agents, employees (including, but not limited to, Kent Thiry), representatives, administrators, fiduciaries and attorneys of the foregoing entities and plans, and the predecessors, successors, transferees and assigns of each of the persons and entities described in this sentence, from any and all claims of any kind, known or unknown, that arose on or before the time I signed this Third Agreement.

2. The claims I am releasing include, without limitation, any and all claims arising out of or related to my employment with DaVita and my consulting for DaVita. The claims I am releasing include, without limitation, claims of wrongful termination, claims of constructive discharge, claims arising out of agreements, representations or policies related to his employment, claims arising under federal, state or local laws or ordinances prohibiting discrimination, or harassment, or whistleblowing or requiring accommodation on the basis of age, race, color, national origin, religion, sex, disability, marital status, sexual orientation or any other protected status, claims of failure to accommodate a disability or religious practice, claims for violation of public policy, claims of retaliation, claims under the federal false claims act and/or any state false claims act relating in any manner to information I learned while employed by DaVita, claims of failure to assist in applying for future position openings, claims of failure to hire for future position openings, claims for wages or compensation of any kind (including overtime claims), claims of willful withholding of wages, claims of tortious interference with contract or expectancy, claims of fraud or negligent misrepresentation, claims of breach of privacy, defamation claims, claims of intentional or negligent infliction of emotional distress, claims of unfair labor practices, claims arising out of any claimed right to stock or stock options, claims for attorneys' fees or costs, claims that he may have or assert based on alleged acts or omissions by DaVita, and any other claims that are based on any alleged legal obligations of DaVita.

3. I understand and agree that this Third Agreement is a full and final release covering all known and unknown, suspected or unsuspected injuries, debts, claims or damages which have arisen or may have arisen from any matters, acts, omissions or dealings released. As to such released matters, I expressly waive any and all rights or benefits which I may now have, or in the future may have, under the terms of California Civil Code Section 1542 and any similar law of any state or territory in the United States. Said section provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF

EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

4. I fully understand that if any fact with respect to any matter covered in this Third Agreement is found hereinafter to be other than or different from the facts now believed by me to be true, I expressly accept and assume that this Third Agreement shall be and remain effective, notwithstanding such difference in facts.

5. I specifically waive any rights or claims that I may have under the California Labor Code, the California Fair Employment and Housing Act, the California Family Rights Act, the Nevada Revised Statutes, the Nevada Fair Employment Practices Act, the Colorado Civil Rights Act, the Colorado Revised Statutes, the Civil Rights Act of 1964 (including Title VII of that Act), the Americans with Disabilities Act of 1990 (ADA), the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act (WARN), the Employee Retirement Income Security Act of 1974 (ERISA), the National Labor Relations Act (NLRA), the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the Sarbanes-Oxley Act of 2002, the Dodd-Frank Act of 2010, and all similar federal, state and local laws.

6. The foregoing notwithstanding, this Third Agreement does not waive my vested rights, if any, to receive pension or medical benefits pursuant to any formally-adopted written benefit plan, unemployment compensation benefits or workers' compensation benefits. Nor does it waive my rights that I cannot waive, including claims for indemnification.

7. I represent and warrant that as of the date of his signing this Third Agreement, I have not initiated any complaint, charge, administrative proceeding, lawsuit or arbitration seeking damages or equitable relief for any of the claims I released in the Original Agreement, including, without limitation, any administrative or civil actions with respect to my employment and/or any alleged or perceived violation by DaVita or the Released Parties with respect to me.

8. I acknowledge that I have fulfilled my obligation to inform DaVita completely, forthrightly and fully of all allegations, perceived allegations, facts, and incidents or other information of which I may be aware about alleged or perceived violations by DaVita of any federal, state or local law or regulation, or DaVita's Corporate Integrity Agreement, Code of Conduct, Business Conduct Standards, or any other conduct prescribed by legal or regulatory authority or by DaVita.

9. I have returned all of DaVita's proprietary and confidential information, emails, documents, and property, including but not limited to cellular phones, credit cards, calling cards, keys, computers, employment badges and any company-provided hardware and software ("Company Property") to DaVita. I have not made any images and/or copies of Company Property, nor have I disclosed, provided, and/or shared any Company Property with any third party.

10. I acknowledge receipt of this Third Agreement as notice in writing from DaVita advising me to consult with an attorney prior to executing this Third Agreement and further acknowledge that I have been provided the right to consider this Third Agreement.

11. I understand that I will not be entitled to receive any payments or benefits under paragraph 4 of the Consulting Agreement until after this Third Agreement has been executed and returned.

12. This Third Agreement shall be governed by the laws of the State of Colorado.

DaVita Healthcare Partners, Inc.

\_\_\_\_\_  
Kent J. Thiry  
Chief Executive Officer

\_\_\_\_\_  
Dennis L. Kogod

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EMPLOYMENT AGREEMENT

This Employment Agreement (this “Agreement”) is made effective as of November 1, 2016 (the “Effective Date”), by and between DaVita Inc. (“Parent”) and HealthCare Partners, LLC, one of its controlled affiliates (“Employer”, and collectively with Parent, “DaVita”) and Charles G. Berg (“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 Executive Chair for DaVita Medical Group (“Executive Chair”). Employee accepts such employment on the terms and conditions set forth in this Agreement. Employee shall report to the Chief Executive Officer of Parent. Employee agrees to devote approximately half of his business time to the business of Employer and shall not engage in any other business activities during the term of this Agreement that would reasonably be anticipated to materially interfere with Employee’s performance of his duties under this Agreement. Notwithstanding the foregoing, Employer agrees that Employee may continue his work with Justworks, Inc. and Consonance Capital Partners during the term of this Agreement. 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 one million five hundred thousand dollars (\$1,500,000) per annum, less standard withholdings and authorized deductions. Employee shall be paid consistent with Employer’s payroll schedule.

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 Discretionary Performance Bonus. Employee shall be eligible to receive a discretionary performance bonus (the “Discretionary Bonus”) between zero (\$0) and one million five hundred thousand dollars (\$1,500,000), less standard withholdings and authorized deductions. The amount of the Discretionary Bonus could exceed \$1,500,000 depending on performance. The amount of the Discretionary Bonus, if any, will be based on Employee’s performance and will be decided by the Chief Executive Officer and/or the Board of Directors or the Compensation Committee of the Board in his/her/its sole discretion.

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2.4 Sign-On Bonus: Employer will pay Employee five hundred thousand dollars (\$500,000), less standard withholdings and authorized deductions (the “Sign-On Bonus”), within ten (10) days after Employee’s first date of employment with Employer.

2.5 Vacation. Employee shall have vacation, subject to the approval of his direct supervisor.

2.6 Employee’s Position on Board of Directors. While this Agreement is in effect, Employee shall not be entitled to any fees, compensation, other remuneration, dividends, distributions, or other property or financial benefit in connection with Employee's position as a Director of Parent.

2.7 Compensation or other Property Received in Connection with Director, Officer, Shareholder or Similar Position. All fees, compensation, other remuneration, dividends, distributions, or other property or financial benefit received by Employee in connection with Employee's position as a director, officer, member, shareholder, partner or any other similar position of any controlled or uncontrolled direct or indirect subsidiary or affiliate of Employer, or other contractual obligor to Employer or any of its subsidiaries or affiliates the obligations of which constitute revenue to Employer or any of its subsidiaries or affiliates and of which Employee beneficially owns or has the right to acquire, directly or indirectly, 10% or more of the equity interests or has the power to vote 10% or more of the voting interests, shall belong to Employer and shall be immediately remitted to Employer. Notwithstanding the foregoing, this provision shall not apply to any amounts payable to, earned by, received by or otherwise due to Employee as employment compensation from Employer or any of its subsidiaries or affiliates, or any dividends or other distributions received by Employee in Employee’s capacity as a stockholder of Parent.

2.8 Indemnification. Parent agrees to indemnify Employee against and in respect of any and all claims, actions, or demands, to the extent permitted by and in accordance with Parent’s Certificate of Incorporation, Parent’s By-laws and applicable law. Parent shall maintain a directors’ and officers’ liability insurance policy covering Employee in his capacity as an employee (in addition to his capacity as a member of the Board of Directors of Parent) to the extent Parent provides such coverage to its executive officers. Notwithstanding any provision of this Agreement to the contrary, the obligations under this Section 2.8 (Indemnification) will survive termination of this Agreement or Employee’s employment for any reason.

2.9 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.

2.10 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.

2.11 Possible Recoupment of Certain Compensation. Notwithstanding any other provision in this Agreement to the contrary, Employee shall be subject to the written policies of the Board of Directors applicable to executives of the Employer, including without limitation any Board policy relating to recoupment or “claw back” of compensation, as they exist from time to time during the Employee’s employment by the Employer and thereafter.

Section 3. Provisions Relating to Termination of Employment.

3.1 Term. The term of this Agreement will be until October 15, 2017 (the “Term”), unless the parties mutually agree to extend the Term. Notwithstanding the Term, Employer and Employee shall have the right to terminate this Agreement at any point during the Term in accordance with the terms of this Section 3 (Provisions Relating to Termination of Employment).

3.2 Termination for Material Cause. Employer may terminate Employee’s employment without advance notice for Material Cause (as defined below). Upon termination for Material Cause, Employee shall (i) be entitled to receive the Base Salary and benefits as set forth in Section 2.1 (Base Salary), Section 2.2 (Benefits), and Section 2.9 (Reimbursement) 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. Employee acknowledges and agrees that he will not be eligible for any severance payments or benefits under the DaVita Inc. Severance Plan and/or any other severance plan adopted by Employer (including its subsidiaries and affiliates).

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. Upon termination pursuant to this Section 3.3 (Other Termination), Employee shall (i) be entitled to receive the Base Salary and benefits as set forth in Section 2.1 (Base Salary), Section 2.2 (Benefits), and Section 2.9 (Reimbursement) 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. Employee acknowledges and agrees that he will not be eligible for any severance payments or benefits under the DaVita Inc. Severance Plan and/or any other severance plan adopted by Employer (including its subsidiaries and affiliates).

3.4 Voluntary Resignation. Employee may resign from Employer at any time upon at least thirty (30) days’ advance written notice. If Employee resigns from Employer, Employee shall (i) be entitled to receive the base salary and benefits as set forth in Section 2.1 (Base Salary), Section 2.2 (Benefits), and Section 2.9 (Reimbursement) 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).

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

(a) "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.

(b) "Material Cause" shall mean any of the following: (i) conviction of a felony or plea of no contest to a felony; (ii) any act of fraud or dishonesty in connection with the performance of his duties; (iii) repeated failure or refusal by Employee to follow policies or directives reasonably established by the Chief Executive Officer of Parent that goes uncorrected for a period of ten (10) consecutive days after written notice has been provided to Employee; (iv) a material breach of this Agreement that goes uncorrected after a period of ten (10) consecutive days after written notice has been provided to Employee; (v) any gross or willful misconduct or gross negligence by Employee in the performance of his duties; (vi) egregious conduct by Employee that brings Employer or any of its subsidiaries or affiliates into public disgrace or disrepute; (vii) an act of unlawful discrimination, including sexual harassment; (viii) a violation of the duty of loyalty or of any fiduciary duty; or (ix) exclusion or notice of exclusion of Employee from participating in any federal health care program.

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 5.3 (Notice) hereof. A "Notice of Termination" shall mean a written notice that indicates the specific termination provision in this Agreement.

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 2.8 (Indemnification), Section 3 (Provisions Relating to Termination of Employment), Section 4 (Noncompetition, Nonsolicitation, and Confidentiality Agreement), and Section 5 (Miscellaneous) shall survive termination of this Agreement.

3.9 Payments and benefits under this Agreement are intended to be exempt from, or comply with, the applicable requirements of Section 409A of the Internal Revenue Code, and this Agreement shall be construed and interpreted in accordance with such intent. Notwithstanding any provision herein to the contrary, in the event that any payment to be made to Employee hereunder (whether pursuant to this Section 3 (Provisions Relating to Termination of Employment) or any other Section) as a result of Employee's termination of employment is determined to constitute "deferred compensation" subject to Section 409A of the Internal Revenue Code, and Employee is a "Key Employee" under the DaVita Inc. Key Employee Policy

for 409A Arrangements at the time of Employee's termination of employment, all such deferred compensation payments payable during the first six (6) months following Employee's termination of employment shall be delayed and paid in a lump sum during the seventh calendar month following the calendar month during which Employee's termination of employment occurs.

Section 4: Covenant Not to Compete, Covenant Not to Solicit, and Confidentiality.

4.1 Covenant Not to Compete. Employee recognizes and agrees that his covenant not to compete is necessary to insure continuation of the business and reputation of the Employer and that irreparable harm and damage will be done to the Employer if Employee competes with the Employer in certain specified areas. Employee acknowledges that he will be privy to confidential information to which Employee might not otherwise be exposed.

Employee covenants and agrees that during the term of this Agreement and for six (6) months following the termination of this Agreement (the "Restricted Period"), he shall not, as an employee, independent contractor, consultant, or in any other form, provide any of the same or similar services that Employee performed under this Agreement for any other individual, partnership, limited liability company, corporation, independent practice association, management services organization, or any other entity (collectively, "Person") that competes in any material way with the Employer or any of its subsidiaries or affiliates within the DaVita Medical Group organization anywhere in the states where Employer operates as of the date of termination of Employee's employment.

Employee understands and acknowledges that the provisions of this Section 4 (Covenant Not to Compete, Covenant Not to Solicit, and Confidentiality), are designed to preserve the business and goodwill of the Employer. Accordingly, if Employee breaches any such obligation, in addition to any other remedies available under this Agreement, at law or in equity, the Employer shall be entitled to enforce this Section 4 (Covenant Not to Compete, Covenant Not to Solicit, and Confidentiality) by injunctive relief and by specific performance of this Section 4 (Covenant Not to Compete, Covenant Not to Solicit, and Confidentiality), such relief to be without the necessity of posting a bond, cash or otherwise. Additionally, nothing in this Section 4.1 (Covenant Not to Compete) shall limit the Employer's right to recover any other damages to which it is entitled as a result of Employee's breach. If any provision of the restrictive covenants contained in this Agreement is held by a court of competent jurisdiction to be unenforceable due to the excessive time period, geographic area, or restricted activity, the restrictive covenant shall be reformed to comply with the time period, geographic area, or restricted activity that would be held enforceable.

Notwithstanding the foregoing, this Section 4.1 (Covenant Not to Compete) will only apply if Employee is no longer serving on the Parent's Board of Directors during the time period covered by the covenant not to compete (i.e., during the term of this Agreement and for six (6) months following the termination of this Agreement), and the Restricted Period will continue to run during any time period after the termination of this Agreement when Employee is serving on the Board of Directors.

4.2 Covenant Not to Solicit. Employee agrees that during the term of this Agreement, and for a period of one (1) year after the termination of this Agreement, Employee will not contact, communicate with, or correspond with any director, officer, employee, representative, agent or independent contractor of the Parent and its subsidiaries and affiliates (including Employer), in any manner that will interfere with or attempt to disrupt the relationship between the Employer and any such director, officer, employee, representative, agent or independent contractor, including but not limited to the solicitation or encouragement of any employee to leave the employ of the Employer for any reason, or employ any such person in any manner whatsoever, without the prior written consent of the Employer; provided, however, that nothing herein shall prohibit Employee from making a general employment solicitation to the public that does not target any employee or independent contractor of Employer or its subsidiaries and then having contact with and/or employing such employee or independent contractor who responds to such general solicitation or who otherwise independently contacts Employee.

4.3 Confidentiality. Employee agrees that all data and information about the Employer's business, legal affairs, plans, finances, plants, equipment, processes and methods of operation disclosed to, acquired by or developed by Employee during performance of the work hereunder is and shall remain the exclusive property of the Employer. Except for such information and data that has entered the public domain through no fault of Employee or to have been in Employee's possession prior to disclosure to Employee by the Employer and/or the performance of Employee's services hereunder, Employee shall during the term of the Agreement and thereafter in perpetuity maintain as confidential and not disclose to third parties or otherwise use, and will enjoin Employee's employees, agents or subcontractors (as applicable) from using, such information except as duly authorized in the conduct of the Employer's business or as otherwise authorized in advance in writing signed by the Employer's Chief Executive Officer (or his successor). Employee agrees that such data and information shall be used by Employee solely for the purpose of performing services for the Employer and not for the benefit of any other person or entity whatsoever.

Section 5. Miscellaneous.

5.1 Entire Agreement; Amendment. This 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.

5.2 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.

5.3 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 by (i) personal delivery, (ii) a nationally-recognized, next-day courier service, or (iii) first-class registered or certified mail, postage prepaid addressed to Employer at its principal office and to Employee at the address listed on Employee's invoices, 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.

5.4 Arbitration. Any disagreement, dispute or claim arising out of or relating to this Agreement which cannot be settled by the parties hereto shall be resolved by arbitration in accordance with the following provisions: (a) the forum for arbitration shall be Denver, Colorado, (b) governing law shall be the laws of the State of Colorado, (c) the number of arbitrators shall be one (1), who shall be a retired judge; (d) arbitration shall be administered by JAMS; (e) the rules of arbitration shall be as determined by JAMS, as modified by any other instructions that the parties hereto may agree upon at the time; (f) the award rendered by arbitration shall be final and binding upon the parties hereto, and judgment on the award may be entered in any court of competent jurisdiction in the United States; (g) Employer and Employee shall each pay fifty percent (50%) of the fees and costs charged by the arbitrator and/or JAMS. Notwithstanding the foregoing, Employer and/or Parent shall be entitled to seek equitable relief from a court of competent jurisdiction for any alleged violation of Section 4 (Covenant Not to Compete, Covenant Not to Solicit, and Confidentiality).

5.5 Waiver of Jury Trial. Each of the parties hereto hereby irrevocably waives to the fullest extent permitted by applicable law any right he or it may have to a trial by jury with respect to any action directly or indirectly arising out of, under or in connection with this Agreement. Each of the parties hereto hereby (a) certifies that no representative of any other party has represented, expressly or otherwise, that such other party would not, in the event of any such action, seek to enforce the foregoing waiver; and (b) acknowledges that it has been induced to enter into this Agreement and the transactions, as applicable, by, among other things, the mutual waivers and certifications in this Section 5.5 (Waiver of Jury Trial).

5.6 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.

5.7 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.

5.8 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.

5.9 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.

5.10 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.

5.11 Approval by DaVita Inc. as to Form. The parties acknowledge and agree that this Agreement shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita Inc. as to the form of hereof.

*The remainder of this page is left blank intentionally.*



EMPLOYMENT AGREEMENT

This Employment Agreement (this “Agreement”) is made effective as of January 3, 2017 (the “Effective Date”), by and between DaVita Inc. (“Parent”) and one of its controlled affiliates, TRC Total Renal Care, Inc. (“Employer,” and collectively with Parent, “DaVita”) and Joel Ackerman (“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 and Employee expect that Employee’s employment will commence on or about February 21, 2017. Employee will serve initially in the position of Senior Vice President, Finance until the close of business on the first business day following the day on which Parent files its Annual Report on Form 10-K for the year ended December 31, 2016 with the Securities and Exchange Commission, when Employee will begin serving in the position of Chief Financial Officer, provided that if Employee commences employment on or after the first business day following the day on which the Parent files such Form 10-K, he shall immediately begin serving in the position of Chief Financial Officer. Employee accepts such employment on the terms and conditions set forth in this Agreement. Employee shall report to Parent’s Chief Executive Officer and shall perform the duties of Chief Financial Officer or any additional or different duties that are similar to or consistent with that position. Initially, Employee shall work out of New York, New York, although the location is subject to change to suit business needs, provided however, that relocation of the office more than thirty-five (35) miles from its current location shall constitute “Good Reason” for Employee to resign as set forth below in this Agreement. 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, including but not limited to providing consulting services to any investment firm, such as a hedge fund, provided however, Employee may pursue other normal charitable activities so long as such activities do not interfere with his ability to perform his duties. Employee agrees that he shall not serve on the board of directors, advisory board, or similar oversight body of any other not-for-profit or for-profit company, entity or institution without the express written approval of the Chief Executive Officer or the Board of Directors. Notwithstanding the foregoing, Employer agrees that Employee may continue his role on the Board of Directors of Kindred Healthcare, Champions Oncology and One Acre Fund. 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 \$700,000 per annum, less standard withholdings and authorized deductions. Employee shall be paid consistent with Employer's payroll schedule. The base salary will be reviewed from time to time. Employer, in its sole discretion, may increase the base salary as a result of any such review. Employer may not reduce Employee's base salary unless the Employee authorizes it in writing or the Employer is reducing the base salary of other similarly-situated executives by a similar percentage.

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 Sign-On Bonus. Employer will pay Employee a sign-on bonus of two hundred thousand dollars (\$200,000), less standard withholdings and authorized deductions, within twenty-one (21) days after Employee's first date of employment with Employer.

2.4 Performance Bonus.

(a) Employee shall be eligible to receive an annual cash bonus under the short-term incentive program approved by the Parent's Board of Directors and applicable to the company's executive officers exposed to the requirements of Section 162(m) of the Internal Revenue Code (the "Short-Term Incentive Program", or "STI Program"). Under the STI Program, the actual annual cash bonus amount payable to Employee for any one year (the "Bonus") is primarily contingent on the level of the Employer's achievement on the performance metrics specified in the Short-Term Incentive Program for that year. For fiscal year 2017, the Bonus payable to Employee in cash under the STI Program will be an amount between zero and \$1,500,000. Employee shall not be eligible for any Bonus for fiscal year 2016.

(b) For Employee and other senior executives subject to the STI Program, the amounts of annual Bonuses earned are objectively and formulaically driven, further subject to negative discretion (i.e., further downward adjustment) in the sole discretion of the Board of Directors or the Compensation Committee of the Board of Directors.

(c) Subject to the terms of Section 3.3 (Other Termination), 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.



2.5 Vacation. Employee shall have vacation, subject to the approval of his direct manager.

2.6 Stock Appreciation Rights. Parent shall issue a grant to Employee of stock-settled Stock Appreciation Rights (“SSARs”) with a value of two million dollars (\$2,000,000) as customarily determined by Parent. This grant shall have a five-year term and vest 50% on the third and fourth anniversaries of the grant date. The base price of the award shall be the closing price as reported on the New York Stock Exchange on the start date of Employee’s employment, or the date the SSAR grant has been formally approved by the appropriate authorized body or Officer, whichever date is later. The terms of the SSAR grant will be reflected in a separate agreement to be signed by Parent and Employee, which may include, among other terms, a noncompetition agreement.

2.7 Performance Stock Units and/or Restricted Stock Units. In early 2017, at the time when Parent makes grants to its other similarly-situated senior officers, Parent will grant Employee one million dollars (\$1,000,000) in value of Employer’s Performance Stock Units (“PSUs”) and/or Restricted Stock Units (“RSUs”), with value determined similarly to such other senior officers, subject to the following time vesting conditions: such PSUs and/or RSUs shall vest fifty percent (50%) each on approximately the third and fourth anniversaries of the grant date. The composition of the grant (i.e., the number of PSUs and/or RSUs) will be determined by Parent in its sole discretion. Parent will determine, in its sole discretion, the performance targets for any PSU grant. The terms of the PSU and/or RSU grant(s) will be reflected in a separate Performance Stock Units Agreement and/or Restricted Stock Units Agreement to be signed by Parent and Employee, and each agreement may include, among other terms, a noncompetition agreement.

2.8 Management Share Ownership Policy. Employee shall review and understand the terms of the Management Share Ownership Policy with respect to all equity-based awards to the extent it applies to Employee.

2.9 Return of Compensation or other Property Received in Connection with Director, Officer, Shareholder or Similar Position. All fees, compensation, other remuneration, dividends, distributions, or other property or financial benefit received by Employee in connection with Employee's position as a director, officer, member, shareholder, partner or any other similar position of any controlled or uncontrolled direct or indirect subsidiary or affiliate of Employer, or other contractual obligor to Employer or any of its subsidiaries or affiliates the obligations of which constitute revenue to Employer or any of its subsidiaries or affiliates and of which Employee beneficially owns or has the right to acquire, directly or indirectly, 10% or more of the equity interests or has the power to vote 10% or more of the voting interests, shall belong to Employer and shall be immediately remitted to Employer. Notwithstanding the foregoing, this provision shall not apply to any amounts payable to, earned by, received by or otherwise due to Employee as employment compensation from Employer or any of its subsidiaries or affiliates, or any dividends or other distributions received by Employee in Employee’s capacity as a stockholder of Parent.

2.10 Indemnification. In the event that the Employee is made a party or threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a Director or officer of the Parent or Employer, or while a director or officer of the Parent or Employer is or was serving at the request of the Parent or Employer as a Director, officer, employee, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, the Employee shall be indemnified and held harmless by the Parent and Employer to the fullest extent permitted under applicable law and the Parent's bylaws, and as specifically set forth in the Parent's bylaws, as the same exist or may hereafter be amended by Parent.

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 his 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.

2.13 Possible Recoupment of Certain Compensation. Notwithstanding any other provision in this Agreement to the contrary, Employee shall be subject to the written policies of the Board of Directors applicable to executives of the Employer, including without limitation any Board policy relating to recoupment or "claw back" of compensation, as they exist from time to time during the Employee's employment by the Employer and thereafter.

### 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 termination for Material Cause, Employee shall (i) be entitled to receive the Base Salary and benefits as set forth in Section 2.1 (Base Salary) and Section 2.2 (Benefits), 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.

(a) 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 prior to the first anniversary of the date Employee commences employment, Employee resigns for "Good Reason," or Employer terminates the employment of Employee for reasons other than for death, Material Cause, or Disability, and contingent upon Employee's execution of the Employer's standard Severance and General Release Agreement within twenty-eight days of the termination of Employee's employment, Employee shall be entitled to the benefits set forth in the DaVita Inc. Severance Plan, pursuant to the terms and conditions of that plan as they exist at the time of the termination of Employee's employment.

(b) If on, or after, the first anniversary of date Employee's employment commences, Employee resigns for "Good Reason," or Employer terminates Employee's employment for any reasons other than death, Material Cause, or Disability, Employee shall be entitled to receive: (i) the benefits set forth in the DaVita Inc. Severance Plan, pursuant to the terms and conditions of that plan as they exist at the time of termination of Employee's employment; (b) a bonus in the amount Employee received for the previous year pro-rated based on the number of months served in the year that Employee's employment is terminated; and (c) any amounts due Employee under any stock option, stock grant, or any other compensation plan, in the accordance of the terms of such plan(s). Moreover, if the Employee timely and properly elects health continuation coverage under COBRA, the Employer shall pay for the employer portion of the cost of health continuation coverage for Employee and his dependents. Employer shall make such payments until the earliest of: (i) the eighteen-month anniversary of the Termination Date; (ii) the date the Employee is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Employee receives/becomes eligible to receive substantially similar coverage from another employer or other source.

(c) For purposes of this provision, an Employee's employment has been terminated when Employee is no longer providing services for Employer after a specific date or the level of bona fide services that Employee would perform (as an employee or independent contractor) after a specific date would permanently decrease to no more than 20% of the average level of bona fide services performed over the immediately preceding thirty-six month period (or the full period of service if Employee was employed for less than thirty-six months).

3.4. Change in Control Termination. Notwithstanding any other provision contained herein, if the Employee's employment hereunder is terminated by the Employee for Good Reason or by the Employer without Material Cause (other than on account of the Employee's death or Disability), in each case at the time of, or within twelve (12) months following, a Change in Control, the Employee shall be entitled to receive the following:

(a) a lump sum payment equal to two (2) times the sum of the Employee's Base Salary and an amount equal to the bonus received for the year previous to the year in which the Termination Date occurs; and

(b) if the Employee timely and properly elects health continuation coverage under COBRA, the Employer shall pay for the employer portion of the cost of health continuation coverage for Employee and his dependents. Employer shall make such payments until the earliest of: (i) the eighteen-month anniversary of the Termination Date; (ii) the date the Employee is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Employee receives/becomes eligible to receive substantially similar coverage from another employer or other source.

3.5 Voluntary Resignation. Employee may resign from Employer at any time upon at least thirty (30) days' advance written notice. If Employee resigns from Employer, Employee shall (i) be entitled to receive the base salary and benefits as set forth in Section 2.1 (Base Salary) and Section 2.2 (Benefits), 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.

3.6 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).

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

(a) "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.

(b) "Material Cause" shall mean any of the following: (i) conviction of a felony or plea of no contest to a felony; (ii) any act of fraud or dishonesty in connection with the performance of his duties; (iii) repeated failure or refusal by Employee to follow policies or directives reasonably established by the Chief Executive Officer of Parent or his/her designee that goes uncorrected for a period of ten (10) consecutive days after written notice has been provided to Employee; (iv) a material breach of this Agreement; (v) any gross or willful misconduct or gross negligence by Employee in the performance of his duties; (vi) egregious conduct by Employee that brings Employer or any of its subsidiaries or affiliates into public disgrace or disrepute; (vii) an act of unlawful discrimination, including sexual harassment; (viii) a violation of the duty of loyalty or of any fiduciary duty; or (ix) exclusion or notice of exclusion of Employee from participating in any federal health care program.

Termination of the Employee's employment shall not be deemed to be for Material Cause unless and until the Employer delivers to the Employee a copy of a written notice finding that the Employee has engaged in the conduct described in any of (i)-(viii) above. Except for a failure, breach, or refusal which, by its nature, cannot reasonably be expected to be cured, the Employee shall have fourteen (14) calendar days from the delivery of written notice by the Employer within which to cure any acts constituting Material Cause; provided however, that, if the Employer reasonably expects irreparable injury from a delay of fourteen (14) calendar days, the Employer may give the Employee notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of the Employee's employment without notice and with immediate effect.

(c) "Good Reason" shall mean the occurrence of any of the following, in each case during the Employment Term without the Employee's written consent:

- i. a material reduction in the Employee's Base Salary other than a general reduction in Base Salary that affects all similarly situated executives in substantially the same proportions; or
- ii. a relocation of the Employee's principal place of employment by more than thirty-five (35) miles; or
- iii. any material breach by the Employer of any material provision of this Agreement; or
- iv. the Employer's failure to obtain an agreement from any successor to the Employer to assume and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform if no succession had taken place, except where such assumption occurs by operation of law; or
- v. a material, adverse change in the Employee's title, authority, duties, or responsibilities (other than temporarily while the Employee is physically or mentally incapacitated or as required by applicable law) taking into account the Employer's size, status as a public company, and capitalization as of the date of this Agreement.

The Employee cannot terminate his employment for Good Reason unless he has provided written notice to the Employer of the existence of the circumstances providing grounds for termination for Good Reason within sixty (60) days of the initial existence of such grounds and the Employer has had at least sixty (60) days from the date on which such notice is provided to cure such circumstances. If the Executive does not terminate his employment for Good Reason within ninety (90) days after the first occurrence of the applicable grounds, then the Executive will be deemed to have waived his right to terminate for Good Reason with respect to such grounds.

(d) “Change in 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 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 Parent (including any transaction in which Parent becomes a wholly-owned or majority-owned subsidiary of another corporation), (ii) any merger or consolidation or reorganization in which Parent does not survive, (iii) any merger or consolidation in which Parent survives, but the shares of Parent’s Common Stock outstanding immediately prior to such merger or consolidation represent 40% or less of the voting power of Parent after such merger or consolidation, and (iv) any transaction in which more than 40% of Parent’s assets are sold. However, despite the occurrence of any of the above-directed events, a Change of Control will not have occurred if Kent Thiry remains the Chief Executive Officer or Executive Chair of Parent 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 Parent merged or consolidated and remains in that position for at least one (1) year after the Change of Control.

3.8 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 5 (Miscellaneous) hereof. A “Notice of Termination” shall mean a written notice that indicates the specific termination provision in this Agreement.

3.9 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 (Provisions Relating to Termination of Employment), Section 4 (Noncompetition, Nonsolicitation, Confidentiality and Intellectual Property Agreement), and Section 5 (Miscellaneous) shall survive termination of this Agreement.

3.10 Notwithstanding any provision herein to the contrary, in the event that any payment to be made to Employee hereunder (whether pursuant to this Section 3 (Provisions Relating to Termination of Employment) or any other Section) as a result of Employee’s termination of employment is determined to constitute “deferred compensation” subject to Section 409A of the Internal Revenue Code, and Employee is a “Key Employee” under the DaVita Inc. Key Employee Policy for 409A Arrangements at the time of Employee’s termination of employment, all such deferred compensation payments payable during the first six (6) months following Employee’s termination of employment shall be delayed and paid in a lump sum during the seventh calendar month following the calendar month during which Employee’s termination of employment occurs.

Section 4: Noncompetition, Nonsolicitation, Confidentiality and Intellectual Property Agreement. Employee, contemporaneously herewith, shall enter into a Noncompetition, Nonsolicitation, Confidentiality and Intellectual Property Agreement, the terms of which are incorporated herein and made a part hereof as though set forth in this Agreement.

Section 5. Miscellaneous.

5.1 Arbitration. Any disagreement, dispute or claim arising out of or relating to this Agreement and/or Employee's employment with DaVita which cannot be settled by the parties hereto shall be resolved by arbitration in accordance with the following provisions: (a) the forum for arbitration shall be Denver, Colorado, (b) governing law shall be the laws of the State of Colorado, (c) the number of arbitrators shall be one (1), who shall be a retired judge; (d) arbitration shall be administered by JAMS; (e) the rules of arbitration shall be as determined by JAMS, as modified by any other instructions that the parties hereto may agree upon at the time; (f) the award rendered by arbitration shall be final and binding upon the parties hereto, and judgment on the award may be entered in any court of competent jurisdiction in the United States; (g) DaVita and Employee shall each pay fifty percent (50%) of the fees and costs charged by the arbitrator and/or JAMS. Notwithstanding the foregoing, DaVita shall be entitled to seek equitable relief from a court of competent jurisdiction for any alleged violation of Section 4 (Noncompetition, Nonsolicitation, Confidentiality and Intellectual Property Agreement).

5.2 Waiver of Jury Trial. Each of the parties hereto hereby irrevocably waives to the fullest extent permitted by applicable law any right he or it may have to a trial by jury with respect to any action directly or indirectly arising out of, under or in connection with this Agreement and/or Employee's employment with DaVita. Each of the parties hereto hereby (a) certifies that no representative of any other party has represented, expressly or otherwise, that such other party would not, in the event of any such action, seek to enforce the foregoing waiver; and (b) acknowledges that it has been induced to enter into this Agreement and the transactions, as applicable, by, among other things, the mutual waivers and certifications in this Section 5.2 (Waiver of Jury Trial).

5.3 Entire Agreement; Amendment. This 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.

5.4 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.

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

5.6 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 by (i) personal delivery, (ii) a nationally-recognized, next-day courier service, or (iii) first-class registered or certified mail, postage prepaid addressed to Employer at its principal office and to Employee at the address listed on Employee's invoices, 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.

5.7 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.

5.8 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, electronic or facsimile copies of such signed counterparts may be used in lieu of the originals for any purpose.

5.9 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.

5.10 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.

5.11 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.

5.12 Approval by DaVita Inc. as to Form. The parties acknowledge and agree that this Agreement shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita Inc. as to the form of hereof.

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**DAVITA DEFERRED COMPENSATION PLAN  
EFFECTIVE JANUARY 1, 2015**

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## **DAVITA DEFERRED COMPENSATION PLAN**

DaVita HealthCare Partners Inc., a Delaware corporation (the “**Company**”), hereby establishes the DaVita Deferred Compensation Plan (the “**Plan**”), effective January 1, 2015, (the “**Effective Date**”), for the purpose of providing a select group of management or highly compensated employees of the Company the opportunity to defer the receipt of Compensation otherwise payable to such employees in accordance with the terms of the Plan. The Plan is intended to, and shall be interpreted to, comply in all respects with Code Section 409A and those provisions of ERISA applicable to an unfunded plan maintained primarily to provide deferred compensation for a select group of management or highly compensated employees.

This Plan is considered a complete restatement of the DaVita Voluntary Deferral Plan and will apply to deferrals for 2015 and future years. Deferrals for 2014 and prior years shall be governed by the DaVita Voluntary Deferral Plan in effect on December 31, 2014.

### **ARTICLE I** **DEFINITIONS**

1.1 “**Account**” or “**Accounts**” shall mean the bookkeeping account or accounts established under this Plan pursuant to Article 4 and maintained by the Company in the names of the respective Participants, to which all amounts deferred under the Plan and earnings on such amounts shall be credited, and from which all amounts distributed under the Plan shall be debited.

1.2 “**Annual Incentive**” means a Participant’s annual bonus payment, if any, that is earned in the same Plan Year as the Participant’s Base Salary but is payable (if not deferred under this Plan) in the following Plan Year.

1.3 “**Base Salary**” shall mean a Participant’s annual base salary, excluding incentive and discretionary bonuses, commissions, reimbursements and other non-regular remuneration, received from the Company prior to reduction for any salary deferrals under benefit plans sponsored by the Company, including but not limited to, plans established under Code Section 125 or Code Section 401(k).

1.4 “**Beneficiary**” or “**Beneficiaries**” shall mean the person, persons or entity designated as such pursuant to Section 7.1.

1.5 “**Board**” shall mean the Board of Directors of the Company.

1.6 “**Code**” shall mean the Internal Revenue Code of 1986, as amended, as interpreted by Treasury regulations and applicable authorities promulgated thereunder.

1.7 “**Committee**” shall mean the person or persons appointed by the Board to administer the Plan in accordance with Article 9.

1.8 “**Compensation**” shall mean all amounts eligible for deferral for a particular Plan Year under Section 3.1.

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1.9 “**Deferral Account**” shall mean an Account maintained for each Participant that is credited with Participant deferrals pursuant to Section 4.1.

1.10 “**Disability**” or “**Disabled**” shall mean (consistent with the requirements of Code Section 409A) that the Participant is (a) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant’s Employer. For purposes of this Plan, a Participant shall be deemed Disabled if determined to be totally disabled by the Social Security Administration. A Participant shall also be deemed Disabled if determined to be disabled in accordance with the applicable disability insurance program of such Participant’s Employer, provided that the definition of “disability” applied under such disability insurance program complies with the requirements of this Section.

1.11 “**Distributable Amount**” shall mean the vested balance in the applicable Account as determined under Article 4.

1.12 “**Eligible Executive**” shall mean a highly compensated or management level employee of an Employer selected by the Committee to be eligible to participate in the Plan.

1.13 “**Employer(s)**” shall be defined as follows:

(a) Except as otherwise provided in part (b) of this Section, the term “Employer” shall mean the Company and/or any of its subsidiaries (now in existence or hereafter formed or acquired) that have been selected by the Committee to participate in the Plan and have adopted the Plan as a participating Employer.

(b) For the purpose of determining whether a Participant has experienced a Separation from Service, the term “Employer” shall mean:

(1) The entity for which the Participant performs services and with respect to which the legally binding right to compensation deferred under this Plan arises; and

(2) All other entities with which the entity described above would be aggregated and treated as a single employer under Code Section 414(b) (controlled group of corporations) and Code Section 414(c) (a group of trades or businesses, whether or not incorporated, under common control), as applicable. In order to identify the group of entities described in the preceding sentence, the Committee shall use an ownership threshold of at least 50% as a substitute for the 80% minimum ownership threshold that appears in, and otherwise must be used when applying, the applicable provisions of (A) Code Section 1563 for determining a controlled group of corporations under Code Section 414(b), and (B) Treas. Reg. §1.414(c)-2 for determining the trades or businesses that are under common control under Code Section 414(c).

1.14 “**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended, including Department of Labor and Treasury regulations and applicable authorities promulgated thereunder.

1.15 “**Financial Hardship**” shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, or a dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B))) 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, but shall in all events correspond to the meaning of the term “unforeseeable emergency” under Code Section 409A. No Financial Hardship shall be deemed to exist to the extent that the financial hardship is or may be relieved (a) through reimbursement or compensation by insurance or otherwise, (b) by borrowing from commercial sources on reasonable commercial terms to the extent that this borrowing would not itself cause a severe financial hardship, (c) by cessation of deferrals under the Plan, or (d) by liquidation of the Participant’s other assets to the extent that this liquidation would not itself cause severe financial hardship. The Committee shall determine whether the circumstances of the Participant constitute a Financial Hardship.

1.16 “**Fund**” or “**Funds**” shall mean one or more of the investments selected by the Committee pursuant to Section 3.3 of the Plan.

1.17 “**Hardship Distribution**” shall mean an accelerated distribution of benefits or a cancellation of deferral elections pursuant to Section 5.5 to a Participant (including terminated Participants with Account balances) who has suffered a Financial Hardship.

1.18 “**Interest Rate**” shall mean, for each Fund, the rate of return derived from the net gain or loss on the assets of such Fund, as determined by the Committee.

1.19 “**Participant**” shall mean any Eligible Executive who becomes a Participant in this Plan in accordance with Article 2.

1.20 “**Participant Election(s)**” shall mean the forms or procedures by which a Participant makes elections with respect to (a) voluntary deferrals of his/her Compensation, (b) the Funds, which shall act as the basis for crediting of interest on Account balances, and (c) the form and timing of distributions from Accounts. Participant Elections may take the form of an electronic communication followed by appropriate confirmation according to specifications established by the Committee.

1.21       **“Payment Date”** shall mean the date by which a total distribution of the Distributable Amount shall be made or the date by which installment payments of the Distributable Amount shall commence, which shall be a date in January of the Plan Year following the Plan Year in which occurs the event triggering the distribution or, in the case of a Scheduled In-Service Distribution, in January of the Plan Year indicated by the Participant for the elected Scheduled In-Service Distribution. Notwithstanding the foregoing:

(a)       The Payment Date shall not be before the earliest date on which benefits may be distributed under Code Section 409A without violation of the provisions thereof, as reasonably determined by the Committee.

(b)       The Payment Date for a Scheduled In-Service Distribution may not be earlier than two years after the Plan Year to which the deferral election applies.

(c)       To the extent required under Code Section 409A, any amount that otherwise would be payable to a Participant who is a “specified employee” of the Company, as determined by the Company in accordance with Code Section 409A, during the six-month period following such Participant’s Separation from Service, shall be suspended until the lapse of such six-month period (or, if earlier, the date of death of the Participant). The amount that otherwise would be payable to such Participant during such period of suspension, together with interest on such suspended amount credited pursuant to the rules of the Plan, shall be paid in a single payment within 30 days following the end of such six-month period (or, if such day is not a business day, on the next succeeding business day) or within 30 days following the death of the Participant during such six-month period, provided that the death of the Participant during such six-month period shall not cause the acceleration of any amount that otherwise would be payable on any date during such six-month period following the date of the Participant’s death.

1.22       **“Performance-Based Compensation”** shall mean compensation the entitlement to or amount of which is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months, as determined by the Committee in accordance with Treas. Reg. §1.409A-1(e).

1.23       **“Plan Year”** shall mean the calendar year.

1.24       **“Separation from Service”** shall mean a Separation from Services provided by a Participant to his or her Employer, whether voluntarily or involuntarily, other than by reason of death or Disability, as determined by the Committee in accordance with Treas. Reg. §1.409A-1(h). For a Participant who provides services to an Employer as an employee, a Separation from Service shall occur when such Participant has experienced a termination of employment with the Employer. A Participant shall be considered to have experienced a termination of employment when the facts and circumstances indicate that the Participant and his or her Employer reasonably anticipate that either (i) no further services will be performed for the Employer after a certain date, or (ii) that the level of bona fide services the Participant will perform for the Employer after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than 20% of the average level of bona fide services performed by such Participant (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to the employer if the Participant has been providing services to the Employer less than 36 months).



If a Participant is on military leave, sick leave, or other bona fide leave of absence, the employment relationship between the Participant and the Employer shall be treated as continuing intact, provided that the period of such leave does not exceed 6 months, or if longer, so long as the Participant retains a right to reemployment with the Employer under an applicable statute or by contract. If the period of a military leave, sick leave, or other bona fide leave of absence exceeds 6 months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship shall be considered to be terminated for purposes of this Plan as of the first day immediately following the end of such 6-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Employer.

1.25 “**Scheduled In-Service Distribution**” shall mean a scheduled in-service distribution date elected by the Participant for distribution of amounts from a specified Deferral Account, including earnings thereon, which distribution shall be made provided that the Participant has not experienced a Separation from Service, as provided under Section 5.4.

1.26 “**Years of Service**” shall mean the cumulative consecutive years of continuous full-time employment with the Employer (including approved leaves of absence of six months or less or legally protected leaves of absence), beginning on the date the Participant first began service with the Employer, and counting each anniversary thereof. A partial year of employment shall not be treated as a Year of Service.

## **ARTICLE II** **PARTICIPATION**

### 2.1 Enrollment Requirements; Commencement of Participation

(a) As a condition to participation, each Eligible Executive shall complete, execute and return to the Committee the appropriate Participant Elections, as well as such other documentation and information as the Committee reasonably requests, by the deadline(s) established by the Committee. In addition, the Committee shall establish from time to time such other enrollment requirements as it determines, in its sole discretion, are necessary.

(b) Each Eligible Executive shall commence participation in the Plan on the date that the Committee determines that the Eligible Executive has met all enrollment requirements set forth in this Plan and required by the Committee, including returning all required documents to the Committee within the specified time period.

(c) If an Eligible Executive fails to meet all requirements established by the Committee within the period required, that Eligible Executive shall not be eligible to participate in the Plan during such Plan Year.

**ARTICLE III**  
**DEFERRAL ELECTIONS**

3.1 Elections to Defer Compensation. Elections to defer Compensation shall take the form of a flat dollar amount or a whole percentage (less applicable payroll withholding requirements for Social Security and income taxes and employee benefit plans, as determined in the sole and absolute discretion of the Committee) of up to a maximum of:

- (1) 50% of Base Salary; and
- (2) 100% of Annual Incentives.

3.2 Timing of Deferral Elections; Effect of Participant Election(s).

(a) General Timing Rule for Deferral Elections. Except as otherwise provided in this Section 3.2, in order for a Participant to make a valid election to defer Compensation, the Participant must submit Participant Election(s) on or before the deadline established by the Committee, which shall be no later than the December 31st preceding the Plan Year in which such Compensation will be earned.

Any deferral election made in accordance with this Section 3.2(a) shall be irrevocable; provided, however, that if the Committee permits Participants to make a deferral election by the deadline described above for an amount that qualifies as Performance-Based Compensation, the Committee may permit a Participant to subsequently change his or her deferral election for such compensation by submitting new Participant Election(s) in accordance with Section 3.2(c) below.

(b) Timing of Deferral Elections for New Plan Participants. An Eligible Executive who first becomes eligible to participate in the Plan on or after the beginning of a Plan Year, as determined in accordance with Treas. Reg. §1.409A-2(a)(7)(ii) and the “plan aggregation” rules provided in Treas. Reg. §1.409A-1(c)(2), may be permitted to make an election to defer the portion of Compensation attributable to services to be performed after such election, provided that the Participant submits Participant Election(s) on or before the deadline established by the Committee, which in no event shall be later than thirty (30) days after the Participant first becomes eligible to participate in the Plan.

If a deferral election made in accordance with this Section 3.2(c) relates to compensation earned based upon a specified performance period, the amount eligible for deferral shall be equal to (i) the total amount of compensation for the performance period, multiplied by (ii) a fraction, the numerator of which is the number of days remaining in the service period after the Participant’s deferral election is made, and the denominator of which is the total number of days in the performance period.

Any deferral election made in accordance with this Section 3.2(c) shall become irrevocable no later than the 30th day after the date the Participant first becomes eligible to participate in the Plan.

(c) Timing of Deferral Elections for Performance-Based Compensation. Subject to the limitations described below, the Committee may determine that an irrevocable deferral election for an amount that qualifies as Performance-Based Compensation may be made by submitting Participant Election(s) on or before the deadline established by the Committee, which in no event shall be later than six (6) months before the end of the performance period.

In order for a Participant to be eligible to make a deferral election for Performance-Based Compensation in accordance with the deadline established pursuant to this Section 3.2(d), the Participant must have performed services continuously from the later of (i) the beginning of the performance period for such compensation, or (ii) the date upon which the performance criteria for such compensation are established, through the date upon which the Participant makes the deferral election for such compensation. In no event shall a deferral election submitted under this Section 3.2(d) be permitted to apply to any amount of Performance-Based Compensation that has become readily ascertainable.

(d) Duration of Compensation Deferral Election. A deferral election made for any Plan Year shall be applicable only for that Plan Year; provided, however, that the Committee may permit a Participant to elect, pursuant to procedures established by the Committee, to have his or her deferral election continue in effect for future Plan Years, until terminated or changed by the Participant prior to the beginning of a Plan Year.

### 3.3 Investment Elections.

(a) Participant Designation. At the time of entering the Plan and/or of making a deferral election under the Plan, the Participant shall designate, on a Participant Election provided by the Committee, the Funds in which the Participant's Accounts shall be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to each Account. The Participant may specify that all or any percentage of his or her Accounts shall be deemed to be invested, in whole percentage increments, in one or more of the Funds selected as alternative investments under the Plan from time to time by the Committee pursuant to subsection (b) of this Section. If a Participant fails to make an election among the Funds as described in this Section, the Participant's Account balance shall automatically be allocated into the default Fund selected by the Committee. A Participant may change any designation made under this Section as permitted by the Committee by filing a revised election, on a Participant Election provided by the Committee. Notwithstanding the foregoing, the Committee, in its sole discretion, may impose limitations on the frequency with which one or more of the Funds elected in accordance with this Section may be added or deleted by such Participant; furthermore, the Committee, in its sole discretion, may impose limitations on the frequency with which the Participant may change the portion of his or her Account balance allocated to each previously or newly elected Fund.

(b) Investment Funds. The Committee, in its sole discretion, may select each of the types of commercially available investments communicated to the Participant pursuant to subsection (a) of this Section to be the Funds. The Interest Rate of each such commercially available investment shall be used to determine the amount of earnings or losses to be credited to the Participant's Account under Article IV. The Participant's choice among investments shall be solely for purposes of calculation of the Interest Rate on Accounts. The Company and the Employers shall have no obligation to set aside or invest amounts as directed by the Participant and, if the Company and/or the Employer elects to invest amounts as directed by the Participant, the Participant shall have no more right to such investments than any other unsecured general creditor.

### 3.4 Distribution Elections.

(a) Initial Election. At the time of making a deferral election under the Plan, the Participant shall designate the time and form of distribution of deferrals made pursuant to such election (together with any earnings credited thereon) from among the alternatives specified under Article VI for the applicable distribution. A new distribution election may be made at the time of subsequent deferral elections with respect to deferrals in Plan Years beginning after the election is made, in accordance with the Participant Election forms.

(b) Modification of Election. A distribution election with respect to previously deferred amounts may only be changed under the terms and conditions specified in Code Section 409A and this Section. Except as permitted under Code Section 409A, no acceleration of a distribution is permitted. A subsequent election that delays payment or changes the form of payment shall be permitted only if all of the following requirements are met:

(1) the new election does not take effect until at least twelve (12) months after the date on which the new election is made;

(2) except for payments to be made upon Disability, death or Financial Hardship, the new election delays payment for at least five (5) years from the date that payment would otherwise have been made, absent the new election; and

(3) in the case of payments made according to a Scheduled In-Service Distribution, the new election is made not less than twelve (12) months before the date on which payment would have been made (or, in the case of installment payments, the first installment payment would have been made) absent the new election.

Only one subsequent election to modify any initial distribution election for any Plan Year's deferrals (either a Scheduled In-Service Distribution, or any other distribution election) is permitted for any Participant and Participants may make a subsequent election only while employed by the Employer. A Beneficiary of a deceased Participant is not permitted to make a subsequent election under this Section. For purposes of application of the above change limitations, installment payments shall be treated as a single payment under Code Section 409A. Election changes made pursuant to this Section shall be made in accordance with rules established by the Committee and shall comply with all requirements of Code Section 409A and applicable authorities.

**ARTICLE IV**  
**ACCOUNTS**

4.1 Deferral Accounts. The Committee shall establish and maintain such Deferral Accounts as are necessary for each Participant under the Plan. Each Participant's Deferral Account shall be further divided into separate subaccounts ("Fund Subaccounts"), each of which corresponds to a Fund designated pursuant to Section 3.3. A Participant's Deferral Account shall be credited as follows:

(a) As soon as reasonably possible after amounts are withheld and deferred from a Participant's Compensation, the Committee shall credit the Fund Subaccounts of the Participant's Deferral Account with an amount equal to Compensation deferred by the Participant in accordance with the designation under Section 3.3; that is, the portion of the Participant's deferred Compensation designated to be deemed to be invested in a Fund shall be credited to the Fund Subaccount to be invested in that Fund;

(b) Each business day, each Fund Subaccount of a Participant's Deferral Account shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such Fund Subaccount as of the prior day, less any distributions valued as of the end of the prior day, by the Interest Rate for the corresponding Fund as determined by the Committee pursuant to Section 3.3(b); and

(c) In the event that a Participant elects for a given Plan Year's deferral of Compensation a Scheduled In-Service Distribution, all amounts attributed to the deferral of Compensation for such Plan Year shall be accounted for in a manner which allows separate accounting for the deferral of Compensation and investment gains and losses associated with amounts allocated to each such separate Scheduled In-Service Distribution.

4.2 Trust. The Company shall be responsible for the payment of all benefits under the Plan. At its discretion, the Company may establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. Benefits paid to the Participant from any such trust or trusts shall be considered paid by the Company for purposes of meeting the obligations of the Company under the Plan.

4.3 Statement of Accounts. The Committee shall provide each Participant with electronic statements at least quarterly setting forth the Participant's Account balance as of the end of each applicable period.

4.4 Vesting of Deferral Accounts. The Participant shall be vested at all times in amounts credited to the Participant's Deferral Account(s).

**ARTICLE V**  
**DISTRIBUTIONS**

5.1 Distributions Upon Separation from Service.

(a) Timing and Form of Distributions Upon Separation from Service. Except as otherwise provided herein, in the event of a Participant's Separation from Service, the Distributable Amount credited to the Participant's Deferral Accounts shall be paid or commence to be paid to the Participant in the form of cash or other property on the Payment Date following the Participant's Separation from Service, in one lump sum payment unless the Participant has made a distribution election on a timely basis to receive substantially equal annual installments over a period of up to twenty (20) years; provided, however, that if distributions to the Participant have commenced as of the Participant's Separation from Service pursuant to a Scheduled In-Service Distribution election, then those Scheduled In-Service Distributions shall continue in effect.

(b) Small Benefit Exception. Notwithstanding any distribution election to the contrary, if on commencement of benefits payable from an Account by reason of a Participant's Separation from Service, the Distributable Amount from such Account is less than or equal to \$20,000, the total Distributable Amount from such Account shall be paid in one lump sum payment of cash or other property on the scheduled Payment Date.

5.2 Disability Distributions. Except as otherwise provided herein, in the event of a Participant's Disability prior to Separation from Service, the Distributable Amount credited to the Participant's Deferral Accounts and Company Contribution Account shall be paid to the Participant in one lump sum payment of cash or other property on the Payment Date following the Participant's Disability.

5.3 Death Benefits.

(a) Prior to Commencement of Benefits. In the event that the Participant dies prior to commencement of a benefit described in this Article VI, the Participant's Beneficiary shall receive a death benefit equal to the Distributable Amount credited to the Participant's Deferral Accounts in one lump sum payment of cash or property on the Payment Date following the Participant's death.

(b) After Commencement of Benefits. In the event that the Participant dies after commencement of a benefit described in this Article VI, such Participant's remaining benefits shall be paid to the Participant's Beneficiary in one lump sum payment of cash or property on the Payment Date following the Participant's death.

5.4 Scheduled In-Service Distributions.

(a) Scheduled In-Service Distribution Election. Participants who have not had a Separation from Service from the Employer shall be entitled to elect to receive a Scheduled In-Service Distribution from a Deferral Account. If a Participant has a Separation from Service with the Employer prior to commencement of payment of the Scheduled In-Service Distribution,

distribution will not be made pursuant to this subsection (a) but will instead be made pursuant to Section 5.1(a) above. In the case of a Participant who has elected to receive a Scheduled In-Service Distribution, such Participant shall receive the Distributable Amount, with respect to the specified deferrals, including earnings thereon, which have been elected by the Participant to be subject to such Scheduled In-Service Distribution election. The Committee shall determine the earliest commencement date that may be elected by the Participant for each Scheduled In-Service Distribution and such date shall be indicated on the Participant Election. The Participant may elect to receive the Scheduled In-Service Distribution in a single lump sum or in substantially equal annual installments over a period of up to twenty (20) years. A Participant may delay and change the form of a Scheduled In-Service Distribution, provided such extension complies with the requirements of Section 3.4.

(b) Small Benefit Exception. Notwithstanding any Scheduled In-Service Distribution election to the contrary, if on commencement of a Scheduled In-Service Distribution, the balance of such Scheduled In-Service Distribution is less than or equal to \$20,000, the Scheduled In-Service Distribution amount from such Account shall be paid in one lump sum payment of cash or other property on the Scheduled In-Service Distribution date.

(c) Relationship to Other Benefits. In the event that distribution of a Participant's Account is triggered under Section 5.1, 5.2, or 5.3 prior to commencement of a Scheduled In-Service Distribution, the amounts subject to such Scheduled In-Service Distribution shall not be distributed under this Section 5.4, but rather shall be distributed in accordance with the other applicable Section of this Article V.

5.5 Hardship Distribution. Upon a finding that the Participant has suffered a Financial Hardship, in accordance with Code Section 409A, the Committee may, at the request of the Participant, accelerate distribution of benefits and/or approve cancellation of deferral elections under the Plan, subject to the following conditions:

(a) The request to take a Hardship Distribution shall be made by filing a form provided by and filed with the Committee prior to the end of any calendar month.

(b) Upon a finding that the Participant has suffered a Financial Hardship under Code Section 409A, the Committee may, at the request of the Participant, accelerate distribution of benefits and/or approve cancellation of current deferral elections under the Plan in the amount reasonably necessary to alleviate such Financial Hardship. The amount distributed pursuant to this Section with respect to the Financial Hardship shall not exceed the amount necessary to satisfy such Financial Hardship, plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

(c) The amount (if any) determined by the Committee as a Hardship Distribution shall be paid in a single cash lump sum as soon as practicable after the end of the calendar month in which the Hardship Distribution determination is made by the Committee.

5.6 Acceleration of Distributions Following a Change of Control. Notwithstanding any other provision of this Plan, upon the occurrence of a Change of Control of the Company, all Accounts under this Plan will be distributed in one lump sum payment of cash or property on the first day of the month following fifteen (15) months after the Change of Control; provided, however, that a Participant may make a subsequent election under Section 3.4(b) to delay such distribution within 90 days after the Change of Control. For purposes of this Section, “Change of Control” means

(a) any transactions 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) under the Exchange Act) becomes the direct or indirect “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), by way of stock issuance, tender offer, merger, consolidation, other business combination or otherwise, of greater than 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 the Company (including any transaction in which the Company becomes a wholly-owned or majority-owned subsidiary of another corporation), or

(b) any merger or consolidation or reorganization in which the Company does not survive, or

(c) any merger or consolidation in which the Company survives, but the shares of the Company’s common stock outstanding immediately prior to such merger or consolidation represent 50% or less of the voting power of the Company after such merger or consolidation, or

(d) (iv) any transaction in which more than 50% of the Company’s assets are sold;

provided, however, that no transaction contemplated by clauses (a) through (d) above shall constitute a Change of Control if both (i) the person acting as the Chief Executive Officer of the Company for six months prior to such transaction becomes the Chief Executive Officer or Executive Chairman of the board of directors of the entity that has acquired control of the Company as a result of such transaction (the “Acquiror”) immediately after such transaction and remains the Chief Executive Officer or Executive Chairman of the board for not less than one year following the transaction and (ii) a majority of the Acquiror’s board of directors immediately after such transaction consist of persons who were directors of the Company immediately prior to such transaction.

Notwithstanding the above, no transaction shall be considered a Change of Control under this Plan unless such transaction constitutes a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, in each case within the meaning of Code Section 409A.

5.7 Form of Distribution. Generally, distributions from the Plan shall be made in the form of cash, unless the Committee determines that such distributions shall be made in property.



**ARTICLE VI**  
**BENEFICIARY DESIGNATIONS AND OTHER PAYEES**

6.1 Beneficiaries.

(a) Beneficiary Designation. The Participant shall have the right, at any time, to designate any person or persons as Beneficiary (both primary and contingent) to whom payment under the Plan shall be made in the event of the Participant's death. No consent of the Participant's spouse or any other person is required for the Participant to name a Beneficiary. The Beneficiary designation shall be effective when it is submitted to and acknowledged by the Committee during the Participant's lifetime in the format prescribed by the Committee.\_

(b) Absence of Valid Designation. If a Participant fails to designate a Beneficiary, as provided above, or if every person designated as Beneficiary predeceases the Participant or dies prior to complete distribution of the Participant's benefits, then the Participant's estate shall be deemed to be the Beneficiary and the Committee shall direct the distribution of such benefits to the Participant's estate.

6.2 Payments to Minors. In the event any amount is payable under the Plan to a minor, payment shall not be made to the minor, but instead such payment shall be made (a) to that person's living parent(s) to act as custodian, (b) if that person's parents are then divorced, and one parent is the sole custodial parent, to such custodial parent, to act as custodian, or (c) if no parent of that person is then living, to a custodian selected by the Committee to hold the funds for the minor under the Uniform Transfers or Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and the Committee decides not to select another custodian to hold the funds for the minor, then payment shall be made to the duly appointed and currently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within sixty (60) days after the date the amount becomes payable, payment shall be deposited with the court having jurisdiction over the estate of the minor.

6.3 Payments on Behalf of Persons Under Incapacity. In the event that any amount becomes payable under the Plan to a person who, in the sole judgment of the Committee, is considered by reason of physical or mental condition to be unable to give a valid receipt therefore, the Committee may direct that such payment be made to any person found by the Committee, in its sole judgment, to have assumed the care of such person. Any payment made pursuant to such determination shall constitute a full release and discharge of any and all liability of the Committee and the Company under the Plan.

**ARTICLE VII**  
**LEAVE OF ABSENCE**

7.1 Paid Leave of Absence. If a Participant is authorized by the Participant's Employer to take a paid leave of absence from the employment of the Employer, and such leave of absence does not constitute a Separation from Service, (a) the Participant shall continue to be considered eligible for the benefits provided under the Plan, and (b) deferrals shall continue to be withheld during such paid leave of absence in accordance with Article III.

7.2 Unpaid Leave of Absence. If a Participant is authorized by the Participant's Employer to take an unpaid leave of absence from the employment of the Employer for any reason, and such leave of absence does not constitute a Separation from Service, such Participant shall continue to be eligible for the benefits provided under the Plan. During the unpaid leave of absence, the Participant shall not be allowed to make any additional deferral elections. However, if the Participant returns to employment, the Participant may elect to defer for the Plan Year following his or her return to employment and for every Plan Year thereafter while a Participant in the Plan, provided such deferral elections are otherwise allowed and a Participant Election is delivered to and accepted by the Committee for each such election in accordance with Article III above.

## **ARTICLE VIII ADMINISTRATION**

8.1 Committee. The Plan shall be administered by a Committee appointed by the Board, which shall have the exclusive right and full discretion (a) to appoint agents to act on its behalf, (b) to select and establish Funds, (c) to interpret the Plan, (d) to decide any and all matters arising hereunder (including the right to remedy possible ambiguities, inconsistencies, or admissions), (e) to make, amend and rescind such rules as it deems necessary for the proper administration of the Plan and (f) to make all other determinations and resolve all questions of fact necessary or advisable for the administration of the Plan, including determinations regarding eligibility for benefits payable under the Plan. All interpretations of the Committee with respect to any matter hereunder shall be final, conclusive and binding on all persons affected thereby. No member of the Committee or agent thereof shall be liable for any determination, decision, or action made in good faith with respect to the Plan. The Company will indemnify and hold harmless the members of the Committee and its agents from and against any and all liabilities, costs, and expenses incurred by such persons as a result of any act, or omission, in connection with the performance of such persons' duties, responsibilities, and obligations under the Plan, other than such liabilities, costs, and expenses as may result from the bad faith, willful misconduct, or criminal acts of such persons.

8.2 Claims Procedure. Any Participant, former Participant or Beneficiary may file a written claim with the Committee setting forth the nature of the benefit claimed, the amount thereof, and the basis for claiming entitlement to such benefit. The Committee shall determine the validity of the claim and communicate a decision to the claimant promptly and, in any event, not later than ninety (90) days after the date of the claim. The claim may be deemed by the claimant to have been denied for purposes of further review described below in the event a decision is not furnished to the claimant within such ninety (90) day period. If additional information is necessary to make a determination on a claim, the claimant shall be advised of the need for such additional information within forty-five (45) days after the date of the claim. The claimant shall have up to one hundred eighty (180) days to supplement the claim information, and the claimant shall be advised of the decision on the claim within forty-five (45) days after the earlier of the date the supplemental information is supplied or the end of the one hundred eighty (180) day period. Every claim for benefits which is denied shall be denied by written notice setting forth in a manner calculated to be understood by the claimant (a) the specific reason or reasons for the denial, (b) specific reference to any provisions of the Plan (including

any internal rules, guidelines, protocols, criteria, etc.) on which the denial is based, (c) description of any additional material or information that is necessary to process the claim, and (d) an explanation of the procedure for further reviewing the denial of the claim and shall include an explanation of the claimant's right to pursue legal action in the event of an adverse determination on review.

8.3 Review Procedures. Within sixty (60) days after the receipt of a denial on a claim, a claimant or his/her authorized representative may file a written request for review of such denial. Such review shall be undertaken by the Committee and shall be a full and fair review. The claimant shall have the right to review all pertinent documents. The Committee shall issue a decision not later than sixty (60) days after receipt of a request for review from a claimant unless special circumstances, such as the need to hold a hearing, require a longer period of time, in which case a decision shall be rendered as soon as possible but not later than one hundred twenty (120) days after receipt of the claimant's request for review. The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant with specific reference to any provisions of the Plan on which the decision is based and shall include an explanation of the claimant's right to pursue legal action in the event of an adverse determination on review.

## **ARTICLE IX MISCELLANEOUS**

9.1 Termination of Plan. The Company may terminate the Plan at any time. In the event of a Plan termination, no new deferral elections shall be permitted. However, after the Plan termination the Account balances of such Participants shall continue to be credited with deferrals attributable to any deferral election that was in effect prior to the Plan termination to the extent necessary to comply with Code Section 409A, and additional amounts shall continue to be credited or debited to such Participants' Account balances pursuant to Article IV. In addition, following a Plan termination, Participant Account balances shall remain in the Plan and shall not be distributed until such amounts become eligible for distribution in accordance with the other applicable provisions of the Plan. Notwithstanding the preceding sentence, to the extent permitted by Treas. Reg. §1.409A-3(j)(4)(ix) or as otherwise permitted under Code Section 409A, the Employer may provide that upon termination of the Plan, all Account balances of the Participants shall be distributed, subject to and in accordance with any rules established by such Employer deemed necessary to comply with Code Section 409A.

9.2 Amendment. The Company may, at any time, amend or modify the Plan in whole or in part. Notwithstanding the foregoing, no amendment or modification shall be effective to decrease the value of a Participant's vested Account balance in existence at the time the amendment or modification is made.

9.3 Unsecured General Creditor. The benefits paid under the Plan shall be paid from the general assets of the Company, and the Participant and any Beneficiary or their heirs or successors shall be no more than unsecured general creditors of the Company with no special or prior right to any assets of the Company for payment of any obligations hereunder. It is the intention of the Company that this Plan be unfunded for purposes of ERISA and the Code.

9.4 Restriction Against Assignment. The Company shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or entity. No part of a Participant's Accounts shall be liable for the debts, contracts, or engagements of any Participant, Beneficiary, or their successors in interest, nor shall a Participant's Accounts be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, sell, transfer, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. No part of a Participant's Accounts shall be subject to any right of offset against or reduction for any amount payable by the Participant or Beneficiary, whether to the Company or any other party, under any arrangement other than under the terms of this Plan.

9.5 Withholding. The Participant shall make appropriate arrangements with the Company for satisfaction of any federal, state or local income tax withholding requirements, Social Security and other employee tax or other requirements applicable to the granting, crediting, vesting or payment of benefits under the Plan. There shall be deducted from each payment made under the Plan or any other Compensation payable to the Participant (or Beneficiary) all taxes that are required to be withheld by the Company in respect to such payment or this Plan. To the extent permissible under Code Section 409A, the Company shall have the right to reduce any payment (or other Compensation) by the amount of cash sufficient to provide the amount of said taxes.

9.6 Code Section 409A. The Company intends that the Plan comply with the requirements of Code Section 409A (and all applicable Treasury Regulations and other guidance issued thereunder) and shall be operated and interpreted consistent with that intent.

9.7 Effect of Payment. Any payment made in good faith to a Participant or the Participant's Beneficiary shall, to the extent thereof, be in full satisfaction of all claims against the Committee, its members, the Employer and the Company.

9.8 Errors in Account Statements, Deferrals or Distributions. In the event an error is made in an Account statement, such error shall be corrected on the next statement following the date such error is discovered. In the event of an operational error, including, but not limited to, errors involving deferral amounts, overpayments or underpayments, such operational error shall be corrected in a manner consistent with and as permitted by any correction procedures established under Code Section 409A. If any portion of a Participant's Account(s) under this Plan is required to be included in income by the Participant prior to receipt due to a failure of this Plan to comply with the requirements of Code Section 409A, the Committee may determine that such Participant shall receive a distribution from the Plan in an amount equal to the lesser of (i) the portion of his or her Account required to be included in income as a result of the failure of the Plan to comply with the requirements of Code Section 409A, or (ii) the unpaid vested Account balance.

9.9 Domestic Relations Orders. Notwithstanding any provision in this Plan to the contrary, in the event that the Committee receives a domestic relations order, as defined in Code Section 414(p)(1)(B), pursuant to which a court has determined that a spouse or former spouse of a Participant has an interest in the Participant's benefits under the Plan, the Committee shall have the right to immediately distribute the spouse's or former spouse's vested interest in the Participant's benefits under the Plan to such spouse or former spouse to the extent necessary to fulfill such domestic relations order, provided that such distribution is in accordance with the requirements of Code Section 409A.

9.10 Employment Not Guaranteed. Nothing contained in the Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to continue the provision of services in any capacity whatsoever to the Employer.

9.11 No Guarantee of Tax Consequences. The Employer, Company, Board and Committee make no commitment or guarantee to any Participant that any federal, state or local tax treatment will apply or be available to any person eligible for benefits under the Plan and assume no liability whatsoever for the tax consequences to any Participant.

9.12 Successors of the Company. The rights and obligations of the Company under the Plan shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Company.

9.13 Notice. Any notice or filing required or permitted to be given to the Company or the Participant under this Agreement shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, in the case of the Company, to the principal office of the Company, directed to the attention of the Committee, and in the case of the Participant, to the last known address of the Participant indicated on the employment records of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Notices to the Company may be permitted by electronic communication according to specifications established by the Committee.

9.14 Headings. Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

9.15 Gender, Singular and Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

9.16 Governing Law. The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly compensated employees" within the meaning of Sections 201, 301 and 401 of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Title I of ERISA. To the extent any provision of, or legal issue relating to, this Plan is not fully preempted by federal law, such issue or provision shall be governed by the laws of the State of Delaware.



**DAVITA HEALTHCARE PARTNERS 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 are defined as pretax income from continuing operations adjusted by adding back fixed charges expensed during the period less noncontrolling interests. Fixed charges include debt expense (interest expense and the amortization of deferred financing costs), the estimated interest component of rent expense on operating leases, and capitalized interest.

	Year ended December 31,				
	2016	2015	2014	2013	2012
(in thousands, except share data)					
<b>Earnings adjusted for fixed charges:</b>					
Income from continuing operations before income taxes	\$ 1,488,895	\$ 723,136	\$ 1,309,673	\$ 1,124,978	\$ 1,001,304
Add:					
Debt expense	414,382	408,380	410,294	429,943	288,554
Interest portion of rent expense	181,888	166,821	149,432	137,558	112,424
Less: Noncontrolling interests	(153,640)	(158,304)	(140,949)	(124,276)	(105,891)
	<u>442,630</u>	<u>416,897</u>	<u>418,777</u>	<u>443,225</u>	<u>295,087</u>
	<u>\$ 1,931,525</u>	<u>\$ 1,140,033</u>	<u>\$ 1,728,450</u>	<u>\$ 1,568,203</u>	<u>\$ 1,296,391</u>
<b>Fixed charges:</b>					
Debt expense	414,382	408,380	410,294	429,943	288,554
Interest portion of rent expense	181,888	166,821	149,432	137,558	112,424
Capitalized interest	12,990	9,723	7,888	6,408	8,127
	<u>\$ 609,260</u>	<u>\$ 584,924</u>	<u>\$ 567,614</u>	<u>\$ 573,909</u>	<u>\$ 409,105</u>
Ratio of earnings to fixed charges	<u>3.17</u>	<u>1.95</u>	<u>3.05</u>	<u>2.73</u>	<u>3.17</u>

**SUBSIDIARIES OF THE COMPANY**  
(as of December 31, 2015)

Name	Jurisdiction of Organization
Afton Dialysis, LLC	Delaware
Ahem Dialysis, LLC	Delaware
Alamosa Dialysis, LLC	Delaware
Andrews Dialysis, LLC	Delaware
Animas Dialysis, LLC	Delaware
Argyle Dialysis, LLC	Delaware
Astro, Hobby, West Mt. Renal Care Limited Partnership	Delaware
Athio Dialysis, LLC	Delaware
Austin Dialysis Centers, L.P.	Delaware
Babler Dialysis, LLC	Delaware
Bagby Dialysis, LLC	Delaware
Baker Dialysis, LLC	Delaware
Bannon Dialysis, LLC	Delaware
Barnell Dialysis, LLC	Delaware
Bastrop Dialysis, LLC	Delaware
Beachside Dialysis, LLC	Delaware
Beck Dialysis, LLC	Delaware
Bedell Dialysis, LLC	Delaware
Bellevue Dialysis, LLC	Delaware
Beverly Hills Dialysis Partnership	California
Bidwell Dialysis, LLC	Delaware
Birch Dialysis, LLC	Ohio
Bladon Dialysis, LLC	Delaware
Bogachiel Dialysis, LLC	Delaware
Bollinger Dialysis, LLC	Delaware
Borrego Dialysis, LLC	Delaware
Brache Dialysis, LLC	Delaware
Bridges Dialysis, LLC	Delaware
Bronson Dialysis, LLC	Delaware
Brook Dialysis, LLC	Delaware
Cagles Dialysis, LLC	Delaware
Canoe Dialysis, LLC	Delaware
Capes Dialysis, LLC	Delaware
Capital Dialysis Partnership	California
Carroll County Dialysis Facility, Inc.	Maryland
Cavems Dialysis, LLC	Delaware
Central Carolina Dialysis Centers, LLC	Delaware
Central Georgia Dialysis, LLC	Delaware
Central Kentucky Dialysis Centers, LLC	Delaware
Chadron Dialysis, LLC	Delaware
Cheraw Dialysis, LLC	Delaware
Chicago Heights Dialysis, LLC	Delaware
Churchill Dialysis, LLC	Delaware
Clark Dialysis, LLC	Delaware
Clifton Dialysis, LLC	Delaware



Name	Jurisdiction of Organization
Clinica Medica DaVita Londrina Servicos de Nefrologia Ltda.	Brazil
Clyfee Dialysis, LLC	Delaware
Cobbles Dialysis, LLC	Delaware
Columbus-RNA-DaVita, LLC	Delaware
Continental Dialysis Center of Springfield-Fairfax, Inc.	Virginia
Continental Dialysis Center, Inc.	Virginia
Coral Dialysis, LLC	Delaware
Couer Dialysis, LLC	Delaware
Croft Dialysis, LLC	Delaware
Crossings Dialysis, LLC	Delaware
Cuivre Dialysis, LLC	Delaware
Curlew Dialysis, LLC	Delaware
Dallas-Fort Worth Nephrology, L.P.	Delaware
Davis Dialysis, LLC	Delaware
DaVita - Riverside, LLC	Delaware
DaVita - West, LLC	Delaware
DaVita APAC Holding B.V.	Netherlands
DaVita Brasil Participacoes e Servicos de Gestao Ltda.	Brazil
DaVita Care (Saudi Arabia)	Saudi Arabia
DaVita Deutschland AG	Germany
DaVita Deutschland Beteiligungs GmbH & Co. KG	Germany
DaVita Germany GmbH	Germany
DaVita Health Plan of California, Inc. (fka DaVita Healthcare Partners Plan, Inc.)	Delaware
DaVita Hospice Nevada, LLC (fka Las Vegas Solari Hospice Care LLC )	Delaware
DaVita Medical ASC-LB California, LLC (fka HealthCare Partners ASC-LB, LLC)	California
DaVita Medical Colorado, LLC (fka HealthCare Partners Colorado, LLC)	Colorado
DaVita Medical Florida, Inc. (fka JSA Healthcare Corporation)	Delaware
DaVita Medical Florida, LLC (fka JSA Care Partners, LLC)	Florida
DaVita Medical Group Colorado Springs, LLC (fka Colorado Springs Health Partners, LLC)	Colorado
DaVita Medical Group New Mexico, LLC (fka ABQ Health Partners, LLC)	Delaware
DaVita Medical Group South Florida, LLC (fka HealthCare Partners South Florida, LLC)	Florida
DaVita Medical Holding Company, New Mexico, LLC (fka Medical Group Holding Company, LLC)	New Mexico
DaVita Medical Holdings California, LLC (fka HealthCare Partners Holdings, LLC)	California
DaVita Medical Holdings Florida, Inc. (fka JSA Holdings, Inc.)	Delaware
DaVita Medical IPA Nevada, LLC (fka JSA P5 Nevada, L.L.C.)	Nevada
DaVita Medical Management Services Nevada, LLC (fka HealthCare Partners Nevada, LLC)	Nevada
DaVita Medical Nevada, LLC (fka JSA Healthcare Nevada, L.L.C.)	Nevada
DaVita Medical RE, LLC (fka Healthcare Partners RE LLC)	Delaware
DaVita Medical Services, LLC (fka HealthCare Partners Services, LLC)	Delaware
DaVita Medical Services, LLC (fka HealthCare Partners, LLC)	California
DaVita of New York, Inc.	New York
DaVita Rx, LLC	Delaware
DaVita S.A.S.	Colombia
DaVita Sp. z o.o.	Poland
Dawson Dialysis, LLC	Delaware

Name	Jurisdiction of Organization
DC Healthcare International, Inc.	Delaware
Dialysis Holdings, Inc.	Delaware
Dialysis of Northern Illinois, LLC	Delaware
Dialysis Specialists of Dallas, Inc.	Texas
DNP Management Company, LLC	Delaware
Downriver Centers, Inc.	Michigan
Dresher Dialysis, LLC	Delaware
Dunes Dialysis, LLC	Delaware
Duston Dialysis, LLC	Delaware
DV Care Netherlands B.V.	Netherlands
DV Care Netherlands C.V.	Netherlands
DVA Healthcare - Southwest Ohio, LLC	Tennessee
DVA Healthcare of Maryland, Inc.	Maryland
DVA Healthcare of Massachusetts, Inc.	Massachusetts
DVA Healthcare of Pennsylvania, LLC	Pennsylvania
DVA Healthcare Procurement Services, Inc.	California
DVA Healthcare Renal Care, Inc.	Nevada
DVA Holdings Pte. Ltd.	Singapore
DVA Laboratory Services, Inc.	Florida
DVA of New York, Inc.	New York
DVA Renal Healthcare, Inc.	Tennessee
Dworsher Dialysis, LLC	Delaware
East End Dialysis Center, Inc.	Virginia
Edisto Dialysis, LLC	Delaware
Elberton Dialysis Facility, Inc.	Georgia
Eldrist Dialysis, LLC	Delaware
Elgin Dialysis, LLC	Delaware
Etowah Dialysis, LLC	Delaware
Eufaula Dialysis, LLC	Delaware
EURODIAL - Centro de Nefrologia e Dialise de Leiria S.A.	Portugal
Everett MSO, Inc.	Washington
Falcon, LLC	Delaware
Farragut Dialysis, LLC	Delaware
Fields Dialysis, LLC	Delaware
Flagler Dialysis, LLC	Delaware
Flamingo Park Kidney Center, Inc.	Florida
Flandrau Dialysis, LLC	Delaware
Flor Dialysis, LLC	Delaware
Fort Dialysis, LLC	Delaware
Foss Dialysis, LLC	Delaware
Freehold Artificial Kidney Center, L.L.C.	New Jersey
Garner Dialysis, LLC	Delaware
Garrett Dialysis, LLC	Delaware
Gate Dialysis, LLC	Delaware
Genesis KC Development, LLC	Delaware

Name	Jurisdiction of Organization
Gertrude Dialysis, LLC	Delaware
Geyser Dialysis, LLC	Delaware
Glassland Dialysis, LLC	Delaware
Glosser Dialysis, LLC	Delaware
Goodale Dialysis, LLC	Delaware
Greater Las Vegas Dialysis, LLC	Delaware
Greater Los Angeles Dialysis Centers, LLC	Delaware
Greenspoint Dialysis, LLC	Delaware
Gulch Dialysis, LLC	Delaware
Harmony Dialysis, LLC	Delaware
Hawn Dialysis, LLC	Delaware
Hazelton Dialysis, LLC	Delaware
Headlands Dialysis, LLC	Delaware
Heideck Dialysis, LLC	Delaware
Helmer Dialysis, LLC	Delaware
Hills Dialysis, LLC	Delaware
Holten Dialysis, LLC	Delaware
Honeyman Dialysis, LLC	Delaware
Houston Kidney Center/Total Renal Care Integrated Service Network Limited Partnership	Delaware
Hugo Dialysis, LLC	Delaware
IDC -International Dialysis Centers, Lda	Portugal
Infomasi Ekuiti Sdn. Bhd.	Malaysia
Iroquois Dialysis, LLC	Delaware
ISD I Holding Company, Inc.	Delaware
ISD Las Vegas, LLC	Delaware
ISD Renal, Inc.	Delaware
ISD Summit Renal Care, LLC	Ohio
Jacinto Dialysis, LLC	Delaware
Jericho Dialysis, LLC	Delaware
Kadden Dialysis, LLC	Delaware
Kamakee Dialysis, LLC	Delaware
Kamiah Dialysis, LLC	Delaware
Kavett Dialysis, LLC	Delaware
Kerricher Dialysis, LLC	Delaware
Kidney Care Services, LLC	Delaware
Kidney Center South LLC	Delaware
Kidney HOME Center, LLC	Delaware
Knickerbocker Dialysis, Inc.	New York
Lassen Dialysis, LLC	Delaware
Lees Dialysis, LLC	Delaware
Liberty RC, Inc.	New York
Lifeline Pensacola, LLC	Delaware
Lifeline Vascular Associates of Allen Park, LLC	Delaware
Lifeline Vascular Center of South Orlando, LLC	Delaware
Lifeline Vascular Center-Albany, LLC	Delaware

Name	Jurisdiction of Organization
Lifeline Vascular Center-Orlando, LLC	Delaware
Lincoln Park Dialysis Services, Inc.	Illinois
Little Rock Dialysis Centers, LLC	Delaware
Livingston Dialysis, LLC	Delaware
Llano Dialysis, LLC	Delaware
Lory Dialysis, LLC	Delaware
Lourdes Dialysis, LLC	Delaware
Lyndale Dialysis, LLC	Delaware
Lynwick Dialysis, LLC	Delaware
Madigan Dialysis, LLC	Delaware
Magoffin Dialysis, LLC	Delaware
Manchester Dialysis, LLC	Delaware
Manito Dialysis, LLC	Delaware
Maple Grove Dialysis, LLC	Delaware
Margette Dialysis, LLC	Delaware
Mashero Dialysis, LLC	Delaware
Mason-Dixon Dialysis Facilities, Inc.	Maryland
Mazonia Dialysis, LLC	Delaware
Meadows Dialysis, LLC	Delaware
Memorial Dialysis Center, L.P.	Delaware
Meridian Dialysis, LLC	Delaware
Mermet Dialysis, LLC	Delaware
Milo Dialysis, LLC	Delaware
Minam Dialysis, LLC	Delaware
Mocca Dialysis, LLC	Delaware
Montauk Dialysis, LLC	Delaware
Mulgee Dialysis, LLC	Delaware
MVZ DaVita Alzey GmbH	Germany
MVZ DaVita Aurich GmbH	Germany
MVZ DaVita Bad Dubeu GmbH	Germany
MVZ DaVita Dormagen GmbH	Germany
MVZ DaVita Duisburg GmbH	Germany
MVZ DaVita Elsterland GmbH	Germany
MVZ DaVita Emden GmbH	Germany
MVZ DaVita Gera GmbH	Germany
MVZ DaVita Monchengladbach GmbH	Germany
MVZ DaVita Neuss GmbH	Germany
MVZ DaVita Niederrhein GmbH	Germany
MVZ DaVita Nierenzentrum am Schloss Britz GmbH	Germany
MVZ DaVita Rhein-Ruhr GmbH	Germany
MVZ DaVita Salzgitter-Seesen GmbH	Germany
MVZ DaVita Sud-Niedersachsen GmbH	Germany
Myrtle Dialysis, LLC	Delaware
Nansen Dialysis, LLC	Delaware
Navarro Dialysis, LLC	Delaware

Name	Jurisdiction of Organization
Nephrology Medical Associates of Georgia, LLC	Georgia
Neptune Artificial Kidney Center, L.L.C.	New Jersey
Norbert Dialysis, LLC	Delaware
Norte Dialysis, LLC	Delaware
North Atlanta Dialysis Center, LLC	Delaware
North Colorado Springs Dialysis, LLC	Delaware
North Puget Sound Oncology Equipment Leasing Company, LLC	Washington
Northridge Medical Services Group, Incorporated	California
Noster Dialysis, LLC	Delaware
Odiome Dialysis, LLC	Delaware
Ohio River Dialysis, LLC	Delaware
Olive Dialysis, LLC	Delaware
Open Access Lifeline, LLC	Delaware
Paladina Health, LLC	Delaware
Palo Dialysis, LLC	Delaware
Patient Pathways, LLC	Delaware
Pedemales Dialysis, LLC	Delaware
Physicians Choice Dialysis Of Alabama, LLC	Delaware
Physicians Choice Dialysis, LLC	Delaware
Physicians Dialysis Acquisitions, Inc.	Delaware
Physicians Dialysis of Lancaster, LLC	Pennsylvania
Physicians Dialysis Ventures, LLC	Delaware
Physicians Dialysis, Inc.	Delaware
Physicians Management, LLC	Delaware
Pible Dialysis, LLC	Delaware
Pine Dialysis, LLC	Delaware
Pittsburgh Dialysis Partners, LLC	Delaware
Platte Dialysis, LLC	Delaware
Pokagon Dialysis, LLC	Delaware
Portola Dialysis, LLC	Delaware
Powerton Dialysis, LLC	Delaware
Prairie Dialysis, LLC	Delaware
Primrose Dialysis, LLC	Delaware
Prineville Dialysis, LLC	Delaware
Prings Dialysis, LLC	Delaware
Pyramid Dialysis, LLC	Delaware
Randolph Dialysis, LLC	Delaware
Rayburn Dialysis, LLC	Delaware
Red Willow Dialysis, LLC	Delaware
Redcliff Dialysis, LLC	Delaware
Refuge Dialysis, LLC	Delaware
Renal Life Link, Inc.	Delaware
Renal Treatment Centers - California, Inc.	Delaware
Renal Treatment Centers - Hawaii, Inc.	Delaware
Renal Treatment Centers - Illinois, Inc.	Delaware

Name	Jurisdiction of Organization
Renal Treatment Centers - Mid-Atlantic, Inc.	Delaware
Renal Treatment Centers - Northeast, Inc.	Delaware
Renal Treatment Centers - Southeast, LP	Delaware
Renal Treatment Centers - West, Inc.	Delaware
Renal Treatment Centers, Inc.	Delaware
Ridgely Dialysis, LLC	Delaware
River Valley Dialysis, LLC	Delaware
RMS Lifeline Inc.	Delaware
Rocky Mountain Dialysis Services, LLC	Delaware
Roushe Dialysis, LLC	Delaware
Rusk Dialysis, LLC	Delaware
Sahara Dialysis, LLC	Delaware
SAKDC-DaVita Dialysis Partners, L.P.	Delaware
Sandlin Dialysis, LLC	Delaware
Sapelo Dialysis, LLC	Delaware
Shelby Dialysis, LLC	Delaware
Shelling Dialysis, LLC	Delaware
Sherman Dialysis, LLC	Delaware
Shetek Dialysis, LLC	Delaware
Shining Star Dialysis, Inc.	New Jersey
Shoals Dialysis, LLC	Delaware
Shone Dialysis, LLC	Delaware
Shoshone Dialysis, LLC	Delaware
Sierra Rose Dialysis Center, LLC	Delaware
Silverwood Dialysis, LLC	Delaware
Simeon Dialysis, LLC	Delaware
Skagit Dialysis, LLC	Delaware
Smithgall Dialysis, LLC	Delaware
South Central Florida Dialysis Partners, LLC	Delaware
South Fork Dialysis, LLC	Delaware
Southcrest Dialysis, LLC	Delaware
Southwest Atlanta Dialysis Centers, LLC	Delaware
Sprague Dialysis, LLC	Delaware
Star Dialysis, LLC	Delaware
Starks Dialysis, LLC	Delaware
Stearns Dialysis, LLC	Delaware
Storrie Dialysis, LLC	Delaware
Sunapee Dialysis, LLC	Delaware
Taum Dialysis, LLC	Delaware
Tel-Huron Dialysis, LLC	Delaware
The DaVita Collection, Inc.	California
THP Services, Inc.	California
Tolowa Dialysis, LLC	Delaware
Total Acute Kidney Care, Inc.	Florida
Total Renal Care Of North Carolina, LLC	Delaware

Name	Jurisdiction of Organization
Total Renal Care Texas Limited Partnership	Delaware
Total Renal Care, Inc.	California
Total Renal Laboratories, Inc.	Florida
Total Renal Research, Inc.	Delaware
Trailstone Dialysis, LLC	Delaware
Transmountain Dialysis, L.P.	Delaware
TRC - Four Corners Dialysis Clinics, L.L.C.	New Mexico
TRC - Indiana, LLC	Indiana
TRC - Petersburg, LLC	Delaware
TRC EL Paso Limited Partnership	Delaware
TRC of New York, Inc.	New York
TRC West, Inc.	Delaware
TRC-Georgetown Regional Dialysis, LLC	District Of Columbia
Tree City Dialysis, LLC	Delaware
Tross Dialysis, LLC	Delaware
Tunnel Dialysis, LLC	Delaware
Tyler Dialysis, LLC	Delaware
Ukiah Dialysis, LLC	Delaware
Unicoi Dialysis, LLC	Delaware
USC-DaVita Dialysis Center, LLC	California
UT Southwestern DVA Healthcare, L.L.P.	Texas
VillageHealth DM, LLC	Delaware
Volo Dialysis, LLC	Delaware
Wakoni Dialysis, LLC	Delaware
Walcott Dialysis, LLC	Delaware
Walker Dialysis, LLC	Delaware
Walton Dialysis, LLC	Delaware
Wayside Dialysis, LLC	Delaware
Weldon Dialysis, LLC	California
Williston Dialysis, LLC	Delaware

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors and Shareholders  
DaVita HealthCare Partners Inc.:

We consent to the incorporation by reference in the registration statements on Forms S-8 (No. 333-213119, No. 333-190434, No. 333-169467, No. 333-158220, No. 333-144097, No. 333-86550, and No. 333-30736), on Form S-4 (No. 333-182572), and on Forms S-3 (333-203394, No. 333-196630, No. 333-183285, and No. 333-169690) of DaVita Inc. of our reports dated February 24, 2017, with respect to the consolidated balance sheets of DaVita Inc. as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2016, the related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2016, which reports appear in the December 31, 2016 annual report on Form 10-K of DaVita Inc.

/s/ KPMG LLP

Seattle, Washington  
February 24, 2017



## SECTION 302 CERTIFICATION

I, Kent J. Thiry, certify that:

1. I have reviewed this annual report on Form 10-K of DaVita HealthCare Partners 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

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**Kent J. Thiry**  
**Chief Executive Officer**

Date: February 24, 2017

## SECTION 302 CERTIFICATION

I, James K. Hilger, certify that:

1. I have reviewed this annual report on Form 10-K of DaVita HealthCare Partners 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/ JAMES K. HILGER

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**James K. Hilger**  
**Interim Chief Financial Officer**  
**and Chief Accounting Officer**

Date: February 24, 2017

**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 HealthCare Partners Inc. (the "Company") on Form 10-K for the year ending December 31, 2016 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 24, 2017

**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 HealthCare Partners Inc. (the "Company") on Form 10-K for the year ending December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, James K. Hilger, Interim Chief Financial Officer and Chief Accounting 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/ JAMES K. HILGER

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**James K. Hilger**  
**Interim Chief Financial Officer and**  
**Chief Accounting Officer**

February 24, 2017



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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Fiscal Year Ended December 31, 2017

Commission File Number: 1-14106



(Exact name of registrant as specified in charter)

Delaware  
(State of incorporation)

51-0354549  
(I.R.S. Employer Identification No.)

2000 16th Street  
Denver, CO 80202  
Telephone number (303) 405-2100

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

<u>Title of each class:</u>	<u>Name of each exchange on which registered:</u>
Common Stock, \$0.001 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:  
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) 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 (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of June 30, 2017, the aggregate market value of the Registrant's common stock outstanding held by non-affiliates based upon the closing price on the New York Stock Exchange was approximately \$12.4 billion.

As of January 31, 2018, the number of shares of the Registrant's common stock outstanding was approximately 182.0 million shares.

**Documents incorporated by reference**

Portions of the Registrant's proxy statement for its 2018 annual meeting of stockholders are incorporated by reference in Part III of this Form 10-K.

## PART I

### Item 1. Business

*We were incorporated as a Delaware corporation in 1994. Our 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 our website, located at <http://www.davita.com>, as soon as reasonably practicable after the reports are filed with or furnished to the Securities and Exchange Commission (SEC). The SEC also maintains a website at <http://www.sec.gov> where these reports and other information about us can be obtained. The contents of our website are not incorporated by reference into this report.*

#### Overview of DaVita Inc.

The Company has consisted of two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG). Kidney Care is comprised of our U.S. dialysis and related lab services, our ancillary services and strategic initiatives, including our international operations, and our corporate administrative support. Our U.S. dialysis and related lab services business is our largest line of business and is a leading provider of kidney dialysis services in the U.S. for patients suffering from chronic kidney failure, also known as end stage renal disease (ESRD). DMG is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of providing coordinated, outcomes-based medical care in a cost-effective manner.

On December 5, 2017, we entered into an equity purchase agreement to sell our DMG division to Collaborative Care Holdings, LLC (Optum), a subsidiary of UnitedHealth Group Inc. The transaction is expected to close in 2018 and is subject to regulatory approval and other customary closing conditions. As a result of this pending transaction, the DMG business has been reclassified as held for sale and its results of operations are reported as discontinued operations for all periods presented in our consolidated financial statements included in this report.

For financial information about our DMG business see Note 21 to the consolidated financial statements included in this report.

#### Kidney Care Division

##### *U.S. dialysis and related lab services business overview*

Our U.S. dialysis and related lab services business is a leading provider of kidney dialysis services for patients suffering from ESRD. As of December 31, 2017, we provided dialysis and administrative services in the U.S. through a network of 2,510 outpatient dialysis centers in 46 states and the District of Columbia, serving a total of approximately 197,800 patients. We also provide acute inpatient dialysis services in approximately 900 hospitals and related laboratory services throughout the U.S.

The loss of kidney function is normally irreversible. Kidney failure is typically caused by Type I and Type II diabetes, high blood pressure, polycystic kidney disease, long-term autoimmune attack on the kidney and prolonged urinary tract obstruction. ESRD is the stage of advanced kidney impairment that requires continued dialysis treatments or a kidney transplant to sustain life. Dialysis is the removal of toxins, fluids and salt from the blood of patients by artificial means. Patients suffering from ESRD generally require dialysis at least three times a week for the rest of their lives.

According to the United States Renal Data System, there were over 495,000 ESRD dialysis patients in the U.S. in 2015. The underlying ESRD dialysis patient population has grown at an approximate compound rate of 3.8% from 2000 to 2015, the latest period for which such data is available. The growth rate is attributable to the aging of the U.S. 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.

Since 1972, the federal government has provided healthcare coverage for ESRD patients under the Medicare ESRD program regardless of age or financial circumstances. ESRD is the first and only disease state eligible for Medicare coverage both for dialysis and dialysis-related services and for all benefits available under the Medicare program. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate. See page 6 for further details.

Although Medicare reimbursement limits the allowable charge per treatment, it provides industry participants with a relatively predictable and recurring revenue stream for dialysis services provided to patients without commercial insurance. For the year ended December 31, 2017, approximately 89.5% of our total dialysis patients were covered under some form of

government-based programs, with approximately 74.9% of our dialysis patients covered under Medicare and Medicare-assigned plans.

#### *Treatment options for ESRD*

Treatment options for ESRD are dialysis and kidney transplantation.

#### *Dialysis options*

- *Hemodialysis*

Hemodialysis, the most common form of ESRD treatment, is usually performed at a freestanding outpatient dialysis center, at a hospital-based outpatient center, or at the patient's 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 back into the patient's body. Each hemodialysis treatment that occurs in the outpatient dialysis centers typically lasts approximately three and one-half hours and is usually performed three times per week.

Hospital inpatient hemodialysis services are required for patients with acute kidney failure primarily resulting from trauma, patients in early stages of ESRD and ESRD patients who require hospitalization for other reasons. Hospital inpatient hemodialysis is generally performed at the patient's bedside or in a dedicated treatment room in the hospital, as needed.

Some ESRD patients who are healthier and more independent may perform home-based hemodialysis in their home or residence through the use of a hemodialysis machine designed specifically for home therapy that is portable, smaller and easier to use. Patients receive training, support and monitoring from registered nurses, usually in our outpatient dialysis centers, in connection with their dialysis treatment. Home-based hemodialysis is typically performed with greater frequency than dialysis treatments performed in outpatient dialysis centers and on varying schedules.

- *Peritoneal dialysis*

Peritoneal dialysis uses the patient's peritoneal or abdominal cavity to eliminate fluid and toxins and is typically performed at home. The most common methods of peritoneal dialysis are continuous ambulatory peritoneal dialysis (CAPD), and continuous cycling peritoneal dialysis (CCPD). Because it does not involve going to an outpatient dialysis center three times a week for treatment, peritoneal dialysis is an alternative to hemodialysis for patients who are healthier, more independent and desire more flexibility in their lifestyle.

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.

#### *Kidney transplantation*

Although kidney 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.

### ***U.S. Dialysis and related lab services we provide***

#### *Outpatient hemodialysis services*

As of December 31, 2017, we operated or provided administrative services through a network of 2,510 outpatient dialysis centers in the U.S. that are designed specifically for outpatient hemodialysis. In 2017, our overall network of U.S. outpatient dialysis centers increased by 160 primarily as a result of the opening of new dialysis centers, net of center closures, divestitures, and acquisitions, representing a total increase of approximately 6.8% from 2016.

As a condition of our enrollment in Medicare for the provision of dialysis services, we contract with a nephrologist or a group of associated nephrologists to provide medical director services at each of our dialysis 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.

Under Medicare regulations, we cannot promote, develop or maintain any kind of contractual relationship with our patients that would directly or indirectly obligate a patient to use or continue to use our dialysis services, or that would give us any preferential rights other than those related to collecting payments for our dialysis services. Our total patient turnover, which is based upon all causes, averaged approximately 26% in 2017 and 25% in 2016. However, in 2017, the overall number of patients to whom we provided services in the U.S. increased by approximately 5.4% from 2016, primarily from the opening of new dialysis centers and acquisitions, and continued growth within the industry.

#### *Hospital inpatient hemodialysis services*

As of December 31, 2017, we provided hospital inpatient hemodialysis services, excluding physician services, to patients in approximately 900 hospitals throughout the U.S. We render these services based on a contracted per-treatment fee that is 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, as needed. In 2017, hospital inpatient hemodialysis services accounted for approximately 5.0% of our U.S. dialysis revenues and 4.0% of our total U.S. dialysis treatments.

#### *Home-based hemodialysis services*

Many of our outpatient dialysis centers offer certain support services for dialysis patients who prefer and are able to perform either home-based hemodialysis or peritoneal dialysis in their homes. Home-based hemodialysis support services consist of providing equipment and supplies, training, patient monitoring, on-call support services and follow-up assistance. Registered nurses train patients and their families or other caregivers to perform either home-based hemodialysis or peritoneal dialysis.

#### *ESRD laboratory services*

We own two separately incorporated, licensed, clinical laboratories which specialize in ESRD patient testing. These specialized laboratories provide routine laboratory tests for dialysis and other physician-prescribed laboratory tests for ESRD patients and are an integral component of overall dialysis services that we provide. Our laboratories provide these tests predominantly for our network of ESRD patients throughout the U.S. These tests are performed to monitor a patient's ESRD condition, including the adequacy of dialysis, as well as other medical conditions of the patient. Our laboratories utilize information systems which provide information to certain members of the dialysis centers' staff and medical directors regarding critical outcome indicators.

#### *Management services*

We currently operate or provide management and administrative services pursuant to management and administrative services agreements to 39 outpatient dialysis centers located in the U.S. in which we either own a noncontrolling interest or are wholly-owned by third parties. Management fees are established by contract and are recognized as earned typically based on a percentage of revenues or cash collections generated by the outpatient dialysis centers.

#### *Quality care*

Centers for Medicare and Medicaid Services (CMS) promotes high quality services in outpatient dialysis facilities treating patients with ESRD through its Quality Incentive Program (QIP). QIP associates a portion of payment directly with a facility's performance on quality of care measures. Payment reductions result when a facility's overall score on applicable measures does not meet established standards. For the fifth year in a row, we are an industry leader in QIP standards. We are industry leaders for catheter rates and also lead the industry for the total number of patients in our peritoneal dialysis program.

In addition, CMS' Five-Star Quality Rating system, is a rating system that assigns one to five stars to rate the quality of outcomes for dialysis facilities. The rating system provides patients reported information about any given dialysis facility and identifies differences in quality between facilities so that patients can make more informed decisions about where to receive treatment. For the last three years in which data is available, we have been a leader in the industry under the CMS Five-Star Quality Rating system.

Our facilities employ registered nurses, licensed practical or vocational nurses, patient care technicians, social workers, registered dietitians, biomedical technicians and other administrative and support teammates who aim to achieve superior clinical outcomes at our centers.

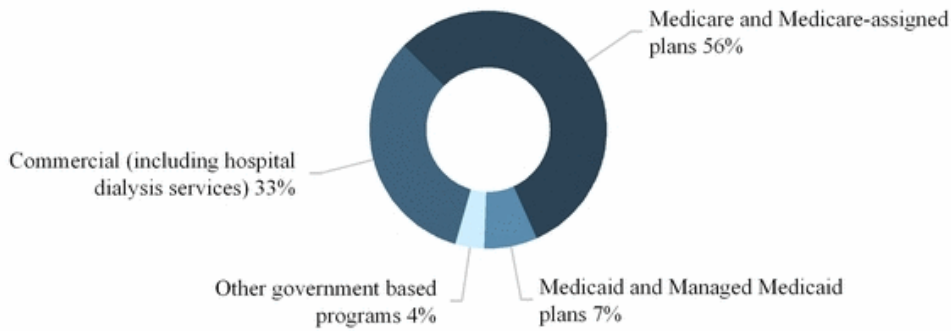
Our physician leadership in the Office of the Chief Medical Officer (OCMO) for our U.S. dialysis and related lab services business includes 16 senior nephrologists, led by our Chief Medical Officer, with a variety of academic, clinical practice, and clinical research backgrounds. Our Physician Council is an advisory body to senior management composed of eight physicians with extensive experience in clinical practice. In addition, we currently have nine Group Medical Directors.

**Sources of revenue—concentrations and risks**

Our U.S. dialysis and related lab services business net revenues represent approximately 86% of our consolidated net revenues for the year ended December 31, 2017. Our U.S. dialysis and related lab services revenues are derived primarily from our core business of providing dialysis services and related laboratory services and, to a lesser extent, the administration of pharmaceuticals and management fees generated from providing management and administrative services to certain outpatient dialysis centers, as discussed above.

The sources of our U.S. dialysis and related lab services revenues are principally from government-based programs, including Medicare and Medicare-assigned plans, Medicaid and Managed Medicaid plans and commercial insurance plans.

The following graph summarizes our U.S. dialysis services revenues by source for the year ended December 31, 2017:



The following graph summarizes our U.S. dialysis services revenues by modality for the year ended December 31, 2017:



## *Medicare revenue*

Government dialysis related payment rates in the U.S. are principally determined by federal Medicare and state Medicaid policy. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate which provides a fixed payment rate to encompass all goods and services provided during the dialysis treatment, including certain pharmaceuticals, such as Epogen® (EPO), vitamin D analogs and iron supplements, irrespective of the level of pharmaceuticals administered to the patient or additional services performed. Most lab services are also included in the bundled payment. Under the ESRD Prospective Payment System (PPS), the bundled payments to a dialysis facility may be reduced by as much as 2% based on the facility's performance in specified quality measures set annually by CMS through QIP, which was established by the Medicare Improvements for Patients and Providers Act of 2008. The bundled payment rate is also adjusted for certain patient characteristics, a geographic usage index and certain other factors.

Uncertainty about future payment rates remains a material risk to our business, as well as the potential implementation of or changes in coverage determinations or other rules or regulations by CMS or Medicare Administrative Contractors (MACs) that may impact reimbursement. An important provision in the law is an annual adjustment, or market basket update, to the ESRD PPS base rate. Absent action by Congress, the ESRD PPS base rate is automatically updated annually by a formulaic inflation adjustment.

In December 2013, CMS issued the 2014 final rule for the ESRD PPS, which phases in the payment reductions mandated by the American Taxpayer Relief Act of 2012 (ATRA), as modified by the Protecting Access to Medicare Act of 2014, which reduced our market basket inflation adjustment by 1.25% in both 2016 and 2017, and by 1% in 2018. In November 2017, CMS published the 2018 final rule for the ESRD PPS, which increased dialysis facilities' bundled payment rate for 2018 relative to prior years. In particular, CMS projects that the 2018 final rule for the ESRD PPS will (i) increase the total payments to all ESRD facilities by 0.5% in 2018 compared to 2017; (ii) increase total payments to hospital-based ESRD facilities by 0.7% in 2018 compared to 2017; and (iii) increase total payments for freestanding facilities by 0.5% in 2018 compared to 2017. The 2018 final rule for the ESRD PPS also implements changes to the ESRD PPS outlier policy, broadening the pricing methodologies used to determine the cost of certain service drugs and biologicals in computing outlier payments when average sales price data is not available.

As a result of the Budget Control Act of 2011 (BCA) and subsequent activity in Congress, a \$1.2 trillion sequester (across-the-board spending cuts) in discretionary programs took effect in 2013 reducing Medicare payments by 2%, which was subsequently extended through fiscal year 2027. These across-the-board spending cuts have affected and will continue to adversely affect our business, results of operations and financial condition. Although the Bipartisan Budget Act (BBA) of 2018 passed in February 2018 enacts a two-year federal spending agreement and raises the federal spending cap on non-defense spending for fiscal years 2018 and 2019, the Medicare program is frequently mentioned as a target for spending cuts.

The CMS Center for Medicare & Medicaid Innovation Center (Innovation Center) is working with various healthcare providers to develop, refine and implement Accountable Care Organizations (ACOs) and other innovative models of care for Medicare and Medicaid beneficiaries. We are uncertain of the extent to which the long-term operation and evolution of these models of care, including ACOs, Bundled Payments for Care Improvement Initiative, Comprehensive ESRD Care (CEC) Model (which includes the development of ESRD Seamless Care Organizations (ESCOs)), the Comprehensive Primary Care Initiative, the Duals Demonstration, or other models, will impact the healthcare market over time. Our U.S. dialysis business may choose to participate in one or several of these models either as a partner with other providers or independently. We currently participate in the CEC Model with the Innovation Center, including the ESCO organizations in the Arizona, Florida, and adjacent New Jersey and Pennsylvania markets. In areas where our U.S. dialysis business is not directly participating in this or other Innovation Center models, some of our patients may be assigned to an ACO, another ESRD Care Model, or another program, in which case the quality and cost of care that we furnish will be included in an ACO's, another ESRD Care Model's or other program's calculations.

The Department of Health and Human Services (HHS) has also pledged to tie 50% of Medicare payments to quality or alternate payment models by the end of 2018. As new models of care emerge and evolve, we may be at risk for losing our Medicare patient base, which would have a materially adverse effect on our revenues, earnings and cash flows. Other initiatives in the government or private sector may also arise, including the development of models similar to ACOs, independent practice associations (IPAs) and integrated delivery systems or evolutions of those concepts which could adversely impact our business.

We anticipate that we will continue to experience increases in our operating costs in 2018 that will outpace any net Medicare rate increases that we may receive, which could significantly impact our operating results. In addition, we expect to continue experiencing increases in operating costs that are subject to inflation, such as labor and supply costs, including increases in maintenance costs and capital expenditures to improve, renovate and maintain our facilities, equipment and

information technology to meet changing regulatory requirements, regardless of whether there is a compensating inflation-based increase in Medicare payment rates or in payments under the bundled payment rate system.

ESRD patients receiving dialysis services become eligible for primary Medicare coverage at various times, depending on their age or disability status, as well as whether they are covered by a commercial insurance plan. Generally, for a patient not covered by a commercial insurance plan, Medicare becomes the primary payor for ESRD patients receiving dialysis services either immediately or after a three-month waiting period. For a patient covered by a commercial insurance plan, Medicare generally becomes the primary payor after 33 months, which includes the three-month waiting period, or earlier if the patient's commercial insurance plan coverage terminates. When Medicare becomes the primary payor, the payment rates we receive for that patient shift from the commercial insurance plan rates to Medicare payment rates, which are on average significantly lower than commercial insurance rates.

Medicare pays 80% of the amount set by the Medicare system for each covered dialysis treatment. The patient is responsible for the remaining 20%. 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 in the form of a Medicare Supplement Plan, can apply for premium payment assistance from charitable organizations to obtain secondary coverage. If a patient does not have secondary insurance coverage, we are generally unsuccessful in our efforts to collect from the patient the remaining 20% portion of the ESRD composite rate that Medicare does not pay. However, we are able to recover some portion of this unpaid patient balance from Medicare through an established cost reporting process by identifying these Medicare bad debts on each center's Medicare cost report.

The 21st Century Cures Act, enacted in December 2016, included a provision that will allow Medicare beneficiaries with ESRD to choose a Medicare Advantage plan. Until the effective date of this law, this choice is available only to Medicare beneficiaries without ESRD. The ESRD related provisions of the 21st Century Cures Act are scheduled to take effect in 2021.

#### *Medicaid revenue*

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. These programs also serve as supplemental insurance programs for co-insurance payments due from Medicaid-eligible patients with primary coverage under the Medicare program. Some Medicaid programs also pay for additional services, including some oral medications that are not covered by Medicare. We are enrolled in the Medicaid programs in the states in which we conduct our business.

#### *Commercial revenue*

Before a patient becomes eligible to elect to have Medicare as their primary payor for dialysis services, a patient's commercial insurance plan, if any, is generally responsible for payment of such dialysis services for up to the first 33 months, as discussed above. Although commercial payment rates vary, average commercial payment rates established under commercial contracts are generally significantly higher than Medicare rates. The payments we receive from commercial payors generate nearly all of our profits. Payment methods from commercial payors can include a single lump-sum per treatment, referred to as bundled rates, or in other cases separate payments for dialysis treatments and pharmaceuticals, if used as part of the treatment, referred to as Fee-for-Service (FFS) rates. Commercial payment rates are the result of negotiations between us and insurers or third-party administrators. Our out-of-network payment rates are on average higher than in-network commercial contract payment rates. We continue to enter into some commercial contracts, covering certain patients that will primarily pay us under a single bundled payment rate for all dialysis services provided to these patients. However, some contracts will pay us for certain other services and pharmaceuticals in addition to the bundled payment. These contracts typically contain annual price escalator provisions. We are continuously in the process of negotiating agreements with our commercial payors and if our negotiations result in overall commercial contract payment rate reductions in excess of our commercial contract payment rate increases, or if commercial payors implement plans that restrict access to coverage or the duration or breadth of benefits or impose restrictions or limitations on patient access to commercial plans on non-contracted or out-of-network providers, it could have a material adverse effect on our business, results of operations and financial condition. In addition, if there is an increase in job losses in the U.S., or depending upon changes to the healthcare regulatory system by CMS and/or the impact of healthcare insurance exchanges, we could experience a decrease in the number of patients covered under commercial insurance plans and/or an increase in uninsured or underinsured patients. Patients with commercial insurance who cannot otherwise maintain coverage frequently rely on financial assistance from charitable organizations, such as the American Kidney Fund. If these patients are unable to obtain or continue to receive or receive for a limited duration such financial assistance, or if our assumptions about how patients will respond to any change in such financial assistance are incorrect, it could have a material adverse effect on our business, results of operations and financial condition.

Approximately 28% of our dialysis services revenues and approximately 10.5% of our dialysis patients are associated with non-acute commercial payors for the year ended December 31, 2017. Non-acute commercial patients as a percentage of our total dialysis patients for 2017 decreased 1.4% as compared to 2016. Less than 1% of our U.S. dialysis and related lab services revenues are due directly from patients. There is no single commercial payor that accounted for more than 10% of total U.S. dialysis and related lab services revenues for the year ended December 31, 2017. See Note 23 to the consolidated financial statements included in this report for disclosure on our concentration related to our commercial payors on a total consolidated net revenue basis.

The healthcare reform legislation enacted in 2010 introduced healthcare insurance exchanges which provide a marketplace for eligible individuals and small employers to purchase healthcare insurance. The business and regulatory environment continues to evolve as the exchanges mature, and regulations are challenged, changed and enforced. If commercial payor participation in the exchanges continues to decrease, it could have a material adverse effect on our business, results of operations and financial condition. Although we cannot predict the short- or long-term effects of these factors, we believe the healthcare insurance exchanges could result in a reduction in ESRD patients covered by traditional commercial insurance policies and an increase in the number of patients covered through the exchanges under more restrictive commercial plans with lower reimbursement rates or higher deductibles and co-payments that patients may not be able to pay. To the extent that the ongoing implementation of such exchanges or changes in statutes or regulations, or enforcement of statutes or regulations regarding the exchanges results in a reduction in reimbursement rates for our services from commercial and/or government payors, it could have a material adverse effect on our business, results of operations and financial condition.

In addition, in December 2016, CMS published an interim final rule that questioned the use of charitable premium assistance for ESRD patients and would have established new conditions for coverage standards for dialysis facilities. In January 2017, a federal court issued a preliminary injunction on CMS' interim final rule and in June 2017, at the request of CMS, the court stayed the proceedings while CMS pursues new rulemaking options. In November 2017, when CMS published the 2018 final rule that updates payment policies and rates under the ESRD PPS, and the 2019 proposed Notice of Benefit and Payment Parameters, it did not pursue further discussion or rule making related to charitable premium assistance or propose changes to historical charitable premium assistance guidelines. This does not preclude CMS or another regulatory agency or legislative authority from issuing a new rule or guidance that challenges charitable premium assistance. Additionally, any other law, rule, or guidance issued by CMS or other regulatory or legislative authorities restricting or prohibiting the ability of patients with access to alternative coverage from selecting a marketplace plan on or off exchange, and/or otherwise restricting or prohibiting the use of charitable premium assistance, could adversely impact dialysis centers across the U.S. making certain centers economically unviable, restrict the ability of dialysis patients to obtain and maintain optimal insurance coverage, and have a material adverse effect on our business, results of operations, and financial condition.

#### *Revenue from other pharmaceuticals and EPO*

The impact of physician-prescribed pharmaceuticals on our overall revenues that are separately billable has significantly decreased since Medicare's single bundled payment system went into effect beginning in January 2011, as well as some additional commercial contracts that pay us a single bundled payment rate. Approximately 2% of our total U.S. dialysis and related lab services net patient services revenues for the years ended December 31, 2017 and 2016, are associated with the administration of separately-billable physician-prescribed pharmaceuticals. Of this, the administration of EPO that was separately billable, accounted for approximately half of our separately billable pharmaceuticals of our U.S. dialysis and related lab services business for both years. EPO is produced by a single manufacturer, Amgen USA Inc. (Amgen). In 2017, we entered into a Sourcing and Supply Agreement with Amgen that expires on December 31, 2022. Under the terms of the agreement, we will purchase EPO in amounts necessary to meet no less than 90% of our requirements for erythropoiesis-stimulating agents (ESAs) through the expiration of the contract. The actual amount of EPO that we will purchase from Amgen will depend upon the amount of EPO administered during dialysis treatments as prescribed by physicians and the overall number of patients that we serve. Any interruption in the supply of EPO or product cost increases that we are unable to mitigate could materially impact our operations.

In addition to EPO, other drugs are included in and, in the future, other drugs will be added to the ESRD PPS. On January 1, 2018, calcimimetics, a drug class taken by many ESRD patients to treat mineral bone disease, became part of the ESRD PPS. The drug has both an oral form (Sensipar) and IV form (Parsabiv). Because the IV form is a new injectable for which there is no current functional category, neither Parsabiv nor Sensipar are considered accounted for in the ESRD PPS base rate and are reimbursed through a Transitional Drug Add-on Payment Adjustment (TDAPA). The TDAPA period is expected to continue for a period of two years. Currently, the oral and IV forms of the drug are produced and sold by a single manufacturer, Amgen. In December 2017, we entered into a Sourcing and Supply Agreement with Amgen for both the oral and IV versions of calcimimetics. Our operating results could be materially impacted by certain factors, including physician prescribing patterns, vendor contracts with Amgen and other suppliers, the timing of the entry into the market of a generic oral equivalent, whether

the drug enters into the ESRD PPS and becomes part of its bundled payment following TDAPA and, if so, at what rate, and how commercial payors will treat reimbursement of the drug.

### ***Physician relationships***

An ESRD patient generally seeks treatment at an outpatient dialysis center near his or her home where 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 our dialysis operations. Approximately 5,300 nephrologists currently refer patients to our outpatient dialysis centers. As is typical in the dialysis industry, one or a few physicians, including the outpatient dialysis center's medical director, usually account for all or a significant portion of an outpatient dialysis center's patient base.

Participation in the Medicare ESRD program requires that dialysis services at an outpatient dialysis center be under the general supervision of a medical director who is a licensed physician. We have engaged physicians or groups of physicians to serve as medical directors for each of our outpatient dialysis centers. At some outpatient dialysis centers, we also separately contract with one or more other physicians to serve as assistant or associate medical directors or to direct specific programs, such as home dialysis training programs. We have approximately 1,000 individual physicians and physician groups under contract to provide medical director services.

Medical directors for our dialysis centers enter into written contracts with us that specify their duties and fix their compensation generally for periods of 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, responsibilities, professional qualifications and experience, among others.

Our medical director contracts for our dialysis centers generally include covenants not to compete. Also, except as described below, when we acquire an outpatient dialysis center from one or more physicians or where one or more physicians own minority interests in our outpatient dialysis centers, these physicians have agreed to refrain from owning interests in other competing outpatient dialysis centers within a defined geographic area for various time periods. These non-compete agreements restrict the physicians from owning or providing medical director services to other outpatient dialysis centers, but do not prohibit the physicians from referring patients to any outpatient dialysis center, including competing centers. Many of these non-compete agreements continue for a period of time beyond expiration of the corresponding medical director agreements, although some expire at the same time as the medical director agreement. Occasionally, we experience competition from a new outpatient dialysis center established by a former medical director following the termination of his or her relationship with us. As part of our Corporate Integrity Agreement (CIA), as described below, we also have agreed not to enforce investment non-compete restrictions relating to dialysis clinics or programs that were established pursuant to a partial divestiture joint venture transaction. Therefore, to the extent a joint venture partner or medical director has a contract(s) with us covering dialysis clinics or programs that were established pursuant to a partial divestiture, we will not enforce the investment non-compete provision relating to those clinics and/or programs.

If a significant number of physicians, including an outpatient dialysis center's medical directors, were to cease referring patients to our outpatient dialysis centers, it would have a material adverse effect on our business, results of operations and financial condition.

### ***Government regulation***

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

If any of our operations are found to violate applicable laws or regulations, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition and stock price, including:

- Suspension or termination of our participation in government payment programs;
- Refund amounts received in violation of law or applicable payment program requirements;
- Loss of required government certifications or exclusion from government payment programs;
- Loss of licenses required to operate healthcare facilities or administer pharmaceuticals in some of the states in which we operate or elsewhere;

- Reductions in payment rates or coverage for dialysis and ancillary services and related pharmaceuticals;
- Civil or criminal liability, fines, damages and monetary penalties for violations of healthcare fraud and abuse laws, including the federal Anti-Kickback Statute contained in the Social Security Act of 1935, as amended (Anti-Kickback Statute), Stark Law and False Claims Act (FCA), and other failures to meet regulatory requirements;
- Enforcement actions by governmental agencies and/or claims for monetary damages from patients who believe their protected health information (PHI) has been used, disclosed or not properly safeguarded in violation of federal or state patient privacy laws including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Privacy Act of 1974;
- Mandated changes to our practices or procedures that significantly increase operating expenses;
- Imposition of and compliance with corporate integrity agreements that could subject us to ongoing audits and reporting requirements as well as increased scrutiny of our billing and business practices and potential fines;
- Termination of relationships with medical directors; and
- Harm to our reputation which could impact our business relationships, affect our ability to obtain financing and decrease access to new business opportunities, among other things.

We expect that 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. This regulation and scrutiny could have a material adverse impact on us.

#### *Licensure and certification*

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

To date, we have experienced some delays in obtaining Medicare certifications from CMS. Recent legislation will allow private entities to perform initial dialysis facilities certifications beginning in 2019. We may choose to use these private companies in the future, although the number of companies who will enter the market and the cost of surveys they might perform has yet to be determined.

#### *Federal Anti-Kickback Statute*

The federal Anti-Kickback Statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration, directly or indirectly, in cash or kind, to induce or reward either the referral of an individual for, or the purchase, or order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid.

Federal criminal penalties for the violation of the federal Anti-Kickback Statute include imprisonment, fines and exclusion of the provider from future participation in the federal healthcare programs, including Medicare and Medicaid. Violations of the federal Anti-Kickback Statute are punishable by imprisonment for up to ten years and fines of up to \$100,000 or both. Larger fines can be imposed upon corporations under the provisions of the U.S. Sentencing Guidelines and the Alternate Fines Statute. Individuals and entities convicted of violating the federal Anti-Kickback Statute are subject to mandatory exclusion from participation in Medicare, Medicaid and other federal healthcare programs for a minimum of five years. Civil penalties for violation of this law include up to \$100,000 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. Court decisions have held that the statute may be violated even if only one purpose of remuneration is to induce referrals. The Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010 (Affordable Care Act (ACA)) amended the federal Anti-Kickback Statute to clarify the intent that is required to prove a violation. Under the statute as amended, the defendant does not need to have actual knowledge of the federal Anti-Kickback Statute or have the specific intent to violate it. In addition, the ACA amended the federal Anti-Kickback Statute to provide that any claims for items or services resulting from a violation of the federal Anti-Kickback Statute are considered false or fraudulent for purposes of the FCA.

The federal Anti-Kickback Statute includes statutory exceptions and regulatory safe harbors that protect certain arrangements. Business transactions and arrangements that are structured to comply fully with an applicable safe harbor do not violate the federal Anti-Kickback Statute. However, transactions and arrangements that do not satisfy all elements of a relevant safe harbor do not necessarily violate the law. When an arrangement does not satisfy a safe harbor, the arrangement must be evaluated on a case-by-case basis in light of the parties' intent and the arrangement's potential for abuse. Arrangements that do not satisfy a safe harbor may be subject to greater scrutiny by enforcement agencies.

We enter into several arrangements with physicians that potentially implicate the Anti-Kickback Statute, such as:

*Medical Director Agreements.* Because our medical directors refer patients to our dialysis centers, our arrangements with these physicians are designed to substantially comply with the safe harbor for personal service arrangements. Although the Medical Director Agreements we enter into with physicians substantially comply with the safe harbor for personal service arrangements, including the requirement that compensation be consistent with fair market value, the safe harbor requires that when services are provided on a part-time basis, the agreement must specify the schedule of intervals of services, and their precise length and the exact charge for such services. Because of the nature of our medical directors' duties, it is impossible to fully satisfy this technical element of the safe harbor. We believe that our fair market value arrangements with physicians who serve as medical directors do not violate the federal Anti-Kickback Statute; however, these arrangements could be subject to scrutiny since they do not expressly describe the schedule of part-time services to be provided under the arrangement.

*Joint Ventures.* We own a controlling interest in numerous U.S. dialysis related joint ventures. For the year ended December 31, 2017, these joint ventures represented approximately 24% of our net U.S. dialysis and related lab services revenues. We may continue to increase the number of our joint ventures. Our relationships with physicians and other referral sources relating to these joint ventures do not fully satisfy the safe harbor for investments in small entities. Although failure to comply with a safe harbor does not render an arrangement illegal under the federal Anti-Kickback Statute, an arrangement that does not operate within a safe harbor may be subject to scrutiny and the Department of Health and Human Services' Office of Inspector General (OIG) has warned in the past that certain joint venture relationships have a potential for abuse. Based upon the foregoing, physician joint ventures that fall outside the safe harbors are not, by definition, prohibited by law. Instead, such joint ventures require case-by-case evaluation under the federal Anti-Kickback Statute.

In this regard, we have structured our joint ventures to satisfy as many elements of the safe harbor for investments in small entities as we believe are commercially reasonable. For example, we believe that these investments are offered and made by us on a fair market value basis and provide returns to the investors in proportion to their actual investment in the venture. We believe that our joint venture arrangements do not violate the federal Anti-Kickback Statute; however, since the arrangements do not satisfy all of the requirements of an applicable safe harbor, these arrangements could be subject to challenge on the ground that they are intended to induce patient referrals. In that regard, we were subject to investigation by the United States Attorney's Office for the District of Colorado, the Civil Division of the United States Department of Justice (DOJ) and the OIG related to our relationships with physicians, including our joint ventures, and whether those relationships and joint ventures comply with the federal Anti-Kickback Statute and the FCA. In October 2014, we entered into a Settlement Agreement with the United States and relator David Barbetta to resolve the then pending 2010 and 2011 U.S. Attorney physician relationship investigations. In connection with the resolution of this matter, and in exchange for the OIG's agreement not to exclude us from participating in the federal healthcare programs, we have entered into a five-year CIA with the OIG. The CIA (i) requires that we maintain certain elements of our compliance programs; (ii) imposes certain expanded compliance-related requirements during the term of the CIA; (iii) requires ongoing monitoring and reporting by an independent monitor, imposes certain reporting, certification, records retention and training obligations, allocates certain oversight responsibility to the Board's Compliance Committee, and necessitates the creation of a Management Compliance Committee and the retention of an independent compliance advisor to the Board; and (iv) contains certain business restrictions related to a subset of our joint venture arrangement. The costs associated with compliance with the CIA could be substantial and may be greater than we currently anticipate. In addition, in the event of a breach of the CIA, we could become liable for payment of certain stipulated penalties, and could be excluded from participation in federal healthcare programs.

*Lease Arrangements.* We lease space for numerous dialysis centers from entities in which physicians, hospitals or medical groups hold ownership interests, and we sublease space to referring physicians at approximately 250 of our dialysis centers as of December 31, 2017. We believe that these arrangements comply with the federal Anti-Kickback Statute safe harbor for space rentals in all material respects. Therefore, we believe that these lease arrangements should not be subject to challenge under the federal Anti-Kickback Statute.

*Common Stock.* Some medical directors and other referring physicians may own our common stock. We believe that these interests materially satisfy the requirements of the Anti-Kickback Statute safe harbor for investments in large publicly traded companies. Therefore, we believe that these investments should not be subject to challenge under the federal Anti-Kickback Statute.



*Discounts.* Our dialysis centers sometimes acquire certain items and services at a discount that may be reimbursed by a federal healthcare program. We believe that our vendor contracts that include discount or rebate provisions are in compliance with the federal Anti-Kickback Statute safe harbor for discounts, and accordingly, we believe that our discounted vendor contracts should not be subject to challenge under the federal Anti-Kickback Statute.

If any of our business transactions or arrangements, including those described above, were found to violate the federal Anti-Kickback Statute, we, among other things, could face criminal, civil or administrative sanctions, including possible exclusion from participation in Medicare, Medicaid and other state and federal healthcare programs. Any findings that we have violated these laws could have a material adverse impact on our business, results of operations, financial condition and stock price.

#### *Stark Law*

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 providing Designated Health Services (DHS), from referring Medicare and Medicaid patients to such entities for the furnishing of DHS, unless an exception applies. DHS is defined to mean any of the following enumerated items or services; clinical laboratory services; physical therapy services; occupational therapy services; radiology services, including magnetic resonance imaging, computerized axial tomography scans, and ultrasound services; radiation therapy services and supplies; durable medical equipment and supplies; parenteral and enteral nutrients, equipment, and supplies; prosthetics, orthotics and prosthetic devices and supplies; home health services; outpatient prescription drugs; inpatient and outpatient hospital services; and outpatient speech-language pathology services. The types of financial arrangements between a physician and a DHS entity that trigger the self-referral prohibitions of the Stark Law are broad and include direct and indirect ownership and investment interests and compensation arrangements. The Stark Law also prohibits the DHS entity receiving a prohibited referral from presenting, or causing to be presented, 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; unlike the federal Anti-Kickback Statute, intent to induce referrals is not required. If the Stark Law is implicated, the financial relationship must fully satisfy a Stark Law exception. If an exception is not satisfied, then the arrangement could be subject to sanctions. Sanctions for violation of the Stark Law include denial of payment for claims for services provided in violation of the prohibition, refunds of amounts collected in violation of the prohibition, a civil penalty of up to \$15,000 for each service arising out of the prohibited referral, a civil penalty of up to \$100,000 against parties that enter into a scheme to circumvent the Stark Law prohibition, civil assessment of up to three times the amount claimed, and potential exclusion from the federal healthcare programs, including Medicare and Medicaid. Amounts collected for prohibited claims must be reported and refunded generally within 60 days after the date on which the overpayment was identified. Furthermore, Stark Law violations and failure to return overpayments timely can form the basis for FCA liability as discussed below.

The definition of DHS under the Stark Law excludes services paid under a composite rate, even if some of the components bundled in the composite rate are DHS. Although the ESRD bundled payment system is no longer titled a composite rate, we believe that the former composite rate payment system and the current bundled system are both composite systems excluded from the Stark Law. Since most services furnished to Medicare beneficiaries provided in our dialysis centers are reimbursed through a bundled rate, the services performed in our facilities generally are not DHS, and the Stark Law referral prohibition does not apply to those services. Certain separately billable drugs (drugs furnished to an ESRD patient that are not for the treatment of ESRD that CMS allows our centers to bill for using the so-called AY modifier) may be considered DHS. However, for compliance with the law we have implemented certain billing controls to limit DHS being billed out of our dialysis clinics. Likewise, the definition of inpatient hospital services, for purposes of the Stark Law, also excludes inpatient dialysis performed in hospitals that are not certified to provide ESRD services. Consequently, our arrangements with such hospitals for the provision of dialysis services to hospital inpatients do not trigger the Stark Law referral prohibition.

In addition, although prescription drugs are DHS, there is an exception in the Stark Law for EPO and other specifically enumerated dialysis drugs when furnished in or by an ESRD facility such that the arrangement for the furnishing of the drugs does not violate the federal Anti-Kickback Statute, and all billing and claims submission for the drugs does not violate any laws or regulations governing billing or claims submission. The exception is available only for drugs included on a list of Current Procedural Terminology/Healthcare Common Procedure Coding System (CPT/HCPCS) codes published by CMS, and for EPO, Aranesp® and equivalent drugs dispensed by the ESRD facility for use at home. While we believe that most drugs furnished by our dialysis centers are covered by the exception, dialysis centers may administer drugs that are not on the list of CPT/HCPCS codes and therefore do not meet this exception. In order for a physician who has a financial relationship with a dialysis center to order one of these drugs from the center and for the center to obtain Medicare reimbursement, another exception must apply.

We have entered into several types of financial relationships with referring physicians, including compensation arrangements. If our dialysis centers were to bill for a non-exempted drug and the financial relationships with the referring

physician did not satisfy an exception, we could in the future be required to change our practices, face civil penalties, pay substantial fines, return certain payments received from Medicare and beneficiaries or otherwise experience a material adverse effect as a result of a challenge to payments made pursuant to referrals from these physicians under the Stark Law.

*Medical Director Agreements.* We believe that our medical director agreements satisfy the personal services arrangement exception to the Stark Law. While we believe that the compensation provisions included in our medical director agreements are the result of arm's length negotiations and result in fair market value payments for medical director services, an enforcement agency could nevertheless challenge the level of compensation that we pay our medical directors.

*Lease Agreements.* 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. The Stark Law provides an exception for lease arrangements if specific requirements are met. We endeavor to structure our leases and subleases with referring physicians to satisfy the requirements for this exception.

*Common Stock.* Some medical directors and other referring physicians may own our common stock. We believe that these interests satisfy the Stark Law exception for investments in large publicly traded companies.

*Joint Ventures.* Some of our referring physicians also own equity interests in entities that operate our dialysis centers. None of the Stark Law exceptions applicable to physician ownership interests in entities to which they make DHS referrals apply to the kinds of ownership arrangements that referring physicians hold in several of our subsidiaries that operate dialysis centers. Accordingly, these dialysis centers do not bill Medicare for DHS referrals from physician owners. If the dialysis centers bill for DHS referred by physician owners, the dialysis center would be subject to the Stark Law penalties described above.

*Other Operations.* The operations of our ancillary and subsidiary businesses are also subject to compliance with the Stark Law, and any failure to comply with these requirements, particularly in light of the strict liability nature of the Stark Law, could subject these operations to the Stark Law penalties and sanctions described above.

While we believe that most of our operations do not implicate the Stark Law, particularly under the ESRD bundled payment system, and that to the extent that our dialysis centers furnish DHS, they either meet an exception or do not bill for services that do not meet a Stark Law exception, if CMS determined that we have submitted claims in violation of the Stark Law, or otherwise violated the Stark Law, we would be subject to the penalties described above. In addition, it might be necessary 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 DHS from these physicians, or take other actions to modify our operations. Any such penalties and restructuring or other required actions could have a material adverse effect on our business, results of operations and financial condition.

#### *Fraud and abuse under state law*

Many states in which we operate dialysis centers have statutes prohibiting physicians from holding financial interests in various types of medical facilities to which they refer patients. Some of these statutes could potentially be interpreted broadly 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 their patients. States also have laws similar to or stricter than 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 state anti-kickback statutes also include civil and criminal penalties. Some of these statutes include exemptions that may be 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, to referring physicians with whom we hold joint ownership interests or to physicians who hold interests in DaVita Inc. limited solely to our 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 criminal, civil and administrative sanctions, refund requirements and exclusions from government healthcare programs, including Medicare and Medicaid. Such events could negatively affect the decision of referring physicians to refer patients to our centers.

### *The False Claims Act*

The federal FCA is a means of policing false bills or false requests for payment in the healthcare delivery system. In part, the FCA authorizes the imposition of up to three times the government's damages and civil penalties on any person who, among other acts:

- 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 material to a false or fraudulent claim;
- Knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay the government, or knowingly conceals or knowingly and improperly, avoids or decreases an obligation to pay or transmit money or property to the federal government; or
- Conspires to commit the above acts.

In addition, amendments to the FCA impose severe penalties for the knowing and improper retention of overpayments collected from government payors. Under these provisions, within 60 days of identifying an overpayment, a provider is required to notify CMS or the Medicare Administrative Contractor of the overpayment and the reason for it and return the overpayment. An overpayment impermissibly retained could subject us to liability under the FCA, exclusion, and penalties under the federal Civil Monetary Penalty statute. As a result of these provisions, our procedures for identifying and processing overpayments may be subject to greater scrutiny. We have made significant investments to accelerate the time it takes us to identify and process overpayments and we may be required to make additional investments in the future. Acceleration in our ability to identify and process overpayments could result in us refunding overpayments to government or other payors sooner than we have in the past. A significant acceleration of these refunds could have a material adverse effect on our operating cash flows.

The penalties for a violation of the FCA range from \$5,500 to \$11,000 (adjusted for inflation) for each false claim, plus up to three times the amount of damages caused by each false claim, which can be as much as the amounts received directly or indirectly from the government for each such false claim. On February 3, 2017, the DOJ issued a final rule announcing adjustments to FCA penalties, under which the per claim penalty range increases to \$10,957 to \$21,916 for penalties assessed after February 3, 2017, so long as the underlying conduct occurred after November 2, 2015. The federal government has used the FCA to prosecute a wide variety of alleged false claims and fraud allegedly perpetrated against Medicare and state healthcare programs, including coding errors, billing for services not rendered, the submission of false cost reports, billing for services at a higher payment 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 considered medically necessary. The ACA provides that claims tainted by a violation of the federal Anti-Kickback Statute are false for purposes of the FCA. Some courts have held that filing claims or failing to refund amounts collected in violation of the Stark Law can form the basis for liability under the FCA. In addition to the provisions of the FCA, which provide for civil enforcement, the federal government can use several criminal statutes to prosecute persons who are alleged to have submitted false or fraudulent claims for payment to the federal government.

### *Privacy and Security*

The Health Insurance Portability and Accountability Act of 1996 and its implementing privacy and security regulations, as amended by the federal Health Information Technology for Economic and Clinical Health Act (HITECH Act), (collectively referred to as HIPAA), require us to provide certain protections to patients and their health information. The HIPAA privacy and security regulations extensively regulate the use and disclosure of PHI and require covered entities, which include healthcare providers, to implement and maintain administrative, physical and technical safeguards to protect the security of such information. Additional security requirements apply to electronic PHI. These regulations also provide patients with substantive rights with respect to their health information.

The HIPAA privacy and security regulations also require us to enter into written agreements with certain contractors, known as business associates, to whom we disclose PHI. Covered entities may be subject to penalties for, among other activities, failing to enter into a business associate agreement where required by law or as a result of a business associate violating HIPAA if the business associate is found to be an agent of the covered entity and acting within the scope of the agency. Business associates are also directly subject to liability under the HIPAA privacy and security regulations. In instances

where we act as a business associate to a covered entity, there is the potential for additional liability beyond our status as a covered entity.

Covered entities must report breaches of unsecured PHI to affected individuals without unreasonable delay but not to exceed 60 days of discovery of the breach by a covered entity or its agents. Notification must also be made to the HHS, and, for breaches of unsecured PHI involving more than 500 residents of a state or jurisdiction, to the media. All non-permitted uses or disclosures of unsecured PHI are presumed to be breaches unless the covered entity or business associate establishes that there is a low probability the information has been compromised. Various state laws and regulations may also require us to notify affected individuals in the event of a data breach involving individually identifiable information without regard to whether there is a low probability of the information being compromised.

Penalties for impermissible use or disclosure of PHI were increased by the HITECH Act by imposing tiered penalties of more than \$50,000 per violation and up to \$1.5 million per year for identical violations. In addition, HIPAA provides for criminal penalties of up to \$250,000 and ten years in prison, with the severest penalties for obtaining and disclosing PHI with the intent to sell, transfer or use such information for commercial advantage, personal gain or malicious harm. Further, state attorneys general may bring civil actions seeking either injunction or damages in response to violations of the HIPAA privacy and security regulations that threaten the privacy of state residents. We believe our HIPAA Privacy and Security Program sufficiently addresses HIPAA and state privacy law requirements.

#### *Healthcare reform*

In March 2010, broad healthcare reform legislation was enacted in the U.S. through the ACA. Although many of the provisions of the ACA did not take effect immediately and continue to be implemented, and some have been and may be modified before or during their implementation, the reforms could have an impact on our business in a number of ways. We cannot predict how employers, private payors or persons buying insurance might react to federal and state healthcare reform legislation or what form many of these regulations will take before implementation.

The ACA introduced healthcare insurance exchanges, which provide a marketplace for eligible individuals and small employers to purchase healthcare insurance. The business and regulatory environment continues to evolve as the exchanges mature, and statutes and regulations are challenged, changed and enforced.

The ACA also requires that all non-grandfathered individual and small group health plans sold in a state, including plans sold through the state-based exchanges created pursuant to the healthcare reform laws, cover essential health benefits (EHBs) in ten general categories. The scope of the benefits is intended to equal the scope of benefits under a typical employer plan.

On February 25, 2013, HHS issued the final rule governing the standards applicable to EHB benchmark plans, new definitions, actuarial value requirements and methodology, and published a list of plan benchmark options that states can use to develop EHBs. The rule describes specific coverage requirements that (i) prohibit discrimination against individuals because of pre-existing or chronic conditions on health plans applicable to EHBs, (ii) ensure network adequacy of essential health providers, and (iii) prohibit benefit designs that limit enrollment and that prohibit access to care for enrollees. Subsequent regulations relevant to the EHB have continued the benchmark plan approach for 2016 and future years and have implemented clarifications and modifications to the existing EHB regulations, including the prohibition on discrimination, network adequacy standards and other requirements. In recent years, CMS has issued an annual Notice of Benefit and Payment Parameters rulemaking and related guidance setting forth standards for insurance plans provided through the exchanges.

Other aspects of the 2010 healthcare reform laws may affect our business as well, including changes affecting the Medicare and Medicaid programs. We note, however, that the 2016 Presidential and Congressional elections and subsequent developments have caused the future state of the exchanges and other ACA reforms to be very unclear. The Republicans, who now control the Administration and Congress, have repeatedly expressed a desire to repeal and replace the ACA. Further, in October 2017, the federal government announced that cost-sharing reduction payments to insurers would end, effective immediately, unless Congress appropriated the funds, and, in December 2017, Congress passed the Tax Cuts and Jobs Act, which includes a provision that eliminates the penalty under the ACA's individual mandate and could impact the future state of the exchanges. Moreover, in February 2018, Congress passed the BBA which, among other things, repealed the Independent Payment Advisory Board that was established by the ACA and intended to reduce the rate of growth in Medicare spending. While certain provisions of the BBA may increase the scope of benefits available for certain chronically ill Federal health care program beneficiaries beginning in 2020, the ultimate impact of such changes cannot be predicted. While there may be significant changes to the healthcare environment in the future, the specific changes and their timing are not yet apparent. As a result, there is considerable uncertainty regarding the future with respect to the exchanges, and, indeed, many core aspects of the current health care marketplace. While specific changes and their timing are not yet apparent, the enacted reforms as well as

future legislative, regulatory, and executive changes could have a material adverse effect on our results of operations, including lowering our reimbursement rates and/or increasing our expenses.

*Other regulations*

Our U.S. dialysis and related lab services 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 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.

*Capacity and location of our U.S. dialysis centers*

Typically we are able to increase our capacity by extending hours at our existing dialysis centers, expanding our existing dialysis centers, relocating our dialysis centers, developing new dialysis centers and by acquiring dialysis centers. The development of a typical outpatient dialysis center by us generally requires approximately \$2.1 million for leasehold improvements and other capital expenditures. Based on our experience, a new outpatient dialysis center typically opens within a year after the property lease is signed, normally achieves operating profitability in the second year after Medicare certification and normally reaches maturity within three to five years. Acquiring an existing outpatient dialysis center requires a substantially greater initial investment, but profitability and cash flows are generally accelerated and more predictable. To a limited extent, we enter into agreements to provide management and administrative services to outpatient dialysis centers in which we either own a noncontrolling equity investment, or are wholly-owned by third parties in return for management fees, which are typically based on a percentage of revenues or cash collections of the managed center's operations.

The table below shows the growth of our U.S. dialysis operations by number of dialysis centers.

	2017	2016	2015	2014	2013
Number of centers at beginning of year	2,350	2,251	2,179	2,074	1,954
Acquired centers	66	8	6	18	26
Developed centers	121	100	72	105	98
Net change in centers with management and administrative services agreements <sup>(1)</sup>	(2)	—	2	—	4
Sold and closed centers <sup>(2)(3)</sup>	(15)	(4)	(3)	(2)	(5)
Closed centers <sup>(4)</sup>	(10)	(5)	(5)	(16)	(3)
Number of centers at end of year	2,510	2,350	2,251	2,179	2,074

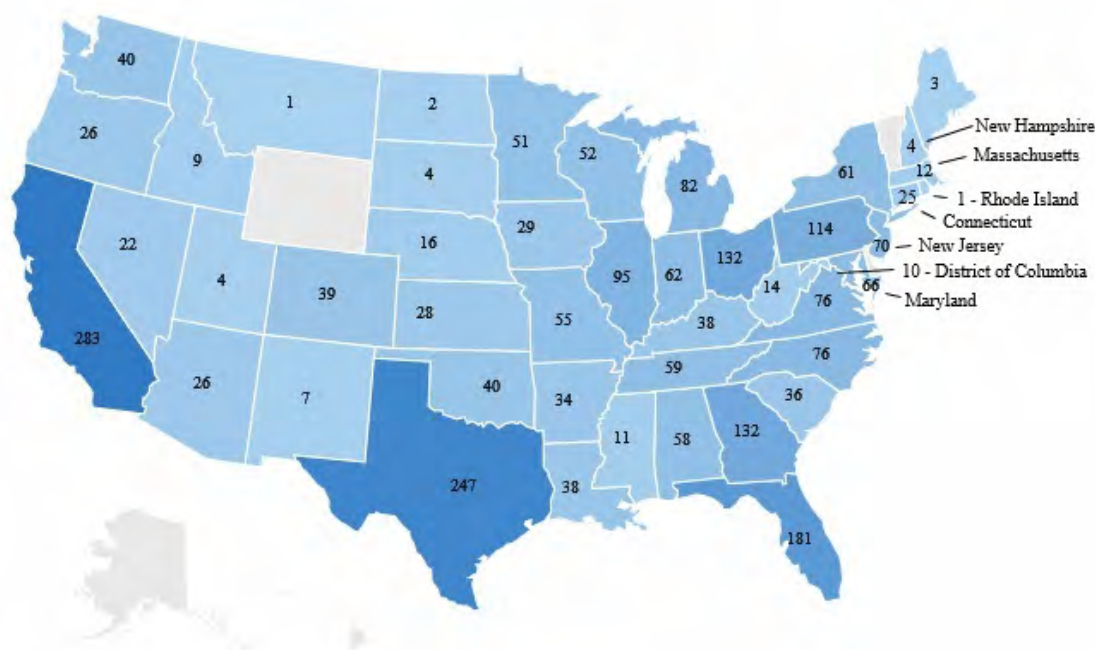
(1) Represents dialysis centers in which we either own a noncontrolling equity investment, or are wholly-owned by third parties, and also includes dialysis centers we deconsolidated and transferred to management services agreements.

(2) Includes centers that were divested as a part of our Renal Ventures acquisition.

(3) Represents dialysis centers that were sold and/or closed for which patients were not retained.

(4) Represents dialysis centers that were closed for which the majority of patients were retained and transferred to one of our other existing outpatient dialysis centers.

As of December 31, 2017, we operated or provided administrative services to a total of 2,510 U.S. outpatient dialysis centers. A total of 2,471 of such centers are consolidated in our financial statements. Of the remaining 39 unconsolidated U.S. outpatient dialysis centers, we own a noncontrolling interest in 34 centers and provide management and administrative services to five centers that are wholly-owned by third parties. The locations of the 2,471 U.S. outpatient dialysis centers consolidated in our financial statements at December 31, 2017 were as follows:



**Ancillary services and strategic initiatives businesses, including our international operations**

As of December 31, 2017, our ancillary services and strategic initiatives consisted primarily of pharmacy services, disease management services, vascular access services, clinical research programs, physician services, direct primary care, ESRD seamless care organizations, comprehensive care, and our international operations and relate primarily to our core business of providing kidney care services.

Ancillary services and strategic initiatives consist primarily of the following:

- Pharmacy services.* DaVita Rx is a pharmacy that specializes in providing oral medications and medication management services to patients with ESRD. The main objective of the pharmacy is to improve clinical outcomes and reduce total healthcare costs by facilitating increased patient compliance and to provide our patients a convenient way to fill their prescription needs. Revenues are recognized as prescriptions are filled and shipped to patients or when services are completed.
- Disease management services.* VillageHealth provides advanced integrated care management services to health plans and government programs for members/beneficiaries diagnosed with ESRD, chronic kidney failure, and/or poly-comorbid conditions. Through a combination of clinical coordination, innovative interventions, medical claims analysis and information technology, we endeavor to assist our customers and patients in obtaining superior renal healthcare and improved clinical outcomes, as well as helping to reduce overall medical costs. Integrated care management revenues are typically based upon an established contract fee and are recognized as earned over the contract period and can include additional fees for cost savings recognized by certain customers. VillageHealth also operates Medicare Advantage ESRD Special Needs Plans in partnership with payors that work with CMS to provide ESRD patients full service healthcare. We are at risk for all medical costs of the program in excess of the capitation payments. Furthermore, in October 2015, VillageHealth entered into management service agreements to support three ESCO joint ventures in which we are an investor through certain wholly- or majority-owned dialysis clinics.

- *Vascular access services.* Lifeline provides management and administrative services to physician-owned vascular access clinics that provide vascular services for dialysis and other patients. Lifeline is also the majority-owner of nine vascular access clinics. Management fees generated from providing management and administrative services are recognized as earned typically based on a percentage of revenues or cash collections generated by the clinics. Revenues associated with the vascular access clinics that are majority-owned are recognized in the period when the services are provided.
- *Clinical research programs.* DaVita Clinical Research (DCR) is a provider-based specialty clinical research organization with a full spectrum of services for clinical drug research and device development. DCR uses its extensive, applied database and real-world healthcare experience to assist in the design, recruitment and completion of retrospective, prospective pragmatic and clinical trials. Revenues are based upon an established fee per study, as determined by contract with drug companies and other sponsors and are recognized as earned according to the contract terms.
- *Physician services.* Nephrology Practice Solutions (NPS) is an independent business that partners with physicians committed to providing outstanding clinical and integrated care to patients. NPS provides nephrologist employment opportunities in select markets and offers physician practice management services to nephrologists under administrative services agreements. These services include physician practice management, billing and collections, credentialing, coding, and other support services that enable physician practices to increase efficiency and manage their administrative needs. Fees generated from these services are recognized as earned typically based upon flat fees or cash collections generated by the physician practice. NPS also provides leading nephrology recruitment and staffing services which are billed on a per search basis.
- *Direct primary care.* Paladina Health is a healthcare services organization that operates membership-based primary care clinics mainly through employer-based on-site and near-site clinics. The clinics offer patients more personalized and improved access to primary care physicians, including unlimited visits and same-day or next-day appointments. Physicians focus on clinical outcomes and patient satisfaction. Revenues are recognized over the membership period.
- *ESRD Seamless Care Organization joint ventures (ESCO JVs).* In October 2015, certain of our dialysis clinics entered into partnerships with various nephrology practices, DaVita Rx and health systems to establish three ESCO JVs in Phoenix-Tucson Arizona, South Florida, and Philadelphia Pennsylvania-Camden, New Jersey. The ESCO JVs were formed under the CMS Innovation Center's Comprehensive ESRD Care (CEC) Model, a demonstration to assess the impact of care coordination for ESRD patients in a dialysis-center oriented ACO setting. Each ESCO JV has a shared risk arrangement with CMS and the programs are evaluated on a performance year basis. The delivery of improved quality outcomes for patients and program savings depend on the contributions of the dialysis center teammates, nephrologists, health system and hospital partners, pharmacy providers including DaVita Rx, other primary care and specialty care providers and facilities, and integrated care management support from VillageHealth, which is also the manager of the ESCO JVs. In October 2017, CMS published the results for the first performance year, covering the period from October 2015 to December 2016, and all three ESCO JVs earned shared savings payments.
- *Comprehensive care.* DaVita Health Solutions provides high-quality, comprehensive medical care for high-risk patients when and where they need it most - at home, in a post-acute care facility or within the dialysis center. DaVita Health Solutions offers a broad suite of home- and outpatient-based care programs, including primary care, behavioral health, palliative care, comprehensive health assessments and other clinical services through 24/7 house calls at home, at skilled nursing facilities and at dialysis centers.

#### *International dialysis operations*

As of December 31, 2017, we operated or provided administrative services to a total of 237 outpatient dialysis centers, which includes consolidated and nonconsolidated centers located in 11 countries outside of the U.S., serving approximately 22,900 patients. Our international dialysis operations have continued to grow steadily and expand as a result of developing and acquiring outpatient dialysis centers in various strategic markets. Our international operations are included as a component of our ancillary services and strategic initiatives. The table below summarizes the number and locations of our international

outpatient dialysis centers.

	2017	2016	2015	2014	2013
Number of centers at beginning of year	154	118	91	73	36
Acquired centers	68	21	21	9	38
Developed and hospital operated centers	8	12	7	11	2
Managed centers, net	—	—	(1)	—	—
Closed centers	(1)	—	—	(2)	(3)
Net change in Asia Pacific Joint Venture (APAC JV) operated centers	8	66	—	—	—
Deconsolidated centers due to formation of APAC JV	—	(63)	—	—	—
Number of centers at end of year	237	154	118	91	73

The locations of our international outpatient dialysis centers are as follows:

Poland	51
Germany	44
Malaysia <sup>(1)</sup>	38
India <sup>(1)</sup>	24
Saudi Arabia	22
Colombia	20
Brazil	18
Portugal	8
Taiwan <sup>(1)</sup>	7
China <sup>(1)</sup>	4
Singapore <sup>(1)</sup>	1
	237

(1) Includes centers that are operated or managed by our APAC JV.

#### **Corporate Administrative Support**

Corporate administrative support consists primarily of labor, benefits and long-term incentive compensation costs for departments which provide support to all of our different operating lines of business. These expenses are included in our consolidated general and administrative expenses and are partially offset by the allocation of management fees.

#### **DaVita Medical Group (DMG) Division**

On December 5, 2017, we entered into an equity purchase agreement to sell our DMG division to Optum, a subsidiary of UnitedHealth Group Inc. The transaction is expected to close in 2018 and is subject to regulatory approval and other customary closing conditions. As a result of this pending transaction, the DMG business is classified as held for sale and its results of operations are reported as discontinued operations. In addition, prior periods' presentation has been revised to conform to current year presentation.

#### **DMG business overview**

DMG is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of experience providing coordinated, outcomes-based medical care in a cost-effective manner. As of December 31, 2017, DMG served approximately 763,000 members under its care in southern California, central and south Florida, southern Nevada and central New Mexico through capitation contracts with some of the nation's leading health plans. Of these members, approximately 319,900 individuals were patients enrolled in Medicare and Medicare Advantage, and the remaining approximately 443,100 individuals were managed care members whose health coverage is provided through their employer or who have individually acquired health coverage directly from a health plan or as a result of their eligibility for Medicaid benefits. In addition to its managed care business, during the year ended December 31, 2017, DMG provided care across all markets to approximately 966,600 patients whose health coverage is structured on a FFS basis, including patients enrolled through traditional Medicare and Medicaid programs, preferred provider organizations and other third party payors.



DMG patients as well as the patients of DMG's associated physicians, physician groups and IPAs benefit from an integrated approach to medical care that places the physician at the center of patient care. As of December 31, 2017, DMG delivered services to its members via a network of over 750 primary care physicians, over 3,500 associated group and other network primary care physicians, approximately 180 network hospitals, and several thousand associated group and network specialists. Together with hundreds of case managers, registered nurses and other care coordinators, these medical professionals utilize a comprehensive information technology system, sophisticated risk management techniques and clinical protocols to provide high-quality, cost-effective care to DMG's members.

U.S. healthcare spending has increased steadily over the past twenty years. These increases have been driven, in part, by the aging of the baby boomer generation, unhealthy behavioral and lifestyle choices in terms of exercise and diet, rapidly increasing costs in medical technology and pharmaceutical research, and provider reimbursement structures that may promote volume over quality in a FFS environment. These factors, as well as the steady growth of the U.S. population, have made the healthcare industry a growing market. In 2016, CMS reported that healthcare accounted for 17.9% of the U.S. gross domestic product and that healthcare spending increased 4.3% to reach \$3.3 trillion. Medicare spending grew 3.6% to \$672 billion in 2016 or 20% of National Health Expenditures, according to CMS. Medicare's share of the federal budget was approximately 15.0% in 2017 according to the Congressional Budget Office (CBO). Medicare is frequently the focus of discussions on how to moderate the growth of both federal spending and healthcare spending in the U.S.

Growth in Medicare spending is expected to continue due to demographic changes. According to the U.S. Census Bureau, the U.S. population aged 65 and over is expected to be 83.7 million in 2050 — almost double its estimated population of 43.1 million in 2012.

Medicare Advantage is an alternative to the traditional FFS Medicare program, which permits Medicare beneficiaries to receive benefits from a managed care health plan. Medicare Advantage plans contract with CMS to provide benefits that are at least comparable to those offered under the traditional FFS Medicare program in exchange for a fixed per-member monthly premium payment from CMS. The monthly premium varies based on the county in which the member resides, further adjusted to reflect the plan members' expected medical cost risk. Individuals who elect to participate in the Medicare Advantage program typically receive greater benefits than traditional FFS Medicare Part B beneficiaries, including additional preventive services, vision, dental and prescription drug benefits, and often have lower deductibles and co-payments than traditional FFS Medicare.

CMS pays Medicare Advantage health plans under a bidding process. Plans bid against county-level benchmarks. If a plan's bid is higher than the benchmark, enrollees pay the difference in the form of a monthly premium. If the bid is lower than the benchmark, the plan receives the difference between its payment amount and its bid as a rebate, which must be returned to enrollees in the form of additional benefits, reduced premiums, or lower cost sharing.

Managed care health plans were developed, primarily during the 1980s, in an attempt to mitigate the rising cost of providing healthcare benefits to populations covered by traditional health insurance. These managed care health plans often enroll members through their employers. As a result of the prevalence of these health plans, many seniors now becoming eligible for Medicare have been interacting with managed care companies through their employers for the last 30 years. Individuals turning 65 now are likely to be far more familiar with the managed care setting than previous Medicare populations. According to Kaiser Family Foundation, in 2017, Medicare Advantage represented 33% of total Medicare members, creating a significant opportunity for additional Medicare Advantage penetration of newly eligible seniors.

In an effort to reduce the number of uninsured and to begin to control healthcare expenditures, President Obama signed the ACA into law in March 2010, which was affirmed, in substantial part, by the U.S. Supreme Court in June 2012. As of the end of 2016, the number of uninsured nonelderly Americans was 27.6 million, a decrease of over 16 million since 2013. These previously uninsured Americans and potentially newly eligible Medicaid beneficiaries represent a significant new market opportunity for health plans. We believe that health plans looking to cover these newly eligible individuals under fixed premium arrangements will seek provider arrangements that can effectively manage the cost and quality of the care being provided to these newly eligible individuals, although the 2016 Presidential and Congressional elections and subsequent developments, including recent federal tax reform legislation, have caused the future state of the ACA to become less clear.

One of the primary ways in which the ACA funded expanded health insurance coverage is through cuts in Medicare Advantage reimbursement. County benchmarks have transitioned to a system in which each county's benchmark is a certain percentage (ranging from 95% to 115%) of FFS Medicare. In a March 2017 report to Congress, the Medicare Payment Advisory Commission (MedPAC) estimated that 2017 Medicare Advantage benchmarks (including the average 4% for quality bonuses), bids, and payments would average 106%, 90%, and 100% of FFS spending, respectively.

Despite the fact that the plan bids average less than FFS spending, payments for enrollees in these plans usually exceed FFS spending because the benchmarks are high relative to FFS spending. For example, health maintenance organizations (HMOs) as a group bid an average of 88% of FFS spending, yet 2017 payments for HMO enrollees are estimated to average 99% of FFS spending (including the quality bonuses).

Nonetheless, changes in benchmarks and/or bids that lower payments to Medicare Advantage plans could adversely affect DMG's operating results.

Many health plans recognize both the opportunity for growth from senior members as well as the potential risks and costs associated with managing additional senior members. In regions operated by DMG and numerous other markets, many health plans subcontract a significant portion of the responsibility for managing patient care to integrated medical networks such as DMG. These integrated healthcare networks, whether medical groups or IPAs, offer a comprehensive medical delivery system and sophisticated care management knowledge and infrastructure to more efficiently provide for the healthcare needs of the population enrolled with that health plan. While reimbursement models for these arrangements vary around the country, health plans in California, Florida, Nevada and New Mexico often prospectively pay the integrated healthcare network a fixed Per Member Per Month (PMPM) amount, or capitation payment, which is often based on a percentage of the amount received by the health plan. The capitation payment is for much-and sometimes virtually all-of the care needs of the applicable membership. Capitation payments to integrated healthcare networks, in aggregate, represent a prospective budget from which the network manages care-related expenses on behalf of the population enrolled with that network. To the extent that these networks manage care-related expenses below the capitated levels, the network realizes an operating profit. On the other hand, if care-related expenses exceed projected levels, the network will realize an operating deficit. Since premiums paid represent a significant amount per person, there is a significant revenue opportunity for an integrated medical network like DMG that is able to effectively manage its costs under a capitated arrangement.

Integrated medical networks, such as DMG, that have scale are positioned to spread an individual member's cost exposure across a wider population and realize the benefits of pooling medical risk among large numbers of patients. In addition, integrated medical networks with years of managed care experience can utilize their sizeable medical experience data to identify specific medical care and quality management strategies and interventions for potential high cost cases and aggressively manage them to improve the health of its population base and, thus, lower cost. Many integrated medical networks, like DMG, also have established physician performance metrics that allow them to monitor quality and service outcomes achieved by participating physicians in order to reward efficient, high quality care delivered to members and initiate improvement efforts for physicians whose results can be enhanced.

### *Healthcare reform*

The U.S. healthcare system, including the Medicare Advantage program, is subject to a broad array of new laws and regulations as a result of the ACA. This legislation made significant changes to the Medicare program and to the health insurance market overall. The ACA is considered by some to be the most dramatic change to the U.S. healthcare system in decades. The U.S. Supreme Court found that the individual mandate to obtain health insurance coverage under this legislation is constitutional and also found that the expanded Medicaid benefit included in the legislation is constitutional if states can opt out of the expanded Medicaid benefit without losing their funding under the pre-reform Medicaid program. In a separate, subsequent case, the U.S. Supreme Court also upheld the use of subsidies to individuals in federally-facilitated healthcare exchanges, rejecting an argument that such subsidies would apply only in the state-run healthcare exchanges.

The ACA reflects sweeping legislation that, if fully implemented, may have a significant impact on the U.S. healthcare system generally and the operations of DMG's business. There are numerous steps required to implement the ACA, and implementation remains ongoing and uncertain. Congress also has enacted, and may continue to seek, legislative changes that alter, delay, or eliminate some of their provisions. For example, under the 2016 Omnibus budget agreement, Congress voted to delay certain new taxes that the ACA had enacted, including the excise tax on certain high-cost health plans, the medical device tax, and the tax on health insurers. In addition, the 2016 Presidential and Congressional elections and subsequent developments have caused the future state of the ACA to be unclear. In October 2017, the federal government announced that cost-sharing reduction payments to insurers would end, effective immediately, unless Congress appropriated the funds, and, in December 2017, Congress passed the Tax Cuts and Jobs Act, which includes a provision that eliminates the penalty under the ACA's individual mandate and could impact the future state of the exchanges. Further, in February 2018, Congress passed the BBA, which, among other things, repealed the Independent Payment Advisory Board that was established by the ACA and intended to reduce the rate of growth in Medicare spending. While certain provisions of the BBA may increase the scope of benefits available for certain chronically ill federal health care program beneficiaries beginning in 2020, the ultimate impact of such changes cannot be predicted. While specific changes and their timing are not yet apparent, the enacted reforms as well as future legislative, regulatory, or executive changes could have a material adverse effect on our results of operations, including lowering our reimbursement rates and increasing our expenses.

One provision of the ACA required CMS to establish a Medicare Shared Savings Program (MSSP) that promotes accountability and coordination of care through the creation of ACOs. The program allows certain providers and suppliers (including hospitals, physicians and other designated professionals) to voluntarily form ACOs and work together along with other ACO participants to invest in infrastructure and redesign delivery processes to achieve high quality and efficient delivery of services. In 2014, DMG entered into an agreement with CMS to participate in the MSSP in California, Florida and Nevada. Under this program, which ran through 2016, DMG strove to attain improved clinical outcomes to its Medicare FFS patients in a more cost-effective manner, and had the opportunity to share with CMS in any financial savings created. For the 2016 MSSP program, DMG achieved approximately \$3 million in savings however was not able to benefit in these savings as the minimum savings rate was not reached. In 2017, DMG participated in the CMS Innovation Center's Next Generation ACO and will continue to participate through 2018. Results for 2017 participation will be available in the third quarter of 2018.

### ***Payor environment***

#### ***Government programs***

DMG derives a significant portion of its revenues from services rendered to beneficiaries of Medicare (including Medicare Advantage), Medicaid, and other governmental healthcare programs.

*Medicare.* The Medicare program was established in 1965 and became effective in 1967 as a federally funded U.S. health insurance program for persons aged 65 and older, and it was later expanded to include individuals with ESRD and certain disabled persons, regardless of income or age. Since its formation, Medicare has grown to an approximately \$672 billion program in 2016, covering approximately 57 million Americans and, based on the growing number of eligible beneficiaries and increases in the cost of healthcare, CBO projects that net Medicare spending will increase from \$595 billion in 2017 to \$1.2 trillion in 2027.

Initially, Medicare was offered only on a FFS basis. Under the Medicare FFS payment system, an individual can choose any licensed physician enrolled in Medicare and use the services of any hospital, healthcare provider or facility certified by Medicare. CMS reimburses providers for covered services if CMS considers them medically necessary.

FFS Medicare pays for physician services according to a physician fee schedule (PFS) set each year by CMS in accordance with formulas mandated by Congress. Historically, CMS annually adjusted the Medicare Physician Fee Schedule (Medicare PFS) payment rates based on an updated formula that included application of the Sustainable Growth Rate (SGR). On April 16, 2015, President Obama signed and enacted into law H.R. 2, the Medicare Access and CHIP Reauthorization Act of 2015, which, among other things, repealed the SGR and instituted a 0% update to the single conversion factor under the Medicare PFS from January 1 through June 30, 2015, a 0.5% update for July 2015 through the end of 2019, and a 0% update for 2020 through 2025. For 2026 and subsequent years, the update will be either 0.75% or 0.25%, depending on the Alternate Payment Model (APM) in which the physician participates. On October 14, 2016, CMS released a final rule implementing, among other changes, the Advanced APM incentive applicable to the physician fee schedule, under which physicians may receive bonus payments for participating in an Advanced APM. Among other things, the final rule identifies the criteria an APM must satisfy to be considered an Advanced APM, which could include some MSSP ACOs or providers participating in the CEC Model. Whether DMG's subsidiary ACO or dialysis providers participating in CEC are considered to be Advanced APMs could potentially affect physicians' willingness to participate in such entities, which may indirectly impact the operations of DMG's subsidiary ACO or its providers participating in the CEC Model. In addition, under the final rule, DMG's subsidiary ACO may also be required to submit certain quality data to CMS on behalf of its Merit-Based Incentive Payment System MIPS-eligible clinicians, which could result in an increase in operational costs. Given that the payment updates for APMs have yet to take effect, we cannot determine the impact of such payment models on our business at this time.

In addition, in recent years, Congress has enacted various laws seeking to reduce the federal debt level and contain healthcare expenditures. For example, the BCA called for the establishment of a Joint Select Committee (the Committee) on Deficit Reduction, tasked with reducing the federal debt level. However, because the Committee did not draft a proposal by the BCA's deadline, President Obama issued an initial sequestration order that imposed automatic spending cuts on various federal programs. In particular, a 2% reduction to Medicare payments took effect on April 1, 2013, which was subsequently extended through 2027.

The instability of the federal budget may lead to legislation that could result in further cuts in Medicare and Medicaid payments to providers. In recent years, the government has enacted a patchwork of appropriations legislation to temporarily suspend the debt ceiling and continue government operations. Although the BBA passed in February 2018 enacts a two-year federal spending agreement and raises the federal spending cap on non-defense spending for fiscal years 2018 and 2019, the

Medicare program is frequently mentioned as a target for spending cuts. Spending cuts to the Medicare program could adversely affect our operating results.

*Medicare Advantage.* Medicare Advantage is a Medicare health plan program developed and administered by CMS as an alternative to the original FFS Medicare program. Under the Medicare Advantage program, Medicare beneficiaries may choose to receive benefits under a managed care health plan that provides benefits at least comparable to those offered under the original Medicare FFS payment system in exchange for which the health plan receives a monthly per patient premium payment from CMS. The Medicare Advantage monthly premium varies based on the county in which the member resides, and is adjusted to reflect the demographics and estimated risk profile of the members that enroll. Once a person is authorized by CMS to participate in Medicare Advantage, health plans compete for enrollment based on benefit design differences such as co-payments or deductibles, availability of preventive care, attractiveness of and access to a network of hospitals, physicians and ancillary providers and premium contribution or, most often in Medicare Advantage plans, the absence of any monthly premium. In certain parts of the country, many health plans that provide Medicare Advantage benefits subcontract with integrated medical networks such as DMG to transfer the responsibility for managing patient care.

In 2004, CMS adopted a risk adjustment payment system for Medicare Advantage health plans in which the participating health plans' premiums are adjusted based on the actual illness burden of the members that enroll. The model bases a portion of the total CMS reimbursement payments on various clinical and demographic factors, including hospital inpatient diagnoses, additional diagnosis data from ambulatory treatment settings, hospital outpatient department and physician visits, gender, age and Medicaid eligibility. CMS requires that all managed care companies capture, collect and submit the necessary diagnosis code information to CMS twice a year for reconciliation with CMS's internal database. Medical providers, such as DMG, provide this diagnosis code information to health plan customers for submission to CMS. Under this system, the risk-adjusted portion of the total CMS payment to the Medicare Advantage plans will equal the local rate set forth in the traditional demographic rate book, adjusted to reflect the plan members' gender, age and morbidity.

Most Medicare beneficiaries have the option to enroll in private health insurance plans that contract with Medicare under the Medicare Advantage program. According to the Kaiser Family Foundation, the share of Medicare beneficiaries in such plans has risen rapidly in recent years; it reached approximately 33% in 2017 from approximately 13% in 2004. Plan costs for the standard benefit package can be significantly lower or higher than the corresponding cost for beneficiaries in the traditional Medicare FFS payment program, but prior to the ACA, private plans were generally paid a higher average amount, and they used the additional payments to reduce enrollee cost-sharing requirements, provide extra benefits, and/or reduce Medicare premiums. These enhancements were valuable to enrollees, but also resulted in higher Medicare costs overall and higher premiums for all Medicare Part B beneficiaries and not just those enrolled in Medicare Advantage plans. The ACA requires that future payments to plans be based on benchmarks in a range of 95% to 115% of local FFS Medicare costs, with bonus amounts payable to plans meeting high quality-of-care standards. In addition, health plans offering Medicare Advantage are required to spend at least 85% of their premium dollars on medical care, the so-called medical loss ratio (MLR). Since DMG is not a health plan, except for DaVita Health Plan of California, Inc. (DHPC), it is not subject to the 85% MLR requirement. See "DaVita Medical Group Division (DMG)—Knox-Keene" below. However, payments that health plans make to DMG will apply in full towards the health plans' 85% MLR requirement. If a health plan does not meet the 85% MLR requirement, it must provide a rebate to its customers. Any such shortfalls would not impact amounts paid by health plans to DMG.

*Medicaid.* Medicaid is a federal entitlement program administered by the states that provides healthcare and long-term care services and support to low-income Americans. Medicaid is funded jointly by the states and the federal government. The federal government guarantees matching funds to states for qualifying Medicaid expenditures based on each state's federal medical assistance percentage, which is calculated annually and varies inversely with average personal income in the state. Subject to federal rules, each state establishes its own eligibility standards, benefit packages, payment rates and program administration within broad federal statutory and regulatory guidelines. Every state Medicaid program must balance a number of potentially competing demands, including the need for quality care, adequate provider access, and cost-effectiveness. In an effort to improve quality and provide more uniform and cost-effective care, many states have implemented Medicaid managed care programs to improve access to coordinated healthcare services, including preventative care, and to control healthcare costs. Under Medicaid managed care programs, a health plan receives capitation payments from the state. The health plan, in turn, arranges for the provision of healthcare services by contracting with a network of medical providers, such as DMG. DMG has entered into capitation agreements with health plans to manage approximately 94,800 Medicaid managed care members in its southern California market.

### ***Commercial payors***

According to the 2017 Annual Survey conducted by the Kaiser Family Foundation, approximately 151 million non-elderly people in the U.S. received their health insurance through their employers, which contracted with health plans to

administer these healthcare benefits. Patients enrolled in health plans offered through an employment setting are generally referred to as commercial members. According to the survey, the percentage of workers covered was 55% in 2017 and 2016. Under the ACA, many uninsured individuals and many individuals who receive their health insurance benefits through small employers may purchase their healthcare benefits through insurance exchanges in which health plans compete directly for individual or small group members' enrollment. DMG derives a significant amount of its enrollment from commercial members; however, these members represent a disproportionately small share of DMG's operating profits.

Whether in the Medicare Advantage, commercial or Medicaid market, managed care health plans seek to provide a coordinated and efficient approach to managing the healthcare needs of their enrolled populations. By negotiating with providers, such as pharmacies, hospitals and physicians, and implementing various quality programs, managed care companies attempt to enhance their profitability by limiting their medical costs. These health plans have shown success in mitigating certain components of medical cost, but we believe they are limited by their indirect relationship with physicians, who in the aggregate direct most of their patients' healthcare costs. We believe that physician-led and professionally-managed integrated medical networks such as DMG's have a greater opportunity to influence cost and improve quality due to the close coordination of care at the most effective point of contact with the patient—the primary care physician.

#### ***Capitation and FFS revenue***

There are a number of different models under which an integrated medical network receives payment for managing and providing healthcare services to its members.

***Fee-for-service structure.*** Under traditional FFS reimbursement, physicians are paid a specified amount for each service or procedure that they provide during a patient visit. Under this structure, physician compensation is based on the volume of patient visits and procedures performed, thus offering limited financial incentive to focus on cost containment and preventative care. FFS revenues are derived primarily from DMG's physician services.

***Capitation structure.*** Under capitation, payors pay a fixed amount per enrolled member, thereby subcontracting a significant portion of the responsibility and risks for managing patient care to physicians. Global capitation represents a prospective budget from which the provider network then manages care-related expenses including payments to associated providers outside the group, such as hospitals and specialists. Compared to traditional FFS models, we believe that capitation arrangements better align provider incentives with both quality and efficiency of care. We believe that this approach improves the quality of the experience for patients and the potential profitability for efficient care providers.

Since premiums paid represent a significant amount per person, the revenue and, when costs are effectively managed, profit opportunity available to an integrated medical network under a capitated arrangement can be significant. This is particularly the case for senior members and members with multiple diseases. We believe that the advantages, savings and efficiencies made possible by the capitated model are most pronounced when the care demands of the population are the most severe and require the most coordination, such as for the senior population or patients with chronic, complex and follow-on diseases. While organized coordination of care is central to the capitated model, it is also well suited to the implementation of preventative care and disease management over the long-term since physicians have a financial incentive to improve the overall health of their patient population.

The inherent risk in assumption of global care risk relates to potential losses if a number of individual patients' medical costs exceed the expected amount. This risk is especially significant to individual practitioners or smaller physician groups who lack the scale required to spread the risk over a broad population. DMG has the scale, comprehensive medical delivery resources, significant infrastructure to support practicing physicians, and demonstrated care management knowledge to spread the risk of losses over a large patient population.

***Global model.*** In Florida, DMG may contract directly with health plans under global capitation arrangements that include hospital services, because state law permits DMG to assume financial responsibility for both professional and institutional services. In New Mexico, DMG assumed financial responsibility for professional services only.

In Nevada, DMG enters into global capitation arrangements to assume financial responsibility for both professional and institutional services. However, the Nevada Division of Insurance (NDI) has not opined on whether it is appropriate for an entity like DMG to enter into global capitation arrangements and assume financial responsibility for the provision of both professional and institutional services to either Medicare Advantage enrollees or enrollees of commercial health plans. In order to avoid an adverse finding by the NDI with respect to DMG's global capitation arrangements in Nevada, DMG applied for an insurance license from the NDI and obtained the license in 2015. DMG is currently evaluating its ability to assign any of its existing contracts to the NDI license holder. Because of the current global capitation to DMG, and DMG's assumption of nearly the entire professional and institutional risk in Nevada and Florida, DMG's health plan customers function primarily to support DMG in undertaking marketing and sales efforts to enroll members and processing claims in these states.

In California, entities that maintain full or restricted licenses under the California Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene) are permitted to assume financial responsibility for both professional and institutional services. As described below, in December 2013, DMG obtained a restricted Knox-Keene license and therefore may enter into global capitation arrangements with health plans through which DMG will assume financial responsibility for both professional and institutional services.

***Risk-sharing model.*** In California, DMG currently utilizes a capitation model in several different forms. While there are variations specific to each arrangement, HealthCare Partners Affiliates Medical Group and DaVita Medical Group Associates California, Inc. (collectively AMG), which are medical groups that have entered into management services agreements with DMG, have historically contracted with health plans to receive a PMPM or percentage of premium (POP) capitation payment for professional (physician) services and assumed the financial responsibility for professional services. In some cases, the health plans separately enter into capitation contracts with third parties (typically hospitals) who directly receive a capitation payment and assume contractual financial responsibility for institutional (hospital) services. In other cases, the health plan does not pay a capitation payment to the hospital, but rather administers and pays fee-for-service claims for hospital expenses. In both cases, AMG has been responsible under its health plan agreements for managing the care dollars associated with both the professional and institutional services provided for in the AMG capitation payment. In the case of institutional services and as a result of its managed care-related administrative services agreements with hospitals, AMG has recognized a percentage of the surplus of institutional revenues less institutional expense as AMG net revenues and has also been responsible for some percentage of any short-fall in the event that institutional expenses exceed institutional revenues. In connection with DMG's obtaining a restricted Knox-Keene license in California, substantially all of the California health plan contracts, along with the revenues received under such contracts, have been assigned from AMG to DHPC. In addition, DMG now has the legal authority to transition these health plan contracts to global capitation arrangements in which DMG is responsible for arranging professional and institutional services in exchange for a single capitation payment. DMG has evaluated its various risk sharing arrangements, and is working with the Department of Managed Health Care and several health plans to accept global capitation. DMG converted three separate contracts to global risk in 2016, and converted two additional contracts in 2017. In total, approximately 28% of DMG's membership is now covered under global risk plans. DMG is in the approval and implementation process to convert additional contracts to global risk in 2018. Completion of evaluation of possible additional conversions is expected to continue over time.

#### ***Government regulation***

In addition to the laws and regulations to which our U.S. dialysis and related lab services business are subject to, the internal operations of DMG and its contractual relationships with healthcare providers such as hospitals, other healthcare facilities, and healthcare professionals are subject to extensive and increasing regulation by numerous federal, state, and local government entities. These laws and regulations often are interpreted broadly and enforced aggressively by multiple government agencies, including the OIG, the DOJ, and various state authorities. Many of these laws and regulations are the same as those that impact our U.S. dialysis and related lab services business. For example:

- DMG's financial relationships with healthcare providers including physicians and hospitals could subject DMG to criminal and civil sanctions and penalties under the federal Anti-Kickback Statute;
- The referral of Medicare patients by DMG-associated physicians for the provision of DHS may subject the parties to sanctions and penalties under the Stark Law;
- DMG's financial relationships and those of its associated physicians may subject the parties to penalties and sanctions under state fraud and abuse laws;
- DMG's submission of claims to governmental payors such as the Medicare and Medicaid programs for services provided by its associated physicians and clinical personnel may subject DMG to sanction and penalties under the FCA; and

- DMG’s handling of PHI may subject DMG to sanctions and penalties under HIPAA and its implementing privacy and security regulations, as amended by the HITECH Act, and state medical privacy laws which can include penalties and restrictions that are more severe than those which arise under HIPAA.

A finding that claims for services were not covered or not payable, or the imposition of sanctions associated with a violation of any of these healthcare laws and regulations, could result in criminal and/or civil penalties and exclusion from participation in Medicare, Medicaid and other federal and state healthcare programs and could have a material adverse effect on DMG’s business, financial condition and results of operations. We cannot guarantee that the arrangements or business practices of DMG will not be subject to government scrutiny or be found to violate certain healthcare laws. Government audits, investigations and prosecutions, even if we are ultimately found to be without fault, can be costly and disruptive to DMG’s business. Moreover, changes in healthcare legislation or government regulation may restrict DMG’s existing operations, limit their expansion or impose additional compliance requirements and costs, any of which could have a material adverse effect on DMG’s business, financial condition and results of operations.

The following includes brief descriptions of some, but not all, of the laws and regulations that, in addition to those described in relation to our U.S. dialysis and related lab services business, affect DMG. DMG is also subject to the laws and regulations that apply to our U.S. dialysis and related lab services business. See “Kidney Care Division—Government regulation” above.

**Licensing, certification, accreditation and related laws and guidelines.** DMG clinical personnel are subject to numerous federal, state and local laws and regulations, relating to, among other things, licensing, professional credentialing and professional ethics. Since DMG clinical personnel perform services in medical office settings, hospitals and other types of healthcare facilities, DMG may indirectly be subject to laws applicable to those entities as well as ethical guidelines and operating standards of professional trade associations and private accreditation commissions, such as the American Medical Association and the Joint Commission. There are penalties for non-compliance with these laws, including discipline or loss of professional license, civil and/or criminal fines and penalties, loss of hospital admitting privileges, federal healthcare program disenrollment, loss of billing privileges, and exclusion from participation in various governmental and other third-party healthcare programs.

**Professional licensing requirements.** DMG’s clinical personnel, including physicians, must satisfy and maintain their professional licensing in the states where they practice medicine. Activities that qualify as professional misconduct under state law may subject them to sanctions, including the loss of their licenses and could subject DMG to sanctions as well. Many state boards of medicine impose reciprocal discipline, that is, if a physician is disciplined for having committed professional misconduct in one state where he or she is licensed, another state where he or she is also licensed may impose the same discipline even though the conduct did not occur in that state. Therefore, if a DMG-associated physician is licensed in multiple states, sanctions or loss of licensure in one state may result in sanction or the loss of licensure in other states. Professional licensing sanctions may also result in exclusion from participation in governmental healthcare programs, such as Medicare and Medicaid, as well as other third-party programs.

**Corporate practice of medicine and fee splitting.** California, Colorado, Nevada, and Washington are states in which DMG operates that have laws that prohibit business entities, such as our Company and our subsidiaries, from practicing medicine, employing physicians to practice medicine or exercising control over medical decisions by physicians (known collectively as the corporate practice of medicine). These states also prohibit entities from engaging in certain financial arrangements, such as fee-splitting, with physicians. In some states these prohibitions are expressly stated in a statute or regulation, while in other states the prohibition is a matter of judicial or regulatory interpretation.

Violations of the corporate practice of medicine vary by state and may result in physicians being subject to disciplinary action, as well as to forfeiture of revenues from payors for services rendered. For lay entities, violations may also bring both civil and, in more extreme cases, criminal liability for engaging in medical practice without a license.

In California, a violation of the corporate practice of medicine prohibition constitutes the unlawful practice of medicine, which is a public offense punishable by fines and other criminal penalties. In addition, any person who conspires with or aids and abets another in the unlawful practice of medicine is similarly guilty of a public offense and may be subject to comparable fines and criminal penalties. In Nevada, engaging in the corporate practice of medicine where not provided by a specific statute may also constitute the unlawful practice of medicine. This violation is a felony punishable by fines and other civil and criminal penalties. Physicians in Nevada can similarly be punished for aiding or assisting in the unlicensed practice of medicine.

In Colorado, any physician found to have abetted or assisted or conspired to engage in unprofessional conduct with respect to the practice of medicine is subject to disciplinary action, including the loss of licensure. Corporate entities or lay persons who are found to have engaged in the unauthorized practice of medicine may be subject to injunctive action and other criminal penalties. In Washington, the Secretary of Health is responsible for investigating complaints concerning the unlicensed practice of medicine and violations may be subject to a cease and desist order, civil fines, injunctive action, and other criminal penalties.

In our markets where the corporate practice of medicine is prohibited, DMG has historically operated by maintaining long-term management contracts with multiple associated professional organizations which, in turn, employ or contract with physicians to provide those professional medical services required by the enrollees of the payors with which the professional organizations contract. Under these management agreements, DMG performs only non-medical administrative services, does not represent that it offers medical services, and does not exercise influence or control over the practice of medicine by the physicians or the associated physician groups with which it contracts. For example, in California, DMG has full-service management contracts with AMG. The AMG entities are owned by California-licensed physicians and professional medical corporations and contract with physicians to provide professional medical services. In Nevada and Washington, DMG's Nevada and Washington subsidiaries have similar management agreements with Nevada and Washington professional corporations, as applicable, that employ and contract with physicians to provide professional medical services. In Colorado, the physician groups contract through a provider network to include a pharmacy and ambulatory surgery center.

Some of the relevant laws, regulations, and agency interpretations in states with corporate practice of medicine restrictions have been subject to limited judicial and regulatory interpretation. Moreover, state laws are subject to change. Regulatory authorities and other parties, including DMG's associated physicians, may assert that, despite the management agreements and other arrangements through which DMG operates, we are engaged in the prohibited corporate practice of medicine or that DMG's arrangements constitute unlawful fee-splitting. If this were to occur, we could be subject to civil and/or criminal penalties, DMG's agreements could be found legally invalid and unenforceable (in whole or in part), or we could be required to restructure its contractual arrangements.

If we were required to restructure DMG's operating structures in our markets due to determination that a corporate practice of medicine violation existed, such a restructuring might include revisions of the California, Colorado, Nevada or Washington management services agreements, which might include a modification of the management fee, and/or establishing an alternative structure. For example, our subsidiaries in those states might have to obtain the equivalent of a California Knox-Keene license in such state in order to comply with the corporate practice of medicine rules while contracting directly with payors and, in turn, physicians, to provide physician services to the payors' enrollees. In California, DMG's restricted Knox-Keene license has created potential flexibility for DMG in the event regulatory authorities seek to enforce corporate practice of medicine or fee splitting laws based upon current management services relationships with AMG. DMG's restricted Knox-Keene license allows DHPC to contract with or employ physicians as a result of an exemption from California's corporate practice of medicine laws applicable to Knox-Keene licensees.

**Knox-Keene.** The California Department of Managed Health Care (DMHC) licenses and regulates Health Care Service Plans (HCSPs) pursuant to Knox-Keene, as amended. In addition to regulating Knox-Keene's various patient's rights protections for HCSP-enrolled individuals, the DMHC is responsible for ensuring the financial sustainability over time of licensed HCSPs and other regulated entities. As such, the DMHC is charged with continually monitoring the financial health of regulated entities. The DMHC's Division of Financial Oversight monitors and evaluates the financial viability of health plans to ensure continued access to health care services. Financial examination reviews include examinations of financial statements and financial arrangements, both by routine and non-routine examinations. The examination also ensures that there is adequate tangible net equity (TNE), as determined according to calculations included in Knox-Keene. The TNE regulations for organizations holding a Knox-Keene license, like DHPC, vary depending on circumstances, but generally require any licensee to have on hand in cash or cash equivalents a minimum of the greater of (i) \$1 million, (ii) the sum of 2% of the first \$150 million of annualized premium revenues plus 1% of annualized premium revenues in excess of \$150 million, or (iii) the sum of 8% of the first \$150 million of annualized healthcare expenditures (except those paid on a capitated basis or managed hospital payment basis) plus 4% of the annualized healthcare expenditures (except those paid on a capitated basis or managed hospital payment basis) which are in excess of \$150 million; plus 4% of annualized hospital expenditures paid on a managed hospital payment basis. In its sole discretion, the DMHC may require, as a condition to obtaining or maintaining an HCSP license, that a licensee accept certain contractual undertakings such that the licensee is obligated to maintain TNE in amounts greater than the minimum amount described above. Additionally, a licensed HCSP is subject to additional DMHC reporting requirements and financial oversight if the HCSP fails to maintain at least 130% of its required minimum TNE. During the 2016 financial examination, DHPC was required to provide evidence of exclusive fidelity bond coverage in the amount of at least \$2 million, with a deductible amount not in excess of \$100,000 with a requirement to notify the Director of DMHC 30 days prior to cancellation.



The DMHC interprets Knox-Keene HCSP licensing requirements to apply to both full-service HCSPs and downstream restricted HCSP contracting entities, including provider groups that enter into global risk contracts with licensed HCSPs. A global risk contract is a healthcare services contract in which a downstream contracting entity agrees to provide both professional (physician) services and institutional (hospital) services subject to an at-risk or capitated reimbursement methodology. According to the DMHC, entities that accept global risk must obtain a restricted Knox-Keene license. Under a restricted Knox-Keene license, entities may enter into global risk contracts with other licensed HCSPs. Holders of restricted Knox-Keene licenses must comply with the same financial requirements as HCSPs with full licenses, including demonstrating specific levels of TNE, but are not required to meet Knox-Keene requirements for functions they are not delegated such as marketing. The consequences of operating without a license include civil penalties, criminal penalties and the issuance of cease and desist orders.

DHPC holds a restricted Knox-Keene license, which allows DHPC to contract directly with full service HCSPs to simplify DMG's historic contractual and financial structure and to facilitate expansion into new markets in California. However, this also subjects DMG and DHPC to additional regulatory obligations, including (i) regulatory oversight of operations, (ii) the need to seek approval for all material business changes, (iii) significant requirements to maintain certain TNE levels, and (iv) other operating limitations imposed by Knox-Keene and its regulations. Under its restricted Knox-Keene license, DHPC is prohibited from declaring or paying any dividends or making any distribution of cash or property to its parent, affiliates, or shareholders, if such a distribution would cause it to fail to maintain the minimum applicable TNE, have insufficient working capital or cash flow as required by DMHC regulation or otherwise be unable to provide or arrange healthcare services. In addition, DHPC is subject to DMHC oversight and must seek approval before incurring any debt or guaranteeing any debt relating to its parent, affiliates, or shareholders. DHPC must also submit proposed global capitation contracts to the DMHC for approval.

### ***DMG services***

Approximately 83% of DMG's operating revenues for the year ended December 31, 2017 were derived from multi-year capitation contracts with health plans. Under these contracts, DMG's health plan customers delegate full responsibility for member care to physicians and healthcare facilities that are part of DMG's provider network. In return, DMG receives a PMPM fee for each DMG member. As a result, DMG has financial and clinical accountability for a population of members. In California, DMG does not assume direct financial risk for institutional (hospital) services in some cases, but is responsible for managing the care dollars associated with both the professional (physician) and institutional services being provided for the PMPM fee attributable to both professional and institutional services. In those cases and as a result of its managed care-related administrative services agreements with hospitals, DMG recognizes the surplus of institutional revenues less institutional expense as DMG net revenues and is also responsible for any short-fall in the event that institutional expenses exceed institutional revenues.

DMG provides comprehensive and quality medical care through a network of participating physicians and other healthcare professionals. Through its group model, DMG employs, directly (where permitted by state law) and through its associated physician groups, over 750 primary care physicians. Through its IPA model, DMG contracts with a network of approximately 3,500 associated groups and other network primary care physicians who provide care for DMG's members in an independent office setting. These physicians are complemented by several thousand network specialists and approximately 180 network hospitals that provide specialty or institutional care to the patients of DMG's associated physicians, physician groups and IPAs.

In order to comply with local regulations prohibiting the corporate practice of medicine, many of DMG's group physicians are employed by associated medical groups with which DMG has entered into long-term management agreements. The largest of these DMG managed medical groups is AMG, which employs, directly or indirectly, over 750 primary care physicians, specialists and hospitalists. See "Government Regulation—Corporate practice of medicine and fee splitting" above.

DMG does not own hospitals, although hospitals are an essential part of its provider network. In most cases, DMG contracts or otherwise aligns with hospitals to manage the utilization, readmission and cost of hospital services. Most DMG patients receive specialty care through DMG's network based on referrals made by their primary care physician. These specialists may be reimbursed based on capitation, case rates or on a discounted FFS rate.

DMG group physicians typically see 18 to 22 patients per day, which we believe is an appropriate benchmark to ensure there is sufficient time to understand all of the patients' clinical needs. DMG care teams, including nurses, engage in outreach to patients in order to help monitor fragile and high risk patients, and help improve adherence to physicians' care plans. During these visits, DMG's physicians, nurses and educators use the time to educate patients and manage their healthcare needs. The goal of this preventative care delivery model is to keep patients healthy. Education improves self-management and compliance which allows the patient to recognize early signs of their disease and seek appropriate care. We believe this translates into

earlier intervention, which in turn leads to fewer emergency room visits, fewer hospital admissions and fewer hospital bed days (the most expensive location for healthcare). This clinical model seeks to provide early diagnosis of disease or deterioration in a chronic and complex condition and provide preventive care to maintain optimal health and avert unnecessary hospitalization. Clinic-based case managers and hospitalists coordinate with the primary care physicians to ensure that patients are receiving proper care whether they are in the clinic, in the hospital or are not regularly accessing healthcare. Physicians and case managers encourage patients to regularly visit the clinics in order to enhance their day-to-day health and diagnose any illness or deterioration in condition as early as possible.

DMG's information technology system, including DMG's electronic health record and data warehouse, is designed to support the DMG delivery model with data-driven opportunities to improve the quality and cost effectiveness of the care received by its members. Using informatics technology, DMG has created disease registries that track large numbers of patients with defined medical conditions. DMG applies the data from these registries to manage the care for patients with similar medical conditions which we believe leads to a better medical outcome. We believe this approach to using data is effective because the information is communicated by the patient's physician rather than the health plan or disease management companies.

DMG employs a wide variety of other information applications to service IPA and network providers using web connectivity. The HCP Connect! on-line portal provides web-based eligibility, referrals, electronic claims submission and explanation of benefits, and other communication vehicles for individual physician offices. The success of this suite of applications has enhanced DMG's ability to manage its IPA networks, and has resulted in significant back-office efficiencies for DMG and its associated physician groups. DMG has further expanded its ability to share key utilization and clinical data with its internal and contracted physicians and specialists through the Physician Information Portal and the Clinical Viewer. Through these secure web portals, a physician is able to obtain web-based, point of care information regarding a patient, including diagnosis history, provide quality indicators, historical risk-adjustment coding information, pharmacy medication history, and other key information. In addition to its web-portals geared towards physicians, DMG has recently introduced a patient on-line portal to enable DMG's patients to securely view their own clinical information, schedule physician appointments and interact electronically with their physicians. DMG believes these tools help lead to high quality clinical outcomes, create internal efficiencies, and enhance the satisfaction of its associated physicians and patients.

In addition, DMG uses its data to carefully track high utilizing patients through robust data warehousing and data mining technologies. DMG filters the data warehouse to identify and reach out to patients with high-utilization patterns who are inefficiently using resources, such as visiting an emergency room when either a same-day appointment or urgent care center would be more appropriate and satisfactory for the member. High utilizing patients are identified and tracked as part of DMG's electronic health record by their physician and DMG's care management staff. Specific care plans are attached to each of these patients and tracked carefully for full compliance. The objective is to proactively manage their care at times when these patients are either not compliant with the care plan or when changing circumstances require care managers to develop new and more suitable care plans. By using these resources, DMG has achieved improvements in quality of care, satisfaction and cost.

We believe DMG is well positioned to effectively leverage marketplace demands for greater provider accountability, measurable quality results and cost efficient medical care. We believe that DMG's business model is likely to continue to be an attractive alternative for health plans looking for high quality, cost effective delivery networks, physicians seeking an attractive practice environment and patients interested in a highly integrated approach to managing their medical care. Additionally, we believe that the scale of DMG's business allows it to spread capitation risk over a large population of members, invest in comprehensive analytic and healthcare information tools as well as clinical and quality measurement infrastructure, and recognize administrative and operating efficiencies. For these reasons, we believe that DMG offers patients, physicians and health plans a proven platform for addressing many of the most pressing challenges facing the U.S. healthcare system, including rising medical costs.

We also believe DMG has the ability to demonstrably improve medical outcomes and patient satisfaction while effectively managing costs through the following unique competitive strategies and internal progress and systems:

- DMG's clinical leadership and associated group and network physicians devote significant efforts to ensure that DMG's members receive the most appropriate care in the most appropriate manner.
- DMG is committed to maximizing its patients' satisfaction levels.
- DMG has the scale which, combined with its strong reputation and high quality patient care, makes it an attractive partner for health plans, compared to smaller provider groups that may have a higher risk of default and may not have the same resources to devote and develop the same level of patient care.

- DMG has over two decades of experience in managing complex disease cases for its population of patients. As a result, DMG has developed a rich dataset of patient care experiences and outcomes which permits DMG to proactively monitor and intervene in improving the care of its members.
- DMG's senior management team possesses substantial experience with the healthcare industry with average experience of approximately 19 years, as of December 31, 2017.

#### ***Locations of DMG clinics***

As of December 31, 2017, DMG managed a total of 280 medical clinics, of which 68 clinics were located in California, 27 clinics were located in Colorado, 87 clinics were located in Florida, 60 clinics were located in Nevada, 14 clinics were located in New Mexico, and 24 clinics were located in Washington.

#### **Competition**

##### ***U.S. and International dialysis competition***

The U.S. dialysis industry has consolidated significantly over time but still remains highly competitive, particularly in terms of acquiring existing outpatient dialysis centers. We continue to face a high degree of competition in the U.S. dialysis industry from large and medium-sized providers who compete directly with us for the acquisition of dialysis businesses, relationships with physicians to act as medical directors and skilled clinical personnel, as well as for individual patients. In addition, as we continue our international dialysis expansion into various international markets, we face competition from large and medium-sized providers for acquisition targets as well as physician relationships. Because of the ease of entry into the dialysis business and the ability of physicians to own dialysis centers and/or also be medical directors for their own centers, competition for growth in existing and expanding markets is not limited to large competitors with substantial financial resources. Acquisitions, developing new outpatient dialysis centers, patient retention and physician relationships are a critical component of our growth strategy and our business could be adversely affected if we are not able to continue to make dialysis acquisitions on reasonable and acceptable terms, continue to develop new outpatient dialysis centers, maintain or establish new relationships with physicians or if we experience significant patient attrition to our competitors. Competition for qualified physicians to act as medical directors and for inpatient dialysis services agreements with hospitals is also intense. Occasionally, we have also experienced competition from former medical directors or referring physicians who have opened their own outpatient dialysis centers. We also experience competitive pressures from other dialysis providers in connection with negotiating contracts with commercial healthcare payors and in recruiting and retaining qualified skilled clinical personnel.

Together with Fresenius Medical Care (FMC), we account for approximately 73% of outpatient dialysis patients in the U.S. with our Company serving approximately 37% of the total outpatient dialysis patients. Approximately 45% of the centers not owned by us or FMC 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 dialysis centers.

FMC also manufactures a full line of dialysis supplies and equipment in addition to owning and operating outpatient dialysis centers worldwide. This may give FMC cost advantages over us because of its ability to manufacture its own products. Additionally, FMC has been one of our largest suppliers of dialysis products and equipment over the last several years. In 2018, we entered into and subsequently extended an agreement with FMC to purchase a certain amount of dialysis equipment, parts and supplies from FMC through December 31, 2020. The amount of purchases in future years from FMC will depend upon a number of factors, including the operating requirements of our centers, the number of centers we acquire, and growth of our existing centers.

##### ***DMG's competition***

DMG's business is highly competitive. DMG competes with managed care organizations, hospitals, medical groups and individual physicians in its markets. DMG competes with other primary care physician groups or physicians who contract with health plans for membership. Health plans contract with care providers on the basis of costs, reputation, scope, efficiency and stability. Individual members select a primary care physician at the time of membership with the health plan. Location, name recognition, quality indicators and other factors go into that decision. For example, in California, DMG's competitors include Permanente Medical Group, which is the exclusive provider for Kaiser, and Heritage Provider Network. However, DMG's principal competitors for members and health plan contracts vary considerably in type and identity by region.

#### **Corporate compliance program**

Our businesses are subject to extensive federal, state and local government regulations. Management has designed and implemented a corporate compliance program as part of our commitment to comply fully with all criminal, civil or

administrative laws or regulations applicable to any Federal health care program for which penalties and exclusions may be authorized and anti-corruption laws 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:

- Assessing and identifying risks for existing and new businesses;
- Increasing, through training and education, the awareness of our teammates and affiliated professionals of the necessity of complying with all these laws;
- Developing and implementing compliance policies and procedures and creating controls to support compliance with these laws and such policies and procedures;
- Auditing and monitoring the activities of our operating units and business support functions on a regular basis to identify potential instances of noncompliance in a timely manner; and
- Ensuring that we take steps to resolve instances of noncompliance or to address areas of weakness or 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 for teammates and patients 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, our Chief Executive Officer of Kidney Care and Chair of the Compliance Committee of our Board of Directors (Board Compliance Committee). On October 22, 2014, DaVita signed a CIA with HHS and the OIG. The CIA:

- requires that we maintain certain elements of our compliance programs;
- imposes certain expanded compliance-related requirements during the term of the CIA, including increased training for teammates, physician partners and board members, implementing a series of procedures prior to entering into arrangements with referrals sources, execution of annual certifications by senior executives that evidence compliance with federal healthcare laws and regulations, internal compliance policies and the CIA, imposition of an executive recoupment program and quarterly and annual reports to the OIG;
- requires the formal allocation of certain oversight responsibility to the Board Compliance Committee and a resolution from that committee that it has made reasonable inquiry into the operations of the compliance program and the retention of an independent compliance advisor in year three of the CIA;
- contains certain business restrictions related to a subset of our joint venture arrangements, including our agreeing to not enter into certain types of partial divestiture joint venture transactions with nephrologists during the term of the CIA, among other restrictions; and
- requires that we engage an Independent Monitor who will provide additional oversight and reporting to the OIG for the term of the CIA.

The costs associated with compliance with the CIA could be substantial and may be greater than we currently anticipate. In addition, in the event of a breach of the CIA, we may become liable for payment of certain stipulated penalties, and/or be excluded from participation on federal healthcare programs. In April 2015, the OIG notified us that it considered us to be in breach of the CIA because of three implementation deficiencies. We have remediated the deficiencies and have paid certain stipulated penalties. If we fail to comply with our CIA, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs that could have a material adverse effect on our business, results of operations and financial condition.

## **Insurance**

We are predominantly self-insured with respect to professional and general liability and workers' compensation risks through wholly-owned captive insurance companies. The Company is also predominantly self-insured with respect to employee medical and other health benefits. We also maintain insurance, excess coverage, or reinsurance 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 actual 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 are required to maintain coverage for their individual private medical practices. Our liability policies cover our medical directors for the performance of their duties as

medical directors at our outpatient dialysis centers. DMG also maintains general and professional liability insurance through various independent and related parties. DMG has purchased its primary general and professional liability insurance from California Medical Group Insurance (CMGI) in which DMG owns a 67% equity interest.

**Teammates**

As of December 31, 2017, we employed approximately 74,500 teammates, including our international teammates:

● Licensed professional staff (physicians, nurses and other healthcare professionals)	25,800
● Other patient care and center support staff and laboratory personnel	28,100
● Corporate, billing and regional administrative staff	8,200
● DMG	12,400

Our businesses require skilled healthcare professionals with specialized training for treating patients with complex care needs. Recruitment and retention of nurses are continuing concerns for healthcare providers due to short supply. 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 1A. 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 those discussed below. The risks and uncertainties discussed below are not the only ones facing our business. In addition, please read the cautionary notice regarding forward-looking statements in Item 7 of this Part 1 under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations."*

### Risk factors related to our overall business:

**If we fail to adhere to all of the complex government laws and regulations that apply to our business, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition and stock price.**

Our operations are subject to extensive federal, state and local government laws and regulations, such as Medicare and Medicaid payment rules and regulations, federal and state anti-kickback laws, the Stark Law and analogous state self-referral prohibition statutes, the 21<sup>st</sup> Century Cures Act, Federal Acquisition Regulations, the False Claims Act (FCA), the Civil Monetary Penalty statute, the Foreign Corrupt Practices Act (FCPA) and federal and state laws regarding the collection, use and disclosure of patient health information (e.g., Health Insurance Portability and Accountability Act of 1996 (HIPAA)) and the storage, handling, shipment, disposal and/or dispensing of pharmaceuticals and blood products and other biological materials. The Medicare and Medicaid reimbursement rules impose complex and extensive requirements upon healthcare providers as well. Moreover, additional laws and regulations potentially affecting providers continue to be promulgated that may impact us. A violation or departure from any of these legal requirements may result in government audits, lower reimbursements, significant fines and penalties, the potential loss of certification, recoupment efforts or voluntary repayments, among other things.

We endeavor to comply with all legal requirements; however, there is no guarantee that we will be able to adhere to all of the complex government regulations that apply to our business. We further endeavor to structure all of our relationships with physicians and providers to comply with state and federal anti-kickback and physician self-referral laws. We utilize considerable resources to monitor laws and regulations and implement necessary changes. However, the laws and regulations in these areas are complex, changing and often subject to varying interpretations. For example, if an enforcement agency were to challenge the level of compensation that we pay our medical directors or the number of medical directors whom we engage, we could be required to change our practices, face criminal or civil penalties, pay substantial fines or otherwise experience a material adverse effect on our business, results of operations and financial condition as a result of a challenge to these arrangements.

In addition, failure to report and return overpayments within 60 days of when the overpayment is identified can lead to a violation of the FCA and associated penalties, as described in further detail below, and exclusion and penalties under the federal Civil Monetary Penalty statute, including civil monetary penalties of up to \$20,000 (adjusted for inflation) for each item or service for which a person received an identified overpayment and failed to report and return such overpayment. These obligations to report and return overpayments could subject our procedures for identifying and processing overpayments to greater scrutiny. We have made investments in resources to decrease the time it takes to identify, quantify and process overpayments, and we may be required to make additional investments in the future. From time to time we may conduct internal compliance reviews, the results of which may involve the identification of overpayments or other liabilities. An acceleration in our ability to identify and process overpayments could result in us refunding overpayments to government and other payors more rapidly than we have in the past which could have a material adverse effect on our operating cash flows. Overpayments subject us to refunds and related damages and potential liabilities.

Additionally, the federal government has used the FCA to prosecute a wide variety of alleged false claims and fraud allegedly perpetrated against Medicare and state health care programs. Moreover, amendments to the federal Anti-Kickback Statute in the 2010 Affordable Care Act (ACA) make claims tainted by anti-kickback violations potentially subject to liability under the FCA, including *qui tam* or whistleblower suits. The penalties for a violation of the FCA range from \$5,500 to \$11,000 (adjusted for inflation) for each false claim plus three times the amount of damages caused by each such claim which generally means the amount received directly or indirectly from the government. On February 3, 2017, the Department of Justice (DOJ) issued a final rule announcing adjustments to FCA penalties, under which the per claim penalty range increases to a range from \$10,957 to \$21,916 for penalties assessed after February 3, 2017, so long as the underlying conduct occurred after November 2, 2015. Given the high volume of claims processed by our various operating units, the potential is high for substantial penalties in connection with any alleged FCA violations.

In addition to the provisions of the FCA, which provide for civil enforcement, the federal government can use several criminal statutes to prosecute persons who are alleged to have submitted false or fraudulent claims for payment to the federal government.

Certain civil investigative demands received by us or our subsidiaries specifically reference that they are in connection with FCA investigations alleging, among other things, that we or our subsidiaries presented or caused to be presented false claims for payment to the government. See "Item 3. Legal Proceedings" in Part I of this report and Note 16 to the consolidated financial statements included in this report for further details.

We are subject to a Corporate Integrity Agreement (CIA) which, for our domestic dialysis business, requires us to report probable violations of criminal, civil or administrative laws applicable to any federal health care program for which penalties or exclusions may be authorized under applicable healthcare laws and regulations. See "If we fail to comply with our Corporate Integrity Agreement, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs that could have a material adverse effect on our business, results of operations and financial condition."

If any of our operations are found to violate these or other government laws or regulations, we could suffer severe consequences that would have a material adverse effect on our business, results of operations, financial condition and stock price, including:

- Suspension or termination of our participation in government payment programs;
- Refunds of amounts received in violation of law or applicable payment program requirements;
- Loss of required government certifications or exclusion from government payment programs;
- Loss of licenses required to operate healthcare facilities or administer pharmaceuticals in some of the states in which we operate;
- Reductions in payment rates or coverage for dialysis and ancillary services and related pharmaceuticals;
- Criminal or civil liability, fines, damages or monetary penalties for violations of healthcare fraud and abuse laws, including the federal Anti-Kickback Statute, Stark Law violations, FCA or other failures to meet regulatory requirements;
- Enforcement actions by governmental agencies and/or state claims for monetary damages by patients who believe their protected health information (PHI) has been used, disclosed or not properly safeguarded in violation of federal or state patient privacy laws, including HIPAA and the Privacy Act of 1974;
- Mandated changes to our practices or procedures that significantly increase operating expenses;
- Imposition of and compliance with corporate integrity agreements that could subject us to ongoing audits and reporting requirements as well as increased scrutiny of our billing and business practices which could lead to potential fines;
- Termination of relationships with medical directors; and
- Harm to our reputation which could impact our business relationships, affect our ability to obtain financing and decrease access to new business opportunities, among other things.

**We are, and may in the future be, a party to various lawsuits, demands, claims, *qui tam* suits, governmental investigations and audits (including investigations resulting from our obligation to self-report suspected violations of law) and other legal proceedings, any of which could result in, among other things, substantial financial penalties or awards against us, substantial payments made by us, required changes to our business practices, exclusion from future participation in the Medicare, Medicaid and other federal healthcare programs and possible criminal penalties, any of which could have a material adverse effect on our business, results of operations and financial condition and materially harm our reputation.**

We are the subject of a number of investigations and audits by the federal government, as further described in Note 16 to the consolidated financial statements included in this report. We may be subject to other investigations and audits by state or federal government agencies and/or private civil *qui tam* complaints filed by relators and other lawsuits, demands, claims and legal proceedings.

Responding to subpoenas, investigations and other lawsuits, claims and legal proceedings as well as defending ourselves in such matters will continue to require management's attention and cause us to incur significant legal expense. Negative findings or terms and conditions that we might agree to accept as part of a negotiated resolution of pending or future government inquiries or relator proceedings could result in, among other things, substantial financial penalties or awards against us, substantial payments made by us, harm to our reputation, required changes to our business practices, exclusion from future participation in the Medicare, Medicaid and other federal healthcare programs and, in certain cases, criminal penalties, any of which could have a material adverse effect on us. It is possible that criminal proceedings may be initiated against us and/or individuals in our business in connection with investigations by the federal government. Other than as described in "Item 3. Legal Proceedings" in Part I of this report and Note 16 to the consolidated financial statements included in this report, we cannot predict the ultimate outcomes of the various legal proceedings and regulatory matters to which we are or may be subject from time to time, including those described in the aforementioned sections of this report, or the timing of their resolution or the ultimate losses or impact of developments in those matters, which could have a material adverse effect on our business results of operations and financial condition. See "Item 3. Legal Proceedings" in Part I of this report and Note 16 to the consolidated financial statements included in this report for further details regarding these and other matters.

**Disruptions in federal government operations and funding create uncertainty in our industry and could have a material adverse effect on our business, results of operations and financial condition.**

A substantial portion of our revenues is dependent on federal healthcare program reimbursement, and any disruptions in federal government operations could have a material adverse effect on our business, results of operations and financial condition. If the U.S. government defaults on its debt, there could be broad macroeconomic effects that could raise our cost of borrowing funds, and delay or prevent our future growth and expansion. Any future federal government shutdown, U.S. government default on its debt and/or failure of the U.S. government to enact annual appropriations could have a material adverse effect on our business, results of operations and financial condition. Additionally, disruptions in federal government operations may negatively impact regulatory approvals and guidance that are important to our operations, and create uncertainty about the pace of upcoming healthcare regulatory developments.

**Healthcare reform could have a material adverse effect on our business, financial condition and results of operations.**

We cannot predict how employers, private payors or persons buying insurance might react to the changes brought on by federal and state healthcare reform legislation, including the ACA and any subsequent legislation, or what form many of these regulations will take before implementation.

The ACA introduced healthcare insurance exchanges, which provide a marketplace for eligible individuals and small employers to purchase healthcare insurance. The business and regulatory environment continues to evolve as the exchanges mature, and statutes and regulations are challenged, changed and enforced. If commercial payor participation in the exchanges continues to decrease, it could have a material adverse effect on our business, results of operations and financial condition. Although we cannot predict the short- or long-term effects of these factors, we believe the healthcare insurance exchanges could result in a reduction in ESRD patients covered by traditional commercial insurance policies and an increase in the number of patients covered through the exchanges under more restrictive commercial plans with lower reimbursement rates or higher deductibles and co-payments that patients may not be able to pay. To the extent that the ongoing implementation of such exchanges or changes in statutes or regulations, or enforcement of statutes or regulations regarding the exchanges results in a reduction in reimbursement rates for our services from commercial and/or government payors, it could have a material adverse effect on our business, results of operations and financial condition.

The ACA also added several new tax provisions that, among other things, impose various fees and excise taxes, and limit compensation deductions for health insurance providers and their affiliates. These rules could negatively impact our cash flow and tax liabilities. In addition, the ACA broadened the potential for penalties under the FCA for the knowing and improper retention of overpayments collected from government payors and reduced the timeline to file Medicare claims. As a result, we made significant investments in new resources to accelerate the time it takes us to identify, quantify and process overpayments and we deployed significant resources to reduce our timeline and improve our claims processing methods to ensure that our Medicare claims are filed in a timely fashion. However, we may be required to make additional investments in the future. Failure to timely identify and return overpayments may result in significant penalties, which could have a material adverse effect on our business, results of operations and financial condition. Failure to file a claim within the one year window could result in payment denials, adversely affecting our business, results of operations and financial condition.

With the ACA, new models of care emerge and evolve and other initiatives in the government or private sector may arise, which could adversely impact our business. For example, the CMS Innovation Center (Innovation Center) is currently working with various healthcare providers to develop, refine and implement Accountable Care Organizations (ACOs) and other innovative models of care for Medicare and Medicaid beneficiaries, including Bundled Payments for Care Improvement



Initiative, CEC Model (which includes the development of ESRD Seamless Care Organizations), the Duals Demonstration, and other models. We are currently participating in the CEC Model with the Innovation Center, including with organizations in Arizona, Florida, and adjacent markets in New Jersey and Pennsylvania. Our U.S. dialysis business may choose to participate in additional models either as a partner with other providers or independently. Even in areas where we are not directly participating in these or other Innovation Center models, some of our patients may be assigned to an ACO, another ESRD Care Model, or another program, in which case the quality and cost of care that we furnish will be included in an ACO's, another ESRD Care Model's, or other program's calculations. Additionally, CMS instituted new screening procedures, as required by the ACA, which we expect will delay the Medicare contractor approval process, potentially causing a delay in reimbursement. We anticipate the new screening and enrollment requirements will require additional personnel and financial resources and will potentially delay the enrollment and revalidation of our centers which in turn will delay payment. These delays could adversely affect our business, results of operations and financial condition. The BBA revised the manner in which beneficiaries are assigned to an ACO, specifically giving ACOs the choice to have beneficiaries assigned prospectively at the beginning of a performance year and giving beneficiaries the option to voluntarily align to the ACO in which the beneficiary's main primary care provider participates. While prospective assignment may allow ACOs to identify beneficiaries for whom they will be held accountable and proactively take steps to ensure appropriate care, the ultimate impact of such changes on our business, results of operations and financial condition is not yet known.

Other ACA reform measures allow CMS to place a moratorium on new enrollment of providers and to suspend payment to providers upon a credible allegation of fraud from any source. These types of reform measures, as well as other measures, could adversely affect our business, results of operations, and financial condition, depending on the scope and breadth of the implementing regulations.

There is also a considerable amount of uncertainty as to the prospective implementation of the ACA and what similar measures or other changes might be enacted at the federal and/or state level. There have been multiple attempts through legislative action and legal challenges to repeal or amend the ACA. In addition, the 2016 Presidential and Congressional elections and subsequent developments in 2017 have caused the future state of the exchanges and other ACA reforms to be unclear. For example, in October 2017, the federal government announced that cost-sharing reduction payments to insurers would end, effective immediately, unless Congress appropriated the funds, and, in December 2017, Congress passed the Tax Cuts and Jobs Act, which includes a provision that eliminates the penalty under the ACA's individual mandate and could impact the future state of the exchanges. Further, in February 2018, Congress passed the BBA which, among other things, repealed the Independent Payment Advisory Board that was established by the ACA and intended to reduce the rate of growth in Medicare spending. While certain provisions of the BBA may increase the scope of benefits available for certain chronically ill Federal health care program beneficiaries beginning in 2020, the ultimate impact of such changes cannot be predicted. While there may be significant changes to the healthcare environment in the future, the specific changes and their timing are not yet apparent. As a result, there is considerable uncertainty surrounding the ACA including the exchanges, and, indeed, many core aspects of the current health care marketplace. Previously enacted reforms and future changes could have a material adverse effect on our business, financial condition and results of operations, including, for example, by limiting the scope of coverage or the number of patients who are able to obtain coverage through the exchanges and other health insurance programs, lowering or eliminating the cost-sharing reduction subsidies under the ACA, lowering our reimbursement rates, and/or increasing our expenses.

In addition, in December 2016, CMS published an interim final rule that questioned the use of charitable premium assistance for ESRD patients and would have established new conditions for coverage standards for dialysis facilities. In January 2017, a federal district court in Texas issued a preliminary injunction on CMS' interim final rule and in June 2017, at the request of CMS, the court stayed the proceedings while CMS pursues new rulemaking options. In November 2017, when CMS published the 2018 final rule that updates payment policies and rates under the ESRD PPS, and the 2019 proposed Notice of Benefit and Payment Parameters, it did not pursue further discussion or rule making related to charitable premium assistance or propose changes to historical charitable premium assistance guidelines. This does not preclude CMS or another regulatory agency or legislative authority from issuing a new rule or guidance that challenges charitable premium assistance. Additionally, any other law, rule, or guidance issued by CMS or other regulatory or legislative authorities restricting or prohibiting the ability of patients with access to alternative coverage from selecting a marketplace plan on or off exchange, and/or otherwise restricting or prohibiting the use of charitable premium assistance, could adversely impact dialysis centers across the U.S. making certain centers economically unviable, restrict the ability of dialysis patients to obtain and maintain optimal insurance coverage, and have a material adverse effect on our business, results of operations, and financial condition.

**Privacy and information security laws are complex, and if we fail to comply with applicable laws, regulations and standards, including with respect to third-party service providers that utilize sensitive personal information on our behalf, or if we fail to properly maintain the integrity of our data, protect our proprietary rights to our systems or defend against cybersecurity attacks, we may be subject to government or private actions due to privacy and security breaches, any of which could have a material adverse effect on our business, financial condition and results of operations or harm our reputation.**

We must comply with numerous federal and state laws and regulations in both the U.S. and the foreign jurisdictions in which we operate governing the collection, dissemination, access, use, security and privacy of PHI, including HIPAA and its implementing privacy, security, and related regulations, as amended by the federal Health Information Technology for Economic and Clinical Health Act (HITECH) and collectively referred to as HIPAA. We are also required to report known breaches of PHI consistent with applicable breach reporting requirements set forth in applicable laws and regulations. From time to time, we may be subject to both federal and state inquiries or audits related to HIPAA, HITECH and related state laws associated with complaints, desk audits, and self-reported breaches. If we fail to comply with applicable privacy and security laws, regulations and standards, including with respect to third-party service providers that utilize sensitive personal information, including PHI, on our behalf, properly maintain the integrity of our data, protect our proprietary rights, or defend against cybersecurity attacks, it could harm our reputation or have a material adverse effect on our business, results of operations and financial condition.

Information security risks have significantly increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct our operations, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign state agents. Our business and operations rely on the secure processing, transmission and storage of confidential, proprietary and other information in our computer systems and networks, including sensitive personal information, including PHI, social security numbers, and credit card information of our patients, teammates, physicians, business partners and others.

We are continuously implementing multiple layers of security measures through technology, processes, and our people. We utilize security technologies to protect and maintain the integrity of our information systems and data and our defenses are monitored and routinely tested internally and by external parties. Despite these efforts, our facilities and systems and those of our third-party service providers may be vulnerable to privacy and security incidents; security attacks and breaches; acts of vandalism or theft; computer viruses and other malicious code; coordinated attacks by activist entities; emerging cybersecurity risks; misplaced or lost data; programming and/or human errors; or other similar events that could impact the security, reliability, and availability of our systems. Internal or external parties may attempt to circumvent our security systems, and we have in the past, and expect that we will in the future, experience external attacks on our network including reconnaissance probes, denial of service attempts, malicious software attacks including attacks intended to render our internal operating systems unavailable, and phishing attacks. Cybersecurity requires ongoing investment and diligence against evolving threats. Emerging and advanced security threats, including coordinated attacks, require additional layers of security which may disrupt or impact efficiency of operations. As with any security program, there always exists the risk that employees will violate our policies despite our compliance efforts or that certain attacks may be beyond the ability of our security and other systems to detect. There can be no assurance that investments and diligence will be sufficient to prevent or timely discover an attack.

Any security breach involving the misappropriation, loss or other unauthorized disclosure or use of confidential information, including PHI, financial data, competitively sensitive information, or other proprietary data, whether by us or a third party, could have a material adverse effect on our business, financial condition, and results of operations and materially harm our reputation. We may be required to expend significant additional resources to modify our protective measures, to investigate and remediate vulnerabilities or other exposures, or to make required notifications. The occurrence of any of these events could, among other things, result in interruptions, delays, the loss or corruption of data, cessations in the availability of systems and liability under privacy and security laws, all of which could have a material adverse effect on our business, financial condition or results of operations, materially harm our reputation and trigger regulatory actions and private party litigation. If we are unable to protect the physical and electronic security and privacy of our databases and transactions, we could be subject to potential liability and regulatory action, our reputation and relationships with our patients and vendors would be harmed, and our business, results of operations and financial condition could be materially and adversely affected. Failure to adequately protect and maintain the integrity of our information systems (including our networks) and data, or to defend against cybersecurity attacks, could subject us to monetary fines, civil suits, civil penalties or criminal sanctions and requirements to disclose the breach publicly, and could further result in a material adverse effect on our business, results of operations and financial condition or harm our reputation. As malicious cyber activity escalates, including activity that originates outside of the United States, the risks we face relating to transmission of data and our use of service providers outside of our network, as well as the storing or processing of data within our network, intensify. There have been increased federal and state HIPAA and other privacy and security enforcement efforts and we expect this trend to continue. While we

maintain cyber liability insurance, this insurance may not cover us for all types of losses and may not be sufficient to protect us against the amount of all losses.

**We may engage in acquisitions, mergers, joint ventures or dispositions, which may affect our results of operations, debt-to-capital ratio, capital expenditures or other aspects of our business, and if businesses we acquire have liabilities we are not aware of, we could suffer severe consequences that would have a material adverse effect on our business, results of operations and financial condition.**

Our business strategy includes growth through acquisitions of dialysis centers and other businesses, as well as entry into joint ventures. We may engage in acquisitions, mergers, joint ventures or dispositions or expand into new business models, which may affect our results of operations, debt-to-capital ratio, capital expenditures or other aspects of our business. There can be no assurance that we will be able to identify suitable acquisition targets or merger partners or buyers for dispositions or that, if identified, we will be able to agree to terms with merger partners, acquire these targets or make these dispositions on acceptable terms or on the desired timetable. There can also be no assurance that we will be successful in completing any acquisitions, mergers or dispositions that we announce, executing new business models or integrating any acquired business into our overall operations. There is no guarantee that we will be able to operate acquired businesses successfully as stand-alone businesses, or that any such acquired business will operate profitably or will not otherwise have a material adverse effect on our business, results of operations and financial condition. Further, we cannot be certain that key talented individuals at the business being acquired will continue to work for us after the acquisition or that they will be able to continue to successfully manage or have adequate resources to successfully operate any acquired business. In addition, certain of our newly and previously acquired dialysis centers and facilities have been in service for many years, which may result in a higher level of maintenance costs. Further, our facilities, equipment and information technology may need to be improved or renovated to maintain or increase operational efficiency, compete for patients and medical directors, or meet changing regulatory requirements. Increases in maintenance costs and capital expenditures could have a material adverse effect on our financial condition, results of operations and cash flows.

Businesses we acquire may have unknown or contingent liabilities or liabilities that are in excess of the amounts that we originally estimated, and may have other issues, including those related to internal controls over financial reporting or issues that could affect our ability to comply with healthcare laws and regulations and other laws applicable to our expanded business. As a result, we cannot make any assurances that the acquisitions we consummate will be successful. 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, the amounts held in escrow for our benefit (if any), 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 or alternative remedies that might be available to us, or any applicable insurance, we could suffer severe consequences that could have a material adverse effect on our business, results of operations and financial condition.

Additionally, joint ventures, including our Asia Pacific Joint Venture (APAC JV), and minority investments inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational and/or compliance risks associated with the joint venture or minority investment. In addition, we may be dependent on joint venture partners, controlling shareholders or management who may have business interests, strategies or goals that are inconsistent with ours. Business decisions or other actions or omissions of the joint venture partner, controlling shareholders or management may adversely affect the value of our investment, result in litigation or regulatory action against us, result in reputational harm to us or adversely affect the value of our investment or partnership.

**If we are not able to continue to make acquisitions at the desired pace or at all, or maintain an acceptable level of non-acquired growth, or if we face significant patient attrition to our competitors or we are not able to retain or contract with an adequate number of medical directors or associated physicians, it could adversely affect our business, results of operations and financial condition.**

Acquisitions, patient retention and medical director and physician retention are an important part of our growth strategy. We face intense competition from other companies for acquisition targets. In our U.S. dialysis business, we continue to face increased competition from large and medium-sized providers, which compete directly with us for the limited acquisition targets as well as for individual patients and medical directors. In addition, we compete for individual patients and medical directors based in part on the quality of our facilities. Moreover, as we continue our international expansion into various international markets, we will face competition from large and medium-sized providers for these acquisition targets as well. As we and our competitors continue to grow and open new dialysis centers, each center is required by applicable regulations to have a medical director, and we may not be able to retain an adequate number of nephrologists to serve as medical directors. Because of the ease of entry into the dialysis business and the ability of physicians to be medical directors for their own centers, competition for growth in existing and expanding markets is not limited to large competitors with substantial financial

resources. Individual nephrologists have opened their own dialysis units or facilities. In addition, Fresenius USA, our largest competitor, manufactures a full line of dialysis supplies and equipment in addition to owning and operating dialysis centers. This may give it cost advantages over us because of its ability to manufacture its own products. If we are not able to continue to make acquisitions at the desired pace or at all, continue to maintain acceptable levels of non-acquired growth, or if we face significant patient attrition to our competitors or if a physician chooses not to refer to DaVita, it could adversely affect our business, results of operations and financial condition.

**If certain of our suppliers do not meet our needs, if there are material price increases, if we are not reimbursed or adequately reimbursed for drugs we purchase or if we are unable to effectively access new technology or superior products, it could negatively impact our ability to effectively provide the services we offer and could have a material adverse effect on our business, results of operations and financial condition.**

We have significant suppliers that may be the sole or primary source of products critical to the services we provide, or to which we have committed obligations to make purchases, sometimes at particular prices. If any of these suppliers do not meet our needs for the products they supply, including in the event of a product recall, shortage or dispute, and we are not able to find adequate alternative sources, if we experience material price increases from these suppliers that we are unable to mitigate, or if some of the drugs that we purchase are not reimbursed or not adequately reimbursed by commercial or government payors, it could have a material adverse impact on our business, results of operations and financial condition. In addition, the technology related to the products critical to the services we provide is subject to new developments which may result in superior products. If we are not able to access superior products on a cost-effective basis or if suppliers are not able to fulfill our requirements for such products, we could face patient attrition which could have a material adverse effect on our business, results of operations and financial condition.

**DMG operates in a different line of business from our historical business, and we face challenges managing DMG and may not realize anticipated benefits.**

DMG operates in a different line of business from our historical business. We may not have the expertise, experience and resources to pursue all of our businesses at once, and we may be unable to successfully operate all businesses in the combined company. The administration of DMG requires implementation of appropriate operations, management, forecasting, and financial reporting systems and controls. We have experienced difficulties in effectively implementing these and other systems. The management of DMG requires and will continue to require the focused attention of our management team, including a significant commitment of its time and resources. The need for management to focus on these matters could have a material adverse effect on our business, results of operations and financial condition. If the DMG operations continue to be less profitable than we currently anticipate or we do not have the experience, the appropriate expertise or the resources to pursue all businesses in the combined company, our results of operations and financial condition may be materially and adversely affected. In that regard, we have taken goodwill impairment charges of \$1.093 billion in total and may continue incurring additional impairment charges.

**Laws regulating the corporate practice of medicine could restrict the manner in which DMG and other subsidiaries of ours are permitted to conduct their respective business, and the failure to comply with such laws could subject these entities to penalties or require a restructuring of these businesses.**

Some states have laws that prohibit business entities, such as DMG and other subsidiaries of ours, including but not limited to, Nephrology Practice Solutions, Paladina Health, DaVita Health Solutions, VillageHealth, and Lifeline, from practicing medicine, employing physicians to practice medicine, exercising control over medical decisions by physicians (also known collectively as the corporate practice of medicine) or engaging in certain arrangements, such as fee-splitting, with physicians. In some states these prohibitions are expressly stated in a statute or regulation, while in other states the prohibition is a matter of judicial or regulatory interpretation. Of the states in which DMG currently operates, California, Colorado, Nevada and Washington generally prohibit the corporate practice of medicine, and other states may as well.

DMG and other DaVita entities operate by maintaining long-term contracts with their associated physician groups which are each owned and operated by physicians and which employ or contract with additional physicians to provide physician services. Under these arrangements, DMG and such other DaVita entities provide management services and receive a management fee for providing non-medical management services; however, DMG and such other DaVita entities do not represent that they offer medical services, and do not exercise influence or control over the practice of medicine by the physicians or the associated physician groups.

In addition to the above management arrangements, DMG has certain contractual rights relating to the orderly transfer of equity interests in certain of its physician groups through succession agreements and other arrangements with their physician equity holders. However, such equity interests cannot be transferred to or held by DMG or by any non-professional

organization. Accordingly, neither DMG nor DMG's subsidiaries directly own any equity interests in any physician groups in California, Colorado, Nevada and Washington. The other DaVita entities operating in these and multiple other states have similar agreements and arrangements. In the event that any of these associated physician groups fail to comply with the management arrangement or any management arrangement is terminated and/or DMG or any of the other DaVita entities is unable to enforce its contractual rights over the orderly transfer of equity interests in its associated physician groups, such events could have a material adverse effect on the business, results of operations and financial condition of DMG and such other DaVita entities.

It is possible that a state regulatory agency or a court could determine that DMG's agreements with physician equity holders of certain managed California, Colorado, Nevada and Washington associated physician groups and the way DMG carries out these arrangements as described above, either independently or coupled with the management services agreements with such associated physician groups, are in violation of the corporate practice of medicine doctrine. As a result, these arrangements could be deemed invalid, potentially resulting in a loss of revenues and an adverse effect on results of operations derived from such associated physician groups. Such a determination could force a restructuring of DMG's management arrangements with associated physician groups in California, Colorado, Nevada and/or Washington, which might include revisions of the management services agreements, including a modification of the management fee and/or establishing an alternative structure that would permit DMG to contract with a physician network without violating the corporate practice of medicine prohibition. There can be no assurance that such a restructuring would be feasible, or that it could be accomplished within a reasonable time frame without a material adverse effect on DMG's business, results of operations and financial condition. These same risks exist for the other DaVita entities utilizing similar structures.

In December 2013, DHPC obtained a restricted Knox-Keene license in California, which permits DHPC to contract with health plans in California to accept global risk without violating the corporate practice of medicine prohibition. However, DMG and DMG's Colorado, Nevada and Washington associated physician groups, as well as those physician equity holders of associated physician groups who are subject to succession agreements with DMG, could be subject to criminal or civil penalties or an injunction for practicing medicine without a license or aiding and abetting the unlicensed practice of medicine.

**The level of our current and future debt could have an adverse impact on our business and our ability to generate cash to service our indebtedness and for other intended purposes depends on many factors beyond our control.**

We have substantial debt outstanding, we incurred a substantial amount of additional debt in connection with the acquisition of DMG and we may incur additional indebtedness in the future, including in anticipation of receiving the cash proceeds from the sale of DMG. For additional details regarding specific risks we face regarding the sale of DMG, see the discussion in the risk factors under the heading "Risk factors related to the sale of DMG." Our inability to generate sufficient cash to service our substantial indebtedness and for other intended purposes could have important consequences to you, for example, it 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 flows from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and investments, repurchases of stock at the levels intended or announced, or at all, and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate;
- expose us to interest rate volatility that could adversely affect our business, results of operations and financial condition, and our ability to service our indebtedness;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds, or to refinance existing debt on favorable terms when otherwise available.

In addition, we expect to continue to incur additional indebtedness in the future, and the amount of that additional indebtedness may be substantial. Although the indentures governing our senior notes and the agreement governing our senior secured credit facilities include covenants that could limit our indebtedness, we currently have the ability to incur substantial additional debt. If new debt is added to current debt levels, the related risks described above could intensify, in particular, if we

were to borrow new debt in anticipation of receiving the cash proceeds from the pending sale of DMG and if there is a delay in closing the sale of DMG or the sale of DMG does not close.

Our ability to make payments on our indebtedness, to fund planned capital expenditures and expansion efforts, including any strategic acquisitions we may make in the future, to repurchase our stock at the levels intended or announced and to meet our other liquidity needs, 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.

After the pending sale of DMG closes, our cash flows will be reduced accordingly. We cannot provide assurances that our business will generate sufficient cash flows from operations in the future or that future borrowings will be available to us in an amount sufficient to enable us to service our indebtedness or to fund other liquidity needs, including those described above. If we are unable to generate sufficient funds to service our outstanding indebtedness or to meet our other liquidity needs, including the intended purposes described above, we may be required to refinance, restructure, or otherwise amend some or all of such obligations, sell assets, change our intended or announced uses or strategy for capital deployment, including for stock repurchases, reduce capital expenditures or planned expansions or raise additional cash through the sale of our equity. We cannot make any assurances that any such refinancing, restructurings, sales of assets, or issuances of equity can be accomplished or, if accomplished, can be accomplished on favorable terms or that if accomplished that they would raise sufficient funds to meet these obligations or our other liquidity needs.

The borrowings under our senior secured credit facilities are guaranteed by a substantial portion of our direct and indirect wholly owned domestic subsidiaries, including certain of DMG's subsidiaries, and are secured by a substantial portion of our and our subsidiaries' assets, including those of certain of DMG's subsidiaries. After the sale of DMG closes, we will have fewer assets with which to secure future debt or refinance or restructure existing debt. This will likely reduce the total amount of secured debt that we will be able to incur and may increase the interest rate we are required to pay on our existing secured debt and any secured debt we issue in the future. In addition, by reducing the amount of assets available to meet the claims of our secured creditors, it may also adversely affect the interest rates on our existing unsecured debt and any unsecured debt we issue in the future.

**We may be subject to liability claims for damages and other expenses that are not covered by insurance or exceed our existing insurance coverage that could have a material adverse effect on our business, results of operations, financial condition and reputation.**

Our operations and how we manage our Company may subject us, as well as our officers and directors to whom we owe certain defense and indemnity obligations, 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 or limits of coverage of any applicable insurance coverage, including claims related to adverse patient events, contractual disputes, professional and general liability and directors' and officers' duties. In addition, we have received notices of claims from commercial payors and other third parties, as well as subpoenas and CIDs from the federal government, related to our business practices, including our historical billing practices and the historical billing practices of acquired businesses. Although the ultimate outcome of these claims cannot be predicted, an adverse result with respect to one or more of these claims could have a material adverse effect on our business, results of operations and financial condition. We maintain insurance coverage for those risks we deem are appropriate to insure against and make determinations about whether to self-insure as to other risks or layers of coverage. However, a successful claim, including a professional liability, malpractice or negligence claim which is in excess of any applicable insurance coverage, or that is subject to our self-insurance retentions, could have a material adverse effect on our business, results of operations, financial condition and reputation. Additionally, as a result of the broad scope of our DMG division's medical practice, we are exposed to medical malpractice claims, as well as claims for damages and other expenses, that may not be covered by insurance or for which adequate limits of insurance coverage may not be available.

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 business, results of operations and financial condition could be materially and adversely affected by any of the following:

- the collapse or insolvency of our insurance carriers;
- 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; or
- an inability to obtain one or more types of insurance on acceptable terms, if at all.

**If we fail to successfully maintain an effective internal control over financial reporting, the integrity of our financial reporting could be compromised, which could have a material adverse effect on our ability to accurately report our financial results and the market's perception of our business and our stock price.**

The integration of acquisitions and addition of new business lines into our internal control over financial reporting has required and will continue to require significant time and resources from our management and other personnel and has increased, and will continue to, increase our compliance costs. Failure to maintain an effective internal control environment could have a material adverse effect on our ability to accurately report our financial results and the market's perception of our business and our stock price. In addition, we could be required to restate our financial results in the event of a significant failure of our internal control over financial reporting or in the event of inappropriate application of accounting principles.

**Deterioration in economic conditions and further disruptions in the financial markets could have a material adverse effect on our business, results of operations and financial condition.**

Deterioration in economic conditions could have a material adverse effect on our business, results of operations and financial condition. Among other things, the potential decline in federal and state revenues that may result from such conditions may create additional pressures to contain or reduce reimbursements for our services from Medicare, Medicaid and other government sponsored programs. Increases in job losses in the U.S. as a result of adverse economic conditions has and may continue to result in a smaller percentage of our patients being covered by an employer group health plan and a larger percentage being covered by lower paying Medicare and Medicaid programs. Employers may also select more restrictive commercial plans with lower reimbursement rates. To the extent that payors are negatively impacted by a decline in the economy, we may experience further pressure on commercial rates, a further slowdown in collections and a reduction in the amounts we expect to collect. In addition, uncertainty in the financial markets could adversely affect the variable interest rates payable under our credit facilities or could make it more difficult to obtain or renew such facilities or to obtain other forms of financing in the future, if at all. Any or all of these factors, as well as other consequences of a deterioration in economic conditions which cannot currently be anticipated, could have a material adverse effect on our business, results of operations and financial condition.

**We could be subject to adverse changes in tax laws, regulations and interpretations or challenges to our tax positions.**

We are subject to tax laws and regulations of the U.S. federal, state and local governments as well as various foreign jurisdictions. We compute our income tax provision based on enacted tax rates in the jurisdictions in which we operate. As the tax rates vary among jurisdictions, a change in earnings attributable to the various jurisdictions in which we operate could result in an unfavorable change in our overall tax provision.

From time to time, changes in tax laws or regulations may be proposed or enacted that could adversely affect our overall tax liability. For example, the recent U.S. tax legislation enacted on December 22, 2017 represents a significant overhaul of the U.S. federal tax code. This tax legislation significantly reduced the U.S. statutory corporate tax rate and made other changes that we expect will reduce our effective U.S. federal tax rate in future periods. However, the tax legislation also included a number of provisions, including, but not limited to, the limitation or elimination of various deductions or credits (including for interest expense and for performance-based compensation under Section 162(m)), the imposition of taxes on certain cross-border payments or transfers, the changing of the timing of the recognition of certain income and deductions or their character, and the limitation of asset basis under certain circumstances, any of which could significantly and adversely affect our U.S. federal income tax position. The legislation also made significant changes to the tax rules applicable to insurance companies and other entities with which we do business. The estimated impact of the new law is based on management's current knowledge and assumptions. We are continuing to evaluate the overall impact of this tax legislation on our operations and U.S. federal and state income tax position. The actual impact of the new law could be materially different from our current estimates based on our actual results and our further analysis of the new law. There can be no assurance that changes in tax laws or regulations, both within the U.S. and the other jurisdictions in which we operate, will not materially and adversely affect our effective tax rate, tax payments, financial condition and results of operations. Similarly, changes in tax laws and regulations that impact our patients, business partners and counterparties or the economy generally may also impact our financial condition and results of operations.

In addition, tax laws and regulations are complex and subject to varying interpretations, and any significant failure to comply with applicable tax laws and regulations in all relevant jurisdictions could give rise to substantial penalties and liabilities. We are regularly subject to audits by tax authorities and, although we believe our tax estimates are appropriate, the final determination of tax audits and any related litigation could be materially different from our historical income tax provisions and accruals. Any changes in enacted tax laws (such as the recent U.S. tax legislation), rules or regulatory or judicial interpretations; any adverse outcome in connection with tax audits in any jurisdiction; or any change in the pronouncements

relating to accounting for income taxes could materially and adversely impact our effective tax rate, tax payments, financial condition and results of operations.

**Expansion of our operations to and offering our services in markets outside of the U.S. subjects us to political, economic, legal, operational and other risks that could have a material adverse effect on our business, results of operations and financial condition.**

We are continuing to expand our operations by offering our services and entering new lines of business in certain markets outside of the U.S., which increases our exposure to the inherent risks of doing business in international markets. Depending on the market, these risks include those relating to:

- changes in the local economic environment;
- political instability, armed conflicts or terrorism;
- social changes;
- intellectual property legal protections and remedies;
- trade regulations;
- procedures and actions affecting approval, production, pricing, reimbursement and marketing of products and services;
- foreign currency;
- repatriating or moving to other countries cash generated or held abroad, including considerations relating to tax-efficiencies and changes in tax laws;
- export controls;
- lack of reliable legal systems which may affect our ability to enforce contractual rights;
- changes in local laws or regulations;
- potentially longer ramp-up times for starting up new operations and for payment and collection cycles;
- financial and operational, and information technology systems integration;
- failure to comply with U.S. laws, such as the FCPA, or local laws that prohibit us, our partners, or our partners' or our intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business; and
- data and privacy restrictions.

Issues relating to the failure to comply with any of the above may also impact our domestic business and/or raise scrutiny on our domestic practices.

Additionally, some factors that will be critical to the success of our international business and operations will be different than those affecting our domestic business and operations. For example, conducting international operations requires us to devote significant management resources to implement our controls and systems in new markets, to comply with local laws and regulations and to overcome the numerous new challenges inherent in managing international operations, including those based on differing languages, cultures and regulatory environments, and those related to the timely hiring, integration and retention of a sufficient number of skilled personnel to carry out operations in an environment with which we are not familiar.

Any expansion of our international operations through acquisitions or through organic growth could increase these risks. Additionally, while we may invest material amounts of capital and incur significant costs in connection with the growth and development of our international operations, including to start up or acquire new operations, we may not be able to operate them profitably on the anticipated timeline, or at all.

These risks could have a material adverse effect on our business, results of operations and financial condition.



**Risk factors related to the sale of DMG:**

**The announcement and pendency of the sale of DMG may adversely affect our business, results of operations and financial condition.**

The announcement and pending sale of DMG may be disruptive to our business and may adversely affect our relationships with current and prospective teammates, patients, physicians, payors, suppliers and other business partners. Uncertainties related to the pending sale of DMG may impair our ability to attract, retain and motivate key personnel and could cause suppliers and other business partners to defer entering into contracts with us or seek to change existing business relationships with us. The loss or deterioration of significant business and operational relationships could have an adverse effect on our business, results of operations and financial condition. In addition, activities relating to the pending sale and related uncertainties could divert the attention of our management and other teammates from our day-to-day business or disrupt our operations in preparation for and during the post-closing separation of DMG. It is also possible that we could have stranded costs following the closing of the pending sale, which could be material. If we are unable to effectively manage these risks, our business, results of operations and financial condition may be adversely affected.

**If we fail to complete the proposed sale of DMG, or if there is a significant delay in completing the sale, our business, results of operations, financial condition and stock price may be materially adversely affected.**

The completion of the proposed sale of DMG is subject to customary closing conditions, including the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the approval of a notice of material modification by the California Department of Managed Health Care. If any condition to the closing of the sale of DMG is neither satisfied nor, where permissible, waived, the sale of DMG will not be completed. In addition, satisfying the closing conditions to the sale of DMG may take longer than expected. Regulators may impose material conditions, terms, obligations, costs or restrictions in connection with their approval of or consent to the sale of DMG, which could delay completion of the transaction, or if such approvals or consents are not obtained, could prevent completion of the transaction. There can be no assurance that all of the closing conditions will be satisfied or waived or that other events will not intervene to delay, or result in a failure to close, the sale of DMG. In addition, either we or Optum may terminate the equity purchase agreement if, among other things, the sale has not been consummated by June 4, 2018 (subject to two three-month extensions that can be exercised by either party unilaterally). If the equity purchase agreement is terminated and our Board of Directors seeks an alternative transaction or another acquiror for the sale of the DMG business, we may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the equity purchase agreement with Optum.

If the sale of DMG is not completed for any reason, investor confidence could decline. A failed transaction may result in negative publicity and may affect our relationships with teammates, patients, physicians, payors, suppliers, regulators and other business partners. In addition, in the event of a failed transaction, we will have expended significant management resources in an effort to complete the sale, we have incurred additional debt in anticipation of receiving the sale proceeds but not have received the sale proceeds to repay such debt, and we will have incurred significant transaction costs, including legal fees, financial advisor fees and other related costs, without any commensurate benefit. Accordingly, if the proposed sale of DMG is not completed, or if there is a significant delay in completing the sale, our business, results of operations, financial condition and stock price may be materially adversely affected.

**We may not be able to use the proceeds from the sale of DMG as planned or we may spend or invest the proceeds in ways that may not improve our results of operations or enhance the value of our common stock.**

The purchase price for the sale of the DMG business is subject to customary adjustments, both upward and downward, which could be significant. We plan to use the proceeds from the sale of DMG for significant stock repurchases, to repay debt and for general corporate purposes, including growth investments. A number of factors may impact our ability to repurchase stock and the timing of any such stock repurchases, including market conditions, the price of our common stock, our cash flow position, leverage ratios, and legal, regulatory and contractual requirements and restrictions.

In addition, we may identify investments or other uses for the proceeds from the sale of DMG that we believe are more attractive than our current intended uses. Further, there can be no assurance that any investment of the proceeds from the sale of DMG will yield a favorable return.

**Under the terms of the equity purchase agreement, we are subject to certain contractual restrictions while the sale of DMG is pending, and certain post-closing contractual obligations that, in some cases, could have a material adverse effect on our business, results of operations and financial condition.**

Under the terms of the equity purchase agreement, we are subject to certain restrictions on the conduct of the DMG business prior to completing the sale of DMG, which may adversely affect our ability to execute certain of our business strategies, including the ability in certain cases to enter into or amend contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. Such limitations could negatively affect our business and operations prior to the completion of the sale of DMG. Each of these risks may be exacerbated by delays or other adverse developments with respect to the completion of the sale of DMG.

In addition, we agreed to retain certain liabilities of the DMG business for which we have certain indemnification rights against the original 2012 HealthCare Partners (“HCP”) sellers. An escrow was established in connection with our acquisition of the DMG business from the HCP sellers as security for these indemnification rights, including with respect to the OIG investigation into certain patient diagnosis coding practices. We have submitted an indemnification claim against the sellers secured by the escrow for any and all liabilities incurred relating to these matters and intend to pursue recovery from the escrow. However, we can make no assurances that the indemnification and escrow will cover the full amount of our potential losses related to these matters, which could have a material adverse effect on our business, results of operations and financial condition.

**Risk factors related to our U.S. dialysis and related lab services, ancillary services and strategic initiatives:**

**If patients in commercial plans are subject to restriction in plan designs or the average rates that commercial payors pay us decline significantly, it would have a material adverse effect on our business, results of operations and financial condition.**

Approximately 33% of our dialysis services revenues for the year ended December 31, 2017 were generated from patients who have commercial payors (including hospital dialysis services) as their primary payor. The majority of these patients have insurance policies that pay us on terms and at rates that are generally significantly higher than Medicare rates. The payments we receive from commercial payors generate nearly all of our profit and all of our nonacute dialysis profits come from commercial payors. We continue to experience downward pressure on some of our commercial payment rates as a result of general conditions in the market, including as employers shift to less expensive options for medical services, recent and future consolidations among commercial payors, increased focus on dialysis services and other factors. In addition, many commercial payors that sell individual plans both on and off exchange have publicly announced losses in the marketplace. These payors may seek discounts on rates for marketplace plans on and off exchange. Commercial payment rates could be materially lower in the future.

We continuously are in the process of negotiating existing and potential new agreements with commercial payors who aggressively negotiate terms with us. Sometimes many significant agreements are being renegotiated at the same time. In the event that our continual negotiations result in overall commercial rate reductions in excess of overall commercial rate increases, the cumulative effect could have a material adverse effect on our business, results of operations and financial condition. Consolidations have significantly increased the negotiating leverage of commercial payors. Our negotiations with payors are also influenced by competitive pressures, and we may experience decreased contracted rates with commercial payors or experience decreases in patient volume as our negotiations with commercial payors continue. In addition to downward pressure on contracted commercial payor rates, payors have been attempting to design and implement plans to restrict access to coverage, and the duration and/or the breadth of benefits, which may result in decreased payments. In addition, payors have been attempting to impose restrictions and limitations on patient access to commercial exchange plans and non-contracted or out-of-network providers, and in some circumstances designate our centers as out-of-network providers. Rates for commercial exchange products and out-of-network providers are on average higher than rates for government products and in-network providers, respectively.

A number of commercial payors have incorporated policies into their provider manuals limiting or refusing to accept charitable premium assistance from non-profit organizations, such as the American Kidney Fund, which may impact the number of patients who are able to afford commercial exchange plans. Paying for coverage is a significant financial burden for many patients, and ESRD disproportionately affects the low-income population. Charitable premium assistance supports continuity of coverage and access to care for patients, many of whom are unable to continue working full-time as a result of their severe condition. A material restriction in patients' ability to access charitable premium assistance may restrict the ability of dialysis patients to obtain and maintain optimal insurance coverage, and may adversely impact a large number of dialysis centers across the U.S. by making certain centers economically unviable, and may have a material adverse effect on our business, results of operations and financial condition.

We also believe commercial payors have or will begin to restructure their benefits to create disincentives for patients to stay with commercial insurance or to select or remain with out-of-network providers. In addition, payors may seek to decrease payment rates for out-of-network providers. Decreases in the number of patients with commercial plans, decreases in out-of-network rates and restrictions on out-of-network access, our turning away new patients in instances where we are unable to come to agreement on rates, or decreases in contracted rates could result in a significant decrease in our overall revenues derived from commercial payors. If the average rates that commercial payors pay us decline significantly, or if we see a decline in commercial patients, it would have a material adverse effect on our business, results of operations and financial condition. For additional details regarding specific risks we face regarding regulatory changes that could result in fewer patients covered under commercial plans or an increase of patients covered under more restrictive commercial plans with lower reimbursement rates, see the discussion in the risk factor under the heading "Healthcare reform could have a material adverse effect on our business, financial condition and results of operations."

**If the number of patients with higher-paying commercial insurance declines, it could have a material adverse effect on our business, results of operations and financial condition.**

Our revenue levels are sensitive to the percentage of our patients with higher-paying commercial insurance coverage. A patient's insurance coverage may change for a number of reasons, including changes in the patient's or a family member's employment status. Any changes impacting our highest paying commercial payors will have a disproportionate impact on us. In addition, many patients with commercial and government insurance rely on financial assistance from charitable organizations, such as the American Kidney Fund. Certain payors have challenged our patients' and other providers' patients' ability to utilize assistance from charitable organizations for the payment of premiums, including through litigation and other legal proceedings. Regulators have also questioned the use of charitable premium assistance for ESRD patients. CMS or another regulatory agency or legislative authority may issue a new rule or guidance that challenges charitable premium assistance. If any of these challenges to kidney patients' use of premium assistance are successful or restrictions are imposed on the use of financial assistance from such charitable organizations such that kidney patients are unable to obtain, or continue to receive or receive for a limited duration, such financial assistance, it could have a material adverse effect on our business, results of operations and financial condition. In addition, if our assumptions about how kidney patients will respond to any change in financial assistance from charitable organizations are incorrect, it could have a material adverse effect on our business, results of operations and financial condition.

When Medicare becomes the primary payor, the payment rate we receive for that patient decreases from the employer group health plan or commercial plan rate to the lower Medicare payment rate. The number of our patients who have government-based programs as their primary payors could increase and the percentage of our patients covered under commercial insurance plans could be negatively impacted as a result of improved mortality or declining macroeconomic conditions. To the extent there are sustained or increased job losses in the U.S., independent of whether general economic conditions improve, we could experience a decrease in the number of patients covered under commercial plans and/or an increase in uninsured and underinsured patients. We could also experience a further decrease in the payments we receive for services if changes to the healthcare regulatory system result in fewer patients covered under commercial plans or an increase of patients covered under more restrictive commercial plans with lower reimbursement rates. In addition, our continual negotiations with commercial payors under existing and potential new agreements could result in a decrease in the number of our patients covered by commercial plans to the extent that we cannot reach agreement with commercial payors on rates and other terms, resulting in termination or non-renewals of existing agreements and our inability to enter into new agreements. Commercial payors have taken and may continue to take steps to control the cost of and/or the eligibility for access to healthcare services, including relative to products on and off the healthcare exchanges. These efforts could impact the number of our patients who are eligible to enroll in commercial insurance plans, and remain on the plans, including plans offered through healthcare exchanges. Additionally, we continue to experience higher amounts of write-offs due to uninsured and underinsured patients, which has resulted in an increase in uncollectible accounts. Commercial payors could also cease paying in the primary position after providing 30 months of coverage resulting in a material reduction in payment as the patient moves to Medicare primary. 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 or a significant increase in the number of patients that are uninsured and underinsured, it would have a material adverse effect on our business, results of operations and financial condition.

**Changes in the structure of and payment rates under the Medicare ESRD program could have a material adverse effect on our business, results of operations and financial condition.**

Approximately 42% of our dialysis services revenues for the year ended December 31, 2017 were generated from patients who have Medicare as their primary payor. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate which provides a fixed payment rate to encompass all goods and services provided during the dialysis treatment, including pharmaceuticals that were historically separately reimbursed to the

dialysis providers, such as EPO, vitamin D analogs and iron supplements, irrespective of the level of pharmaceuticals administered or additional services performed. Most lab services are also included in the bundled payment. Under the ESRD PPS, the bundled payments to a dialysis facility may be reduced by as much as 2% based on the facility's performance in specified quality measures set annually by CMS through the ESRD Quality Incentive Program, which was established by the Medicare Improvements for Patients and Providers Act of 2008. The bundled payment rate is also adjusted for certain patient characteristics, a geographic usage index and certain other factors. In addition, the ESRD PPS is subject to rebasing, which can have a positive financial effect, or a negative one if the government fails to rebase in a manner that adequately addresses the costs borne by dialysis facilities. Similarly, as new drugs, services or labs are added to the ESRD bundle, CMS' failure to adequately calculate the costs associated with the drugs, services or labs could have a material adverse effect on our business, results of operations and financial condition.

The current bundled payment system presents certain operating, clinical and financial risks, which include:

- Risk that our rates are reduced by CMS. Uncertainty about future payment rates remains a material risk to our business. Each year, CMS publishes a final rule for the PPS, which has been phasing in reductions to the PPS base rate mandated by the American Taxpayer Relief Act of 2012 as modified by the Protecting Access to Medicare Act of 2014.
- Risk that CMS, through its contracted MACs or otherwise, implements Local Coverage Determinations (LCDs) or other decisions that limit the frequency a provider can bill Medicare for home dialysis treatments or other rules that may impact reimbursement. Such coverage determinations could have an adverse impact on our revenue. There is also risk commercial insurers could incorporate the requirements or limitations associated with such LCDs into their contracted terms with dialysis providers, which could have an adverse impact on our revenue.
- Risk that a MAC, or multiple MACs, change their interpretations of existing regulations, manual provisions and/or guidance; or seek to implement or enforce new interpretations that are inconsistent with how we have interpreted existing regulations, manual provisions and/or guidance.
- Risk that increases in our operating costs will outpace the Medicare rate increases we receive. We expect operating costs to continue to increase due to inflationary factors, such as increases in labor and supply costs, including increases in maintenance costs and capital expenditures to improve, renovate and maintain our facilities, equipment and information technology to meet changing regulatory requirements, regardless of whether there is a compensating inflation-based increase in Medicare payment rates or in payments under the bundled payment rate system.
- Risk of federal budget sequestration cuts. As a result of the Budget Control Act of 2011 and the BBA, an annual 2% reduction to Medicare payments took effect on April 1, 2013 and has been extended through 2027. These across-the-board spending cuts have affected and will continue to adversely affect our business, results of operations and financial condition.
- Risk that, if our clinical systems fail to accurately capture the data we report to CMS in connection with claims for which at least part of the government's payments to us is based on clinical performance or patient outcomes or co-morbidities, we might be over-reimbursed by the government, which could subject us to certain liability. For example, CMS published a final rule that implemented a provision of the ACA, requiring providers to report and return Medicare and Medicaid overpayments within the later of (a) 60 days after the overpayment is identified, or (b) the date any corresponding cost report is due, if applicable. An overpayment impermissibly retained under this statute could subject us to liability under the FCA, exclusion, and penalties under the federal Civil Monetary Penalty statute.

For additional details regarding the risks we face for failing to adhere to our Medicare and Medicaid regulatory compliance obligations, see the risk factor above under the heading "If we fail to adhere to all of the complex government laws and regulations that apply to our business, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition and stock price."

**Changes in state Medicaid or other non-Medicare government-based programs or payment rates could have a material adverse effect on our business, results of operations and financial condition.**

Approximately 25% of our dialysis services revenues for the year ended December 31, 2017 were generated from patients who have state Medicaid or other non-Medicare government-based programs, such as coverage through the Department of Veterans Affairs (VA), as their primary coverage. As state governments and other governmental organizations

face increasing budgetary pressure, we may in turn face reductions in payment rates, delays in the receipt of payments, limitations on enrollee eligibility or other changes to the applicable programs. For example, certain state Medicaid programs and the VA have recently considered, proposed or implemented payment rate reductions.

The VA adopted Medicare's bundled PPS pricing methodology for any veterans receiving treatment from non-VA providers under a national contracting initiative. Since we are a non-VA provider, these reimbursements are tied to a percentage of Medicare reimbursement, and we have exposure to any dialysis reimbursement changes made by CMS. Approximately 3% of our dialysis services revenues for the year ended December 31, 2017 were generated by the VA.

In 2013, we entered into a five-year Nationwide Dialysis Services contract with the VA which is subject to one-year renewal periods, consistent with all provider agreements with the VA under this contract. During the length of the contract, the VA has elected not to make adjustments to reimbursement percentages that are tied to a percentage of Medicare reimbursement rates. These agreements provide the VA with the right to terminate the agreements without cause on short notice. Should the VA renegotiate, or not renew or cancel these agreements for any reason, we may cease accepting patients under this program and may be forced to close centers or experience lower reimbursement rates, which could have a material adverse effect on our business, results of operations and financial condition.

State Medicaid programs are increasingly adopting Medicare-like bundled payment systems, but sometimes these payment systems are poorly defined and are implemented without any claims processing infrastructure, or patient or facility adjusters. If these payment systems are implemented without any adjusters and claims processing changes, Medicaid payments will be substantially reduced and the costs to submit such claims may increase, which will have a negative impact on our business, results of operations and financial condition. In addition, some state Medicaid program eligibility requirements mandate that citizen enrollees in such programs provide documented proof of citizenship. If our patients cannot meet these proof of citizenship documentation requirements, they may be denied coverage under these programs, resulting in decreased patient volumes and revenue. These Medicaid payment and enrollment changes, along with similar changes to other non-Medicare government programs could reduce the rates paid by these programs for dialysis and related services, delay the receipt of payment for services provided and further limit eligibility for coverage which could have a material adverse effect on our business, results of operations and financial condition.

**Changes in clinical practices, payment rates or regulations impacting EPO and other pharmaceuticals could have a material adverse effect on our business, results of operations and financial condition and negatively impact our ability to care for patients.**

Medicare bundles EPO into the PPS such that dosing variations do not change the amount paid to a dialysis facility. Although some Medicaid programs and other payors suggest movement towards a bundled payment system inclusive of EPO, some non-Medicare payors continue to pay for EPO separately from the treatment rate.

Additionally, evaluations on the utilization and reimbursement for ESAs, which have occurred in the past and may occur in the future, and related actions by the U.S. Congress and federal agencies, could result in further restrictions on the utilization and reimbursement for ESAs. Commercial payors have increasingly examined their administration policies for EPO and, in some cases, have modified those policies. Changes in labeling of EPO and other pharmaceuticals in a manner that alters physician practice patterns, including their independent determinations as to appropriate EPO dosing, or accepted clinical practices, and/or changes in private and governmental payment criteria, including the introduction of EPO administration policies could have a material adverse effect on our business, results of operations and financial condition. Further increased utilization of EPO for patients for whom the cost of EPO is included in a bundled reimbursement rate, or further decreases in reimbursement for EPO and other pharmaceuticals that are not included in a bundled reimbursement rate, could also have a material adverse effect on our business, results of operations and financial condition.

Additionally, as of January 1, 2018, calcimimetics entered the Medicare ESRD bundle. We implemented processes to provide the drug as required under the regulations and prescribed by physicians and have entered into agreements to provide for access to and distribution of the drug. If Medicare Advantage plans and/or Medicaid do not pay as required or the processes we have implemented to provide the drug do not perform as anticipated, then we could be subject to both financial and operational risk.

We may be subject to increased inquiries or audits from a variety of governmental bodies or claims by third parties. Although we believe our anemia management practices and other pharmaceutical administration practices have been compliant with existing laws and regulations, increased inquiries or audits from governmental bodies or claims by third parties would require management's attention, and could result in significant legal expense. Any negative findings could result in substantial financial penalties or repayment obligations, the imposition of certain obligations on and changes to our practices and procedures as well as the attendant financial burden on us to comply with the obligations, or exclusion from future participation

in the Medicare and Medicaid programs, and could have a material adverse effect on our business, results of operations and financial condition.

**If we fail to comply with our Corporate Integrity Agreement, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs that could have a material adverse effect on our business, results of operations and financial condition.**

In October 2014, we entered into a Settlement Agreement with the United States and relator David Barbetta to resolve the then pending 2010 and 2011 U.S. Attorney physician relationship investigations and paid \$406 million in settlement amounts, civil forfeiture, and interest to the United States and certain states. In connection with the resolution of these matters, and in exchange for the OIG's agreement not to exclude us from participating in the federal healthcare programs, we have entered into a five-year CIA with the OIG. The CIA (i) requires that we maintain certain elements of our compliance programs; (ii) imposes certain expanded compliance-related requirements during the term of the CIA; (iii) requires ongoing monitoring and reporting by an independent monitor, imposes certain reporting, certification, records retention and training obligations, allocates certain oversight responsibility to the Board's Compliance Committee, and necessitates the creation of a Management Compliance Committee and the retention of an independent compliance advisor to the Board; and (iv) contains certain business restrictions related to a subset of our joint venture arrangements, including our agreeing to (1) unwind 11 joint venture transactions that were created through partial divestitures to, or partial acquisitions from, nephrologists, and that cover 26 of our 2,119 clinics that existed at the time we entered into the Settlement Agreement, all of which have been completed, (2) not enter into certain types of partial divestiture joint venture transactions with nephrologists during the term of the CIA, (3) non-enforcement of certain patient-related non-solicitation restrictions, and (4) certain other restrictions. The costs associated with compliance with the CIA could be substantial and may be greater than we currently anticipate. In addition, in the event of a breach of the CIA, we could become liable for payment of certain stipulated penalties, and could be excluded from participation in federal healthcare programs. The OIG notified us that it considered us to be previously in breach of the CIA because of three implementation deficiencies. While we have remediated the deficiencies and have paid certain stipulated penalties, we cannot provide any assurances that we may not be found in breach of the CIA in the future. In general, the costs associated with compliance with the CIA, or any liability or consequences associated with a breach, could have a material adverse effect on our business, results of operations and financial condition. For our domestic dialysis business, we are required under the CIA to report to the OIG (i) probable violations of criminal, civil or administrative laws applicable to any federal health care program for which penalties or exclusions may be authorized under applicable laws and regulations; (ii) substantial overpayments of amounts of money we have received in excess of the amounts due and payable under the federal healthcare program requirements; and (iii) employment of or contracting with individuals ineligible from participating in the federal healthcare programs (we refer to these collectively as Reportable Events). We have provided the OIG notice of Reportable Events, and we may identify and report additional events in the future. If any of our operations are found to violate government laws and regulations, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition and stock price, including those consequences described under the risk factor "If we fail to adhere to all of the complex government laws and regulations that apply to our business, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition and stock price."

**Delays in state Medicare and Medicaid certification or other licensing and/or anything impacting the licensing of our dialysis centers could adversely affect our business, results of operations and financial condition.**

Before we can begin billing for patients treated in our outpatient dialysis centers who are enrolled in government-based programs, we are required to obtain state and federal certification for participation in the Medicare and Medicaid programs. As state agencies responsible for surveying dialysis centers on behalf of the state and Medicare program face increasing budgetary pressure, certain states are having difficulty keeping up with certifying dialysis centers in the normal course resulting in significant delays in certification. If state governments continue to have difficulty keeping up with certifying new centers in the normal course and we continue to experience significant delays in our ability to treat and bill for services provided to patients covered under government programs, it could cause us to incur write-offs of investments or accelerate the recognition of lease obligations in the event we have to close centers or our centers' operating performance deteriorates, and it could have an adverse effect on our business, results of operations and financial condition. Although the BBA passed in February 2018 allows for organizations approved by the Department of Health and Human Services (HHS) to accredit dialysis facilities and imposes certain timing requirements regarding the initiation of initial surveys to determine if certain conditions and requirements for payment have been satisfied, the ultimate impact of these changes cannot be predicted. In addition to certifications for Medicare and Medicaid, some states have licensing requirements for ESRD facilities. Delays in licensure, denials of licensure, or withdrawal of licensure could also adversely affect our business, results of operations and financial condition.

**If our joint ventures were found to violate the law, we could suffer severe consequences that would have a material adverse effect on our business, results of operations and financial condition.**

As of December 31, 2017, we owned a controlling interest in numerous dialysis-related joint ventures, which represented approximately 24% of our net U.S. dialysis and related lab services revenues for the year ended December 31, 2017. In addition, we also owned noncontrolling equity investments in several other dialysis related joint ventures. We may continue to increase the number of our joint ventures. Many of our joint ventures with physicians or physician groups also have certain physician owners providing medical director services to centers we own and operate. Because our relationships with physicians are governed by the federal and state anti-kickback statutes, we have sought to structure our joint venture arrangements to satisfy as many federal safe harbor requirements as we believe are commercially reasonable. However, although our joint venture arrangements do not satisfy all of the elements of any safe harbor under the federal Anti-Kickback Statute, they are not automatically prohibited under the federal Anti-Kickback Statute but are susceptible to government scrutiny. For example, in October 2014, we entered into a Settlement Agreement with the United States and relator David Barbetta to resolve the then pending 2010 and 2011 U.S. Attorney physician relationship investigations regarding certain of our joint ventures and paid \$406 million in settlement amounts, civil forfeiture, and interest to the United States and certain states. For further details, see "If we fail to comply with our Corporate Integrity Agreement, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs that could have a material adverse effect on our business, results of operations and financial condition".

**There are significant risks associated with estimating the amount of dialysis revenues and related refund liabilities that we recognize, and if our estimates of revenues and related refund liabilities are materially inaccurate, it could impact the timing and the amount of our revenues recognition or have a material adverse effect on our business, results of operations and financial condition.**

There are significant risks associated with estimating the amount of U.S. dialysis and related lab services revenues and related refund liabilities that we recognize in a reporting period. The billing and collection process is complex due to ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage and other payor issues. Determining applicable primary and secondary coverage for approximately 197,800 U.S. patients at any point in time, together with the changes in patient coverage that occur each month, requires complex, resource-intensive processes. Errors in determining the correct coordination of benefits may result in refunds to payors. Revenues associated with Medicare and Medicaid programs are also subject to estimating risk related to the amounts not paid by the primary government payor that will ultimately be collectible from other government programs paying secondary coverage, the patient's commercial health plan secondary coverage or the patient. Collections, refunds and payor retractions typically continue to occur for up to three years and longer after services are provided. We generally expect our range of U.S. dialysis and related lab services revenues estimating risk to be within 1% of net revenues for the segment. If our estimates of U.S. dialysis and related lab services revenues and related refund liabilities are materially inaccurate, it could impact the timing and the amount of our revenues recognition and have a material adverse impact on our business, results of operations and financial condition.

**Our ancillary services and strategic initiatives, including our pharmacy services and our international operations, that we invest in now or in the future may generate losses and may ultimately be unsuccessful. In the event that one or more of these activities is unsuccessful, our business, results of operations and financial condition may be negatively impacted and we may have to write off our investment and incur other exit costs.**

Our ancillary services and strategic initiatives are subject to many of the same risks, regulations and laws, as described in the risk factors related to our dialysis business set forth in this Part I, Item 1A, and are also subject to additional risks, regulations and laws specific to the nature of the particular strategic initiative. We expect to add additional service offerings to our business and pursue additional strategic initiatives in the future as circumstances warrant, which could include healthcare services not related to dialysis. Many of these initiatives require or would require investments of both management and financial resources and can generate significant losses for a substantial period of time and may not become profitable in the expected timeframe or at all. There can be no assurance that any such strategic initiative will ultimately be successful. Any significant change in market conditions, or business performance, or in the political, legislative or regulatory environment, may impact the economic viability of any of these strategic initiatives.

If any of our ancillary services or strategic initiatives, including our pharmacy services and our international operations, are unsuccessful, it would have a negative impact on our business, results of operations and financial condition, and we may determine to exit that line of business. We could incur significant termination costs if we were to exit certain of these lines of business. In addition, we may incur a material write-off or an impairment of our investment, including goodwill, in one or more of our ancillary services or strategic initiatives. In that regard, we have taken, and may in the future take, impairment charges related to our ancillary services and strategic initiatives, including in our international and pharmacy businesses.

**If a significant number of physicians were to cease referring patients to our dialysis centers, whether due to regulatory or other reasons, it would have a material adverse effect on our business, results of operations and financial condition.**

Physicians, including medical directors, choose where they refer their patients. We believe that 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 director of the center. 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.

Our medical director contracts are for fixed periods, generally ten years, and at any given time a large number of them could be up for renewal at the same time. Medical directors have no obligation to extend their agreements with us and if we are unable to enforce noncompetition provisions contained in terminated medical director agreements, our former medical directors may choose to provide medical director services for competing providers or establish their own dialysis centers in competition with ours. Neither our current nor former medical directors have an obligation to refer their patients to our centers.

The aging of the nephrologist population and opportunities presented by our competitors may negatively impact a medical director's decision to enter into or extend his or her agreement with us. Moreover, different affiliation models in the changing healthcare environment that limit a nephrologist's choice in where he or she can refer patients, such as an increase in the number of physicians becoming employed by hospitals or a perceived decrease in the quality of service levels at our centers, may limit a nephrologist's ability or desire to refer patients to our centers or otherwise negatively impact treatment volumes.

In addition, we may take actions to restructure existing relationships or take positions in negotiating extensions of relationships to assure compliance with the federal Anti-Kickback Statute, Stark Law and other similar laws. 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. These actions, in an effort to comply with applicable laws and regulations, could negatively impact the decision of physicians to extend their medical director agreements with us. If a significant number of physicians were to cease referring patients to our dialysis centers, it would have a material adverse effect on our business, results of operations and financial condition.

**If there are shortages of skilled clinical personnel, or if changes to state staffing ratios are implemented with which we are required to comply, we may experience disruptions in our business operations and increases in operating expenses, among other things, which could have a material adverse effect on our business, results of operations and financial condition.**

We face increasing labor costs generally, and in particular, face 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 healthcare providers. This nursing shortage may limit our ability to expand our operations. Furthermore, changes in certification requirements can impact our ability to maintain sufficient staff levels, including to the extent our teammates are not able to meet new requirements, among other things. In addition, if we experience a higher than normal turnover rate for our skilled clinical personnel, our operations and treatment growth may be negatively impacted, which could adversely affect our business, results of operations and financial condition.

In addition, currently pending and future proposed ballot initiatives or referendums, legislation or policy changes could cause us to incur substantial costs to challenge and, if implemented, impose additional requirements on our operations, including increases in the required staffing levels or staffing ratios for clinical personnel, minimum transition times between treatments, limits on how much patients may be charged for care, limitations as to the amount that can be spent on certain medical costs, and a ceiling on the percent of profit for such care. Changes such as these mandated by currently pending and future ballot initiatives or referendums, legislation or policy changes would likely materially reduce our revenues and increase our operating expense and impact our ability to staff our clinics to the new, elevated staffing levels, in particular given the ongoing nationwide shortage of healthcare workers, especially nurses. Any of these events or circumstances could materially reduce our revenues and increase our operating and other costs, require us to close dialysis centers or reduce shifts, and could have a material adverse effect on our employee relations, treatment growth, productivity, business, results of operations and financial condition.

**Our business is labor intensive and could be materially adversely affected if we are unable to maintain satisfactory relations with our employees or if union organizing activities or legislative changes result in significant increases in our operating costs or decreases in productivity.**

Our business is labor intensive, and our financial and operating results have been and continue to be subject to variations in labor-related costs, productivity and the number of pending or potential claims against us related to labor and employment



practices. Political efforts at the national or local level could result in actions or proposals that increase the likelihood or success of union organizing activities at our facilities and union organizing activities could increase for other reasons. Labor and employment claims, including the filing of class action suits, or work stoppages, wages and benefits or adverse outcomes of these types of claims could trend upwards. Any of these events or circumstances could have a material adverse effect on our employee relations, treatment growth, productivity, business, results of operations and financial condition.

**Complications associated with our billing and collections system could materially adversely affect our business, results of operations and financial condition.**

Our billing system is critical to our billing operations. If there are defects in the billing system, we may experience difficulties in our ability to successfully bill and collect for services rendered, including a delay in collections, a reduction in the amounts collected, increased risk of retractions from and refunds to commercial and government payors, an increase in our provision for uncollectible accounts receivable and noncompliance with reimbursement regulations, any or all of which could materially adversely affect our results of operations.

**Risk factors primarily related to DMG:**

**DMG is subject to many of the same risks to which our dialysis business is subject.**

As a participant in the healthcare industry, DMG is subject to many of the same risks as our dialysis business is, as described in the risk factors set forth above in this Part I, Item 1A, any of which could have a material adverse effect on DMG's business, results of operations and financial condition.

**Under most of DMG's agreements with health plans, DMG assumes some or all of the risk that the cost of providing services will exceed its compensation.**

Approximately 83% of DMG's revenue for the year ended December 31, 2017 is derived from fixed per member per month (PMPM) fees paid by health plans under capitation agreements with DMG or its associated physician groups. While there are variations specific to each arrangement, DMG, through DaVita Health Plan of California, Inc. (DHPC), a subsidiary of HealthCare Partners Holdings, LLC and a restricted Knox-Keene licensed entity, and, in certain instances, DMG's associated physician groups generally contract with health plans to receive a PMPM fee for professional services and assume the financial responsibility for professional services only. In some cases, the health plans separately enter into capitation contracts with third parties (typically hospitals) who receive directly a PMPM fee and assume contractual financial responsibility for hospital services. In other cases, the health plan does not pay any portion of the PMPM fee to the hospital, but rather administers claims for hospital expenses itself. In both scenarios, DMG enters into managed care-related administrative services agreements or similar arrangements with those third parties (typically hospitals) under which DMG agrees to be responsible for utilization review, quality assurance, and other managed care-related administrative functions and claim payments. As compensation for such administrative services, DMG is entitled to receive a percentage of the amount by which the institutional capitation revenue received from health plans exceeds institutional expenses; any such risk-share amount to which DMG is entitled is recorded as medical revenues, and DMG is also responsible for a percentage of any shortfall in the event that institutional expenses exceed institutional revenues. To the extent that members require more care than is anticipated and/or the cost of care increases, aggregate fixed PMPM amounts, or capitation payments, may be insufficient to cover the costs associated with treatment. If medical costs and expenses exceed estimates, except in very limited circumstances, DMG will not be able to increase the PMPM fee received under these risk agreements during their then-current terms and could, directly or indirectly through its contracts with its associated physician groups, suffer losses with respect to such agreements.

Changes in DMG's or its associated physician groups' anticipated ratio of medical expense to revenue can significantly impact DMG's financial results. Accordingly, the failure to adequately predict and control medical costs and expenses and to make reasonable estimates and maintain adequate accruals for incurred but not reported claims, could have a material adverse effect on DMG's business, results of operations and financial condition.

Historically, DMG's and its associated physician groups' medical costs and expenses as a percentage of revenue have fluctuated. Factors that may cause medical expenses to exceed estimates include:

- the health status of members;
- higher than expected utilization of new or existing healthcare services or technologies;
- an increase in the cost of healthcare services and supplies, including pharmaceuticals, whether as a result of inflation or otherwise;

- changes to mandated benefits or other changes in healthcare laws, regulations and practices;
- periodic renegotiation of provider contracts with specialist physicians, hospitals and ancillary providers;
- periodic renegotiation of contracts with DMG's affiliated primary care physicians and specialists;
- changes in the demographics of the participating members and medical trends;
- contractual or claims disputes with providers, hospitals or other service providers within a health plan's network;
- the occurrence of catastrophes, major epidemics or acts of terrorism; and
- the reduction of health plan premiums.

**Risk-sharing arrangements that DMG and its associated physician groups have with health plans and hospitals could result in their costs exceeding the corresponding revenues, which could reduce or eliminate any shared risk profitability.**

Most of the agreements between health plans and DMG and its associated physician groups contain risk-sharing arrangements under which the physician groups can earn additional compensation from the health plans by coordinating the provision of quality, cost-effective healthcare to members. However, such arrangements may require the physician group to assume a portion of any loss sustained from these arrangements, thereby reducing DMG's net income. Under these risk-sharing arrangements, DMG and its associated physician groups are responsible for a portion of the cost of hospital services or other services that are not capitated. The terms of the particular risk-sharing arrangement allocate responsibility to the respective parties when the cost of services exceeds the related revenue, which results in a deficit, or permit the parties to share in any surplus amounts when actual costs are less than the related revenue. The amount of non-capitated medical and hospital costs in any period could be affected by factors beyond the control of DMG, such as changes in treatment protocols, new technologies, longer lengths of stay by the patient and inflation. Certain of DMG's agreements with health plans stipulate that risk-sharing pool deficit amounts are carried forward to offset any future years' surplus amounts DMG would otherwise be entitled to receive. DMG accrues for any such risk-sharing deficits. To the extent that such non-capitated medical and hospital costs are higher than anticipated, revenue may not be sufficient to cover the risk-sharing deficits the health plans and DMG are responsible for, which could have a material adverse effect on DMG's business, results of operations and financial condition.

**Renegotiation, renewal or termination of capitation agreements with health plans could have a material adverse effect on DMG's business, results operations and financial condition.**

Under most of DMG's and its associated physician groups' capitation agreements with health plans, the health plan is generally permitted to modify the benefit and risk obligations and compensation rights from time to time during the terms of the agreements. If a health plan exercises its right to amend its benefit and risk obligations and compensation rights, DMG and its associated physician groups are generally allowed a period of time to object to such amendment. If DMG or its associated physician group so objects, under some of the risk agreements, the relevant health plan may terminate the applicable agreement upon 90 to 180 days written notice. If DMG or its associated physician groups enter into capitation contracts or other risk sharing arrangements with unfavorable economic terms, or a capitation contract is amended to include unfavorable terms, DMG could, directly or indirectly through its contracts with its associated physician groups, suffer losses with respect to such contract. Since DMG does not negotiate with CMS or any health plan regarding the benefits to be provided under their Medicare Advantage plans, DMG often has just a few months to familiarize itself with each new annual package of benefits it is expected to offer. Depending on the health plan at issue and the amount of revenue associated with the health plan's risk agreement, the renegotiated terms or termination could have a material adverse effect on DMG's business, results of operations and financial condition.

**If DMG's agreements or arrangements with any physician equity holder(s) of associated physicians, physician groups or IPAs are deemed invalid under state law, including laws against the corporate practice of medicine, or federal law, or are terminated as a result of changes in state law, or if there is a change in accounting standards by the Financial Accounting Standards Board (FASB) or the interpretation thereof affecting consolidation of entities, it could have a material adverse effect on DMG's consolidation of total revenues derived from such associated physician groups.**

DMG's financial statements are consolidated in accordance with applicable accounting standards and include the accounts of its majority-owned subsidiaries and certain non-owned DMG-associated and managed physician groups. Such consolidation for accounting and/or tax purposes does not, is not intended to, and should not be deemed to, imply or provide to DMG any control over the medical or clinical affairs of such physician groups. In the event of a change in accounting standards promulgated by FASB or in interpretation of its standards, or if there is an adverse determination by a regulatory agency or a court, or a change in state or federal law relating to the ability to maintain present agreements or arrangements with such

physician groups, DMG may not be permitted to continue to consolidate the total revenues of such organizations. A change in accounting for consolidation with respect to DMG's present agreement or arrangements would diminish DMG's reported revenues but would not be expected to materially and adversely affect its reported results of operations, while regulatory or legal rulings or changes in law interfering with DMG's ability to maintain its present agreements or arrangements could materially diminish both revenues and results of operations.

**If DHPC is not able to satisfy financial solvency or other regulatory requirements, we could become subject to sanctions and its license to do business in California could be limited, suspended or terminated, which could have a material adverse effect on DMG's business, results of operations and financial condition.**

Knox-Keene requires healthcare service plans operating in California to comply with financial solvency and other requirements overseen by the California Department of Managed HealthCare (DMHC). Under Knox-Keene, DHPC is required to, among other things:

- Maintain, at all times, a minimum tangible net equity (TNE);
- Submit periodic financial solvency reports to the DMHC containing various data regarding performance and financial solvency;
- Comply with extensive regulatory requirements; and
- Submit to periodic regulatory audits and reviews concerning DHPC operations and compliance with Knox-Keene.

In the event that DHPC is not in compliance with the provisions of Knox-Keene, we could be subject to sanctions, or limitations on, or suspension of its license to do business in California, which could have a material adverse effect on DMG's business, results of operations and financial condition.

**If DMG's associated physician group is not able to satisfy the California DMHC's financial solvency requirements, DMG's associated physician group could become subject to sanctions and DMG's ability to do business in California could be limited or terminated, which could have a material adverse effect on DMG's business, results of operations and financial condition.**

The California DMHC has instituted financial solvency regulations to monitor the financial solvency of capitated physician groups. Under these regulations, DMG's associated physician group is required to, among other things:

- Maintain, at all times, a minimum cash-to-claims ratio (where cash-to-claims ratio means the organization's cash, marketable securities and certain qualified receivables, divided by the organization's total unpaid claims liability). The regulation currently requires a cash-to-claims ratio of 0.75.
- Submit periodic reports to the California DMHC containing various data and attestations regarding performance and financial solvency, including incurred but not reported calculations and documentation, and attestations as to whether or not the organization was in compliance with Knox-Keene requirements related to claims payment timeliness, had maintained positive TNE (i.e., at least \$1.00) and had maintained positive working capital (i.e., at least \$1.00).

In the event that DMG's associated physician group is not in compliance with any of the above criteria, DMG's associated physician group could be subject to sanctions, or limitations on, or removal of, its ability to do business in California, which could have a material adverse effect on DMG's business, results of operations and financial condition.

**Reductions in Medicare Advantage health plan reimbursement rates stemming from recent healthcare reforms and any future related regulations could have a material adverse effect on DMG's business, results of operations and financial condition.**

A significant portion of DMG's revenue is directly or indirectly derived from the monthly premium payments paid by CMS to health plans for medical services provided to Medicare Advantage enrollees. As a result, DMG's results of operations are, in part, dependent on government funding levels for Medicare Advantage programs. Any changes that limit or reduce Medicare Advantage reimbursement levels, such as reductions in or limitations of reimbursement amounts or rates under programs, reductions in funding of programs, expansion of benefits without adequate funding, elimination of coverage for certain benefits, or elimination of coverage for certain individuals or treatments under programs, could have a material adverse effect on DMG's business, results of operations and financial condition.

Each year, CMS issues a final rule to establish the Medicare Advantage benchmark payment rates for the following calendar year. Any reduction to Medicare Advantage rates impacting DMG that is greater compared to the industry average rate may have material adverse effect on DMG's business, results of operations and financial condition. The final impact of the Medicare Advantage rates can vary from any estimate we may have and may be further impacted by the relative growth of DMG's Medicare Advantage patient volumes across markets as well as by the benefit plan designs submitted. It is possible that we may underestimate the impact of the Medicare Advantage rates on our business, which could have a material adverse effect on DMG's business, results of operations and financial condition.

We took impairment charges against the goodwill of several of our DMG reporting units in five of the nine quarters since the fourth quarter of 2015 based on continuing developments in our DMG business, including recent annual updates to Medicare Advantage benchmark reimbursement rates, changes in our expectations concerning future government reimbursement rates and our expected ability to mitigate them, medical cost and utilization trends, commercial pricing pressures, commercial membership rates, underperformance of certain at-risk reporting units and other market factors. We may also need to take additional impairment charges against earnings in a future period, depending on the impact of continuing developments on the value of our DMG business. Specifically, if DMG's fair value less the costs incurred in the sale of DMG falls below its carrying amount, we may need to recognize additional impairment charges on this business, and the amount of such charges, if any, could be significant. Our estimates of the fair value of this business rely on certain estimates and assumptions, including the terms and pricing agreed for the sale of this business, as well as applicable market multiples, discount and long-term growth rates, market data and future reimbursement rates, as applicable. Our estimates of the fair value of the DMG business could differ from the actual value that a market participant would pay for this business.

DMG's Medicare Advantage revenues may continue to be volatile in the future, which could have a material adverse impact on DMG's business, results of operations and financial condition.

The ACA contains a number of provisions that negatively impact Medicare Advantage plans, each of which could have a material adverse effect on DMG's business, results of operations and financial condition. These provisions include the following:

- Medicare Advantage benchmarks for 2011 were frozen at 2010 levels. From 2012 through 2016, Medicare Advantage benchmark rates were phased down from prior levels. The new benchmarks were fully phased-in in 2017 and range between 95% and 115% of the Medicare FFS costs, depending on a plan's geographic area. If our costs escalate faster than can be absorbed by the level of revenues implied by these benchmark rates, then it could have a material adverse effect on DMG's business and results of operations.
- Rebates received by Medicare Advantage plans that were reduced, with larger reductions for plans failing to receive certain quality ratings.
- The Secretary of the HHS has been granted the explicit authority to deny Medicare Advantage plan bids that propose significant increases in cost sharing or decreases in benefits. If the bids submitted by plans contracted with DMG are denied, this could have a material adverse effect on DMG's business and results of operations.
- Medicare Advantage plans with medical loss ratios below 85% are required to pay a rebate to the Secretary of HHS. The rebate amount is the total revenue under the contract year multiplied by the difference between 85% and the plan's actual medical loss ratio. The Secretary of HHS will halt enrollment in any plan failing to meet this ratio for three consecutive years, and terminate any plan failing to meet the ratio for five consecutive years. If a DMG-contracting Medicare Advantage plan experiences a limitation on enrollment or is otherwise terminated from the Medicare Advantage program, it could have a material adverse effect on DMG's business and results of operations.
- Prescription drug plans are required to provide coverage of certain drug categories on a list developed by the Secretary of HHS, which could increase the cost of providing care to Medicare Advantage enrollees, and thereby reduce DMG's revenues and earnings. The Medicare Part D premium amount subsidized for high-income beneficiaries has been reduced, which could lower the number of Medicare Advantage enrollees, which would have a negative impact on DMG's business and results of operations.
- CMS increased coding intensity adjustments for Medicare Advantage plans beginning in 2014 and continuing through 2018, which reduces CMS payments to Medicare Advantage plans, which in turn will likely reduce the amounts payable to DMG and its associated physicians, physician groups, and IPAs under its capitation agreements.

Recent legislative and executive efforts to enact further healthcare reform legislation have caused the future state of the exchanges, other ACA reforms, and many core aspects of the current U.S. health care system to be unclear. For example, in October 2017, the federal government announced that cost-sharing reduction payments to insurers would end, effective immediately, unless Congress appropriated the funds, and, in December 2017, Congress passed the Tax Cuts and Jobs Act, which includes a provision that eliminates the penalty under the ACA's individual mandate and could impact the future state of the exchanges. Further, in February 2018, Congress passed the BBA which, among other things, repealed the Independent Payment Advisory Board that was established by the ACA and intended to reduce the rate of growth in Medicare spending. While certain provisions of the BBA may increase the scope of benefits available for certain chronically ill Federal health care program beneficiaries beginning in 2020, the ultimate impact of such changes cannot be predicted. While specific changes and their timing are not yet apparent, enacted reforms and future legislative, regulatory, or executive changes could have a material adverse effect on DMG's business, results of operations and financial condition.

There is also uncertainty regarding both Medicare Advantage payment rates and beneficiary enrollment, which, if reduced, would reduce DMG's overall revenues and net income. For example, although the Congressional Budget Office (CBO) predicted in 2010 that Medicare Advantage participation would drop substantially by 2020, the CBO has more recently predicted, without taking into account potential future reforms, that enrollment in Medicare Advantage (and other contracts covering Medicare Parts A and B) could reach 31 million by 2027. Although Medicare Advantage enrollment increased by approximately 5.6 million, or by 50%, between the enactment of the ACA in 2010 and 2015, there can be no assurance that this trend will continue. Further, fluctuation in Medicare Advantage payment rates are evidenced by CMS's annual announcement of the expected average change in revenue from the prior year: for 2017, CMS announced an average increase of 0.85%; and for 2018, 0.45%. Uncertainty over Medicare Advantage enrollment and payment rates present a continuing risk to DMG's business.

According to the Kaiser Family Foundation (KFF), Medicare Advantage enrollment continues to be highly concentrated among a few payors, both nationally and in local regions. In 2017, the KFF reported that three payors together accounted for more than half of Medicare Advantage enrollment and eight firms accounted for approximately 75% of the lives. In 441 counties in 2018, only one company will offer Medicare Advantage plans. Consolidation among Medicare Advantage plans in certain regions, or the Medicare program's failure to attract additional plans to participate in the Medicare Advantage program, could have a material adverse effect on DMG's business, results of operations and financial condition.

**DMG's operations are dependent on competing health plans and, at times, a health plan's and DMG's economic interests may diverge.**

For the year ended December 31, 2017, 68% of DMG's consolidated capitated medical revenues were earned through contracts with three health plans.

DMG expects that, going forward, substantially all of its revenue will continue to be derived from its contracts with health plans. Each health plan may immediately terminate any of DMG's contracts and/or any individual credentialed physician upon the occurrence of certain events. They may also amend the material terms of the contracts under certain circumstances. Failure to maintain the contracts on favorable terms, for any reason, would materially and adversely affect DMG's results of operations and financial condition. A material decline in the number of members could also have a material adverse effect on DMG's results of operations.

Notwithstanding each health plan's and DMG's current shared interest in providing service to DMG's members who are enrolled in the subject health plans, the health plans may have different and, at times, opposing economic interests from those of DMG. The health plans provide a wide range of health insurance services across a wide range of geographic regions, utilizing a vast network of providers. As a result, they and DMG may have different views regarding the proper pricing of services and/or the proper pricing of the various service providers in their provider networks, the cost of which DMG bears to the extent that the services of such service providers are utilized. These health plans may also have different views than DMG regarding the efforts and expenditures that they, DMG, and/or other service providers should make to achieve and/or maintain various quality ratings. In addition, several health plans have acquired or announced their intent to acquire provider organizations. If health plans with which DMG contracts acquire a significant number of provider organizations, they may not continue to contract with DMG or contract on less favorable terms or seek to prevent DMG from acquiring or entering into arrangements with certain providers. Similarly, as a result of changes in laws, regulations, consumer preferences, or other factors, the health plans may find it in their best interest to provide health insurance services pursuant to another payment or reimbursement structure. In the event DMG's interests diverge from the interests of the health plans, DMG may have limited recourse or alternative options in light of its dependence on these health plans. There can be no assurances that DMG will continue to find it mutually beneficial to work with these health plans. As a result of various restrictive provisions that appear in some of the managed care agreements with health plans, DMG may at times have limitations on its ability to cancel an

agreement with a particular health plan and immediately thereafter contract with a competing health plan with respect to the same service area.

**DMG and its associated physicians, physician groups and IPAs and other physicians may be required to continue providing services following termination or renegotiation of certain agreements with health plans.**

There are circumstances under federal and state law pursuant to which DMG and its associated physician groups, IPAs and other physicians could be obligated to continue to provide medical services to DMG members in their care following a termination of their applicable risk agreement with health plans and termination of the receipt of payments thereunder. In certain cases, this obligation could require the physician group or IPA to provide care to such member following the bankruptcy or insolvency of a health plan. Accordingly, the obligations to provide medical services to DMG members (and the associated costs) may not terminate at the time the applicable agreement with the health plan terminates, and DMG may not be able to recover its cost of providing those services from the health plan, which could have a material adverse effect on DMG's business, results of operations and financial condition.

**DMG operates primarily in California, Florida, Nevada, New Mexico, Washington and Colorado and may not be able to successfully establish a presence in new geographic regions.**

DMG derives substantially all of its revenue from operations in California, Florida, Nevada, New Mexico, Washington and Colorado (which we refer to as the Existing Geographic Regions). As a result, DMG's exposure to many of the risks described herein is not mitigated by a greater diversification of geographic focus. Furthermore, due to the concentration of DMG's operations in the Existing Geographic Regions, it may be adversely affected by economic conditions, natural disasters (such as earthquakes or hurricanes), or acts of war or terrorism that disproportionately affect the Existing Geographic Regions as compared to other states and geographic markets.

To expand the operations of its network outside of the Existing Geographic Regions, DMG must devote resources to identify and explore perceived opportunities. Thereafter, DMG must, among other things, recruit and retain qualified personnel, develop new offices, establish potential new relationships with one or more health plans, and establish new relationships with physicians and other healthcare providers. The ability to establish such new relationships may be significantly inhibited by competition for such relationships and personnel in the healthcare marketplace in the targeted new geographic regions. Additionally, DMG may face the risk that a substantial portion of the patients served in a new geographic area may be enrolled in a Medicare FFS program and will not desire to transition to a Medicare Advantage program, such as those offered through the health plans that DMG serves, or they may enroll with other health plans with whom DMG does not contract to receive services, which could reduce substantially DMG's perceived opportunity in such geographic area. In addition, if DMG were to seek to expand outside of the Existing Geographic Regions, DMG would be required to comply with laws and regulations of states that may differ from the ones in which it currently operates, and could face competitors with greater knowledge of such local markets. DMG anticipates that any geographic expansion may require it to make a substantial investment of management time, capital and/or other resources. There can be no assurance that DMG will be able to establish profitable operations or relationships in any new geographic markets.

**Reductions in the quality ratings of the health plans DMG serves could have a material adverse effect on its business, results of operations and financial condition.**

As a result of the ACA, the level of reimbursement each health plan receives from CMS is dependent, in part, upon the quality rating of the Medicare plan. Such ratings impact the percentage of any cost savings rebate and any bonuses earned by such health plan. Since a significant portion of DMG's revenue is expected to be calculated as a percentage of CMS reimbursements received by these health plans with respect to DMG members, reductions in the quality ratings of a health plan that DMG serves could have a material adverse effect on its business, results of operations and financial condition.

Given each health plan's control of its plans and the many other providers that serve such plans, DMG believes that it will have limited ability to influence the overall quality rating of any such plan. The BBA passed in February 2018 implements certain changes to prevent artificial inflation of star ratings for Medicare Advantage plans offered by the same organization. In addition, CMS has terminated plans that have had a rating of less than three stars for three consecutive years, whereas Medicare Advantage plans with five stars are permitted to conduct enrollment throughout almost the entire year. Although CMS' authority to terminate plans solely for failing to achieve the minimum quality star ratings has been suspended through the end of plan year 2018, low quality ratings can still potentially lead to the termination of a plan that DMG serves, DMG may not be able to prevent the potential termination of a contracting plan or a shift of patients to other plans based upon quality issues which could, in turn, have a material adverse effect on DMG's business, results of operations and financial condition.

**DMG's records and submissions to a health plan may contain inaccurate or unsupported information regarding risk adjustment scores of members, which could cause DMG to overstate or understate its revenue and subject it to various penalties.**

DMG, on behalf of itself and its associated physicians, physician groups and IPAs, submits to health plans claims and encounter data that support the Medicare Risk Adjustment Factor (RAF) scores attributable to members. These RAF scores determine, in part, the revenue to which the health plans and, in turn, DMG is entitled for the provision of medical care to such members. The data submitted to CMS by each health plan is based, in part, on medical charts and diagnosis codes prepared and submitted by DMG. Each health plan generally relies on DMG and its employed or affiliated physicians to appropriately document and support such RAF data in DMG's medical records. Each health plan also relies on DMG and its employed or affiliated physicians to appropriately code claims for medical services provided to members. Erroneous claims and erroneous encounter records and submissions could result in inaccurate PMPM fee revenue and risk adjustment payments, which may be subject to correction or retroactive adjustment in later periods. This corrected or adjusted information may be reflected in financial statements for periods subsequent to the period in which the revenue was recorded. DMG might also need to refund a portion of the revenue that it received, which refund, depending on its magnitude, could damage its relationship with the applicable health plan and could have a material adverse effect on DMG's business, results of operations and financial condition.

In June 2015, we received a subpoena from the OIG requesting information relating to our and our subsidiaries' (including DMG's and its subsidiary JSA's) provision of services to Medicare Advantage plans and related patient diagnosis coding and risk adjustment submissions and payments. See "Item 3. Legal Proceedings" in Part I of this report and Note 16 to the consolidated financial statements included in this report for further details and discussions of legal proceedings elsewhere in these Risk Factors.

Additionally, CMS audits Medicare Advantage plans for documentation to support RAF-related payments for members chosen at random. The Medicare Advantage plans ask providers to submit the underlying documentation for members that they serve. It is possible that claims associated with members with higher RAF scores could be subject to more scrutiny in a CMS or plan audit. There is a possibility that a Medicare Advantage plan may seek repayment from DMG should CMS make any payment adjustments to the Medicare Advantage plan as a result of its audits. The plans also may hold DMG liable for any penalties owed to CMS for inaccurate or unsupported RAF scores provided by DMG. In addition, DMG could be liable for penalties to the government under the FCA that range from \$5,500 to \$11,000 (adjusted for inflation) for each false claim, plus up to three times the amount of damages caused by each false claim, which can be as much as the amounts received directly or indirectly from the government for each such false claim. On February 3, 2017, the DOJ issued a final rule announcing adjustments to FCA penalties, under which the per claim penalty range increases from \$10,957 to \$21,916 for penalties assessed after February 3, 2017, so long as the underlying conduct occurred after November 2, 2015.

CMS has indicated that payment adjustments will not be limited to RAF scores for the specific Medicare Advantage enrollees for which errors are found but may also be extrapolated to the entire Medicare Advantage plan subject to a particular CMS contract. CMS has described its audit process as plan-year specific and stated that it will not extrapolate audit results for plan years prior to 2011. Because CMS has not stated otherwise, there is a risk that payment adjustments made as a result of one plan year's audit would be extrapolated to prior plan years after 2011.

There can be no assurance that a health plan will not be randomly selected or targeted for review by CMS or that the outcome of such a review will not result in a material adjustment in DMG's revenue and profitability, even if the information DMG submitted to the plan is accurate and supportable.

Separately, as described in further detail in "Item 3. Legal Proceedings" in Part I of this report and Note 16 to the consolidated financial statements included in this report, on March 13, 2015, JSA, a subsidiary of DMG, received a subpoena from the OIG that relates, in part, to risk adjustment practices and data. See also discussions of legal proceedings elsewhere in these Risk Factors.

**A failure to accurately estimate incurred but not reported medical expense could adversely affect DMG's results of operations.**

Patient care costs include estimates of future medical claims that have been incurred by the patient but for which the provider has not yet billed DMG. These claim estimates are made utilizing actuarial methods and are continually evaluated and adjusted by management, based upon DMG's historical claims experience and other factors, including an independent assessment by a nationally recognized actuarial firm. Adjustments, if necessary, are made to medical claims expense and capitated revenues when the assumptions used to determine DMG's claims liability changes and when actual claim costs are ultimately determined.

Due to the inherent uncertainties associated with the factors used in these estimates and changes in the patterns and rates of medical utilization, materially different amounts could be reported in DMG's financial statements for a particular period under different conditions or using different, but still reasonable, assumptions. It is possible that DMG's estimates of this type of claim may be inadequate in the future. In such event, DMG's results of operations could be adversely impacted. Further, the inability to estimate these claims accurately may also affect DMG's ability to take timely corrective actions, further exacerbating the extent of any adverse effect on DMG's results of operations.

**DMG faces certain competitive threats which could reduce DMG's profitability and increase competition for patients.**

DMG faces certain competitive threats based on certain features of the Medicare programs, including the following:

- As a result of the direct and indirect impacts of the ACA, many Medicare beneficiaries may decide that an original Medicare FFS program is more attractive than a Medicare Advantage plan. As a result, enrollment in the health plans DMG serves may decrease.
- Managed care companies offer alternative products such as regional preferred provider organizations (PPOs) and private FFS plans. Medicare PPOs and private FFS plans allow their patients more flexibility in selecting physicians than Medicare Advantage health plans, which typically require patients to coordinate care with a primary care physician. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 has encouraged the creation of regional PPOs through various incentives, including certain risk corridors, or cost reimbursement provisions, a stabilization fund for incentive payments, and special payments to hospitals not otherwise contracted with a Medicare Advantage plan that treat regional plan enrollees. The formation of regional Medicare PPOs and private FFS plans may affect DMG's relative attractiveness to existing and potential Medicare patients in their service areas.
- The payments for the local and regional Medicare Advantage plans are based on a competitive bidding process that may indirectly cause a decrease in the amount of the PMPM fee or result in an increase in benefits offered.
- The annual enrollment process and subsequent lock-in provisions of the ACA may adversely affect DMG's level of revenue growth as it will limit the ability of a health plan to market to and enroll new Medicare beneficiaries in its established service areas outside of the annual enrollment period.
- CMS allows Medicare beneficiaries who are enrolled in a Medicare Advantage plan with a quality rating of 4.5 stars or less to enroll in a 5-star rated Medicare Advantage plan at any time during the benefit year. Therefore, DMG may face a competitive disadvantage in recruiting and retaining Medicare beneficiaries.

In addition to the competitive threats intrinsic to the Medicare programs, competition among health plans and among healthcare providers may also have a negative impact on DMG's profitability. For example, due to the large population of Medicare beneficiaries, DMG's Existing Geographic Regions have become increasingly attractive to health plans that may compete with DMG. DMG may not be able to continue to compete profitably in the healthcare industry if additional competitors enter the same market. If DMG cannot compete profitably, the ability of DMG to compete with other service providers that contract with competing health plans may be substantially impaired. Furthermore, if DMG is unable to obtain new members or experiences a loss of existing members to competitors during the open enrollment period for Medicare it could have a material adverse effect on DMG's business, results of operations and financial condition.

DMG competes directly with various regional and local companies that provide similar services in DMG's Existing Geographic Regions. DMG's competitors vary in size and scope and in terms of products and services offered. DMG believes that some of its competitors and potential competitors may be significantly larger than DMG and have greater financial, sales, marketing and other resources. Furthermore, it is DMG's belief that some of its competitors may make strategic acquisitions or establish cooperative relationships among themselves.

**A disruption in DMG's healthcare provider networks could have a material adverse effect on DMG's operations and profitability.**

In any particular service area, healthcare providers or provider networks could refuse to contract with DMG, demand higher payments, or take other actions that could result in higher healthcare costs, disruption of benefits to DMG's members, or difficulty in meeting applicable regulatory or accreditation requirements. In some service areas, healthcare providers or provider networks may have significant market positions. If healthcare providers or provider networks refuse to contract with DMG, use their market position to negotiate favorable contracts, or place DMG at a competitive disadvantage, then DMG's ability to market or to be profitable in those service areas could be adversely affected. DMG's provider networks could also be



disrupted by the financial insolvency of a large provider group. Any disruption in DMG's provider networks could result in a loss of members or higher healthcare costs.

**DMG's revenues and profits could be diminished if DMG fails to retain and attract the services of key primary care physicians.**

Key primary care physicians with large patient enrollment could retire, become disabled, terminate their provider contracts, get lured away by a competing independent physician association or medical group, or otherwise become unable or unwilling to continue practicing medicine or contracting with DMG or its associated physicians, physician groups or IPAs. In addition, DMG's associated physicians, physician groups and IPAs could view the business model as unfavorable or unattractive to such providers, which could cause such associated physicians, physician groups or IPAs to terminate their relationships with DMG. Moreover, given limitations relating to the enforcement of post-termination noncompetition covenants in California, it would be difficult to restrict a primary care physician from competing with DMG's associated physicians, physician groups or IPAs. As a result, members who have been served by such physicians could choose to enroll with competitors' physician organizations or could seek medical care elsewhere, which could reduce DMG's revenues and profits. Moreover, DMG may not be able to attract new physicians to replace the services of terminating physicians or to service its growing membership.

**Participation in ACO programs is subject to federal regulation, supervision, and evolving regulatory developments that may result in financial liability.**

The ACA established the Medicare Shared Savings Program (MSSP) for ACOs, which took effect in January 2012. Under the MSSP, eligible organizations are accountable for the quality, cost and overall care of Medicare beneficiaries assigned to an ACO and may be eligible to share in any savings below a specified benchmark amount. The Secretary of HHS is also authorized, but not required, to use capitation payment models with ACOs. DMG has formed an MSSP ACO through a subsidiary, which operates in California, Florida, and Nevada and is evaluating whether to participate in more ACOs in the future. The continued development and expansion of ACOs will have an uncertain impact on DMG's revenue and profitability. DaVita Kidney Care is also participating as a dialysis provider in Arizona, Florida, New Jersey, and Pennsylvania for the Innovation Center's CEC Model.

The ACO programs are relatively new and therefore operational and regulatory guidance is limited. It is possible that the operations of DMG's subsidiary ACO may not fully comply with current or future regulations and guidelines applicable to ACOs, may not achieve quality targets or cost savings, or may not attract or retain sufficient physicians or patients to allow DMG to meet its objectives. Additionally, poor performance could put the DMG ACO at financial risk with a potential obligation to CMS. Traditionally, other than fee-for-service billing by the medical clinics and healthcare facilities operated by DMG, DMG has not directly contracted with CMS and has not operated any health plans or provider sponsored networks. Therefore, DMG may not have the necessary experience, systems or compliance to successfully achieve a positive return on its investment in the ACO or to avoid financial or regulatory liability. DMG believes that its historical experience with fully delegated managed care will be applicable to operation of its subsidiary ACO, but there can be no such assurance.

**California hospitals may terminate their agreements with HealthCare Partners Affiliates Medical Group and DaVita Health Plan of California, Inc. (formerly HealthCare Partners Plan, Inc., and, together with HealthCare Partners Affiliates Medical Group (AMG)) or reduce the fees they pay to DMG.**

In California, AMG maintains significant hospital arrangements designed to facilitate the provision of coordinated hospital care with those services provided to members by AMG and its associated physicians, physician groups and IPAs. Through contractual arrangements with certain key hospitals, AMG provides utilization review, quality assurance and other management services related to the provision of patient care services to members by the contracted hospitals and downstream hospital contractors. In the event that any one of these key hospital agreements is amended in a financially unfavorable manner or is otherwise terminated, such events could have a material adverse effect on DMG's business, results of operations and financial condition.

**DMG's professional liability and other insurance coverage may not be adequate to cover DMG's potential liabilities.**

DMG maintains primary professional liability insurance and other insurance coverage through California Medical Group Insurance Company, Risk Retention Group, an Arizona corporation in which DMG is the majority owner, and through excess coverage contracted through third-party insurers. DMG believes such insurance is adequate based on its review of what it believes to be all applicable factors, including industry standards. Nonetheless, potential liabilities may not be covered by insurance, insurers may dispute coverage or may be unable to meet their obligations, the amount of insurance coverage and/or related reserves may be inadequate, or the amount of any DMG self-insured retention may be substantial. There can be no

assurances that DMG will be able to obtain insurance coverage in the future, or that insurance will continue to be available on a cost-effective basis, if at all. Moreover, even if claims brought against DMG are unsuccessful or without merit, DMG would have to defend itself against such claims. The defense of any such actions may be time-consuming and costly and may distract DMG management's attention. As a result, DMG may incur significant expenses and may be unable to effectively operate its business.

**Changes in the rates or methods of third-party reimbursements may materially adversely affect DMG business, results of operations and financial condition.**

Any negative changes in governmental capitation or FFS rates or methods of reimbursement for the services DMG provides could have a material adverse effect on DMG's business, results of operations and financial condition. Since governmental healthcare programs generally reimburse on a fee schedule basis rather than on a charge-related basis, DMG generally cannot increase its revenues from these programs by increasing the amount it charges for its services. Moreover, if DMG's costs increase, DMG may not be able to recover its increased costs from these programs. Government and private payors have taken and may continue to take steps to control the cost, eligibility for, use, and delivery of healthcare services due to budgetary constraints, and cost containment pressures as well as other financial issues. DMG believes that these trends in cost containment will continue. These cost containment measures, and other market changes in non-governmental insurance plans have generally restricted DMG's ability to recover, or shift to non-governmental payors, any increased costs that DMG experiences. DMG's business, results of operations and financial condition may be materially adversely affected by these cost containment measures, and other market changes.

**DMG's business model depends on numerous complex management information systems and any failure to successfully maintain these systems or implement new systems could materially harm DMG's operations and result in potential violations of healthcare laws and regulations.**

DMG depends on a complex, specialized, and integrated management information system and standardized procedures for operational and financial information, as well as for DMG's billing operations. DMG may experience unanticipated delays, complications or expenses in implementing, integrating, and operating these integrated systems. Moreover, DMG may be unable to enhance its existing management information system or implement new management information systems where necessary. DMG's management information system may require modifications, improvements or replacements that may require both substantial expenditures as well as interruptions in operations. DMG's ability to implement and operate its integrated systems is subject to the availability of information technology and skilled personnel to assist DMG in creating and maintaining these systems.

DMG's failure to successfully implement and maintain all of its systems could have a material adverse effect on its business, financial condition and results of operations. For example, DMG's failure to successfully operate its billing systems could lead to potential violations of healthcare laws and regulations. If DMG is unable to handle its claims volume, or if DMG is unable to pay claims timely, DMG may become subject to a health plan's corrective action plan or de-delegation until the problem is corrected, and/or termination of the health plan's agreement with DMG. This could have a material adverse effect on DMG's operations and profitability. In addition, if DMG's claims processing system is unable to process claims accurately, the data DMG uses for its incurred but not reported (IBNR) estimates could be incomplete and DMG's ability to accurately estimate claims liabilities and establish adequate reserves could be adversely affected. Finally, if DMG's management information systems are unable to function in compliance with applicable state or federal rules and regulations, including medical information confidentiality laws such as HIPAA, possible penalties and fines due to this lack of compliance could have a material adverse effect on DMG's financial condition, and results of operations.

**DMG may be impacted by eligibility changes to government and private insurance programs.**

Due to potential decreased availability of healthcare through private employers, the number of patients who are uninsured or participate in governmental programs may increase. The ACA has increased the participation of individuals in the Medicaid program in states that elected to participate in the expanded Medicaid coverage. A shift in payor mix from managed care and other private payors to government payors as well as an increase in the number of uninsured patients may result in a reduction in the rates of reimbursement to DMG or an increase in uncollectible receivables or uncompensated care, with a corresponding decrease in net revenue. Changes in the eligibility requirements for governmental programs such as the Medicaid program under the ACA and state decisions on whether to participate in the expansion of such programs also could increase the number of patients who participate in such programs and the number of uninsured patients. Even for those patients who remain in private insurance plans, changes to those plans could increase patient financial responsibility, resulting in a greater risk of uncollectible receivables. These factors and events could have a material adverse effect on DMG's business, results of operations and financial condition.

**Negative publicity regarding the managed healthcare industry generally or DMG in particular could adversely affect DMG's results of operations or business.**

Negative publicity regarding the managed healthcare industry generally, the Medicare Advantage program or DMG in particular, may result in increased regulation and legislative review of industry practices that further increase DMG's costs of doing business and adversely affect DMG's results of operations or business by:

- requiring DMG to change its products and services;
- increasing the regulatory, including compliance, burdens under which DMG operates, which, in turn, may negatively impact the manner in which DMG provides services and increase DMG's costs of providing services;
- adversely affecting DMG's ability to market its products or services through the imposition of further regulatory restrictions regarding the manner in which plans and providers market to Medicare Advantage enrollees; or
- adversely affecting DMG's ability to attract and retain members.

**Risk factors related to ownership of our common stock:**

**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 (or 120 days for nominations made using proxy access); and granting our Board of Directors the authority to issue preferred stock and to determine the rights and preferences of the preferred stock without the need for further stockholder approval.

Most of our outstanding employee stock-based compensation awards include a provision accelerating the vesting of the awards in the event of a change of control. We also maintain a change of control protection program for our employees who do not have a significant number of stock awards, which has been in place since 2001, and which provides for cash bonuses to the employees in the event of a change of control. Based on the market price of our common stock and shares outstanding on December 31, 2017, these cash bonuses would total approximately \$521 million if a change of control transaction occurred at that price and our Board of Directors did not modify this program. These change of control provisions may affect the price an acquirer would be willing to pay for our Company.

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 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.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

Our corporate headquarters are located in Denver, Colorado, consisting of one owned 240,000 square foot building and two leased locations consisting of 164,800 square feet. Our headquarters are occupied by teammates engaged in management, finance, marketing, strategy, legal, compliance and other administrative functions. We lease six business offices located in California, Pennsylvania, Tennessee and Washington for our U.S. dialysis and related lab services business. For our DMG business we lease nine business offices located in California, Colorado, Nevada, New Mexico, Florida and Washington. Our laboratories are based in Florida where we operate our lab services out of five buildings, one owned and four leased. DaVita Rx leases three buildings located in California, Florida and Texas. We also own four administrative offices and lease administrative offices worldwide. Our leases on the properties listed above expire at various dates through the year 2036 for Kidney Care and through the year 2037 for DMG.

For our U.S. dialysis and related lab services business we own the land and buildings for 14 of our outpatient dialysis centers. We also own 14 separate land and buildings and seven land parcels for development. We lease a total of four owned properties to third-party tenants. Our remaining outpatient dialysis centers are located on premises that we lease.

For DMG, we own the land and buildings for 23 of our clinics. We also own one separate land parcel. Our remaining clinics are located on premises that we lease.

Our leases for our U.S. dialysis and related lab services and for DMG generally cover periods from five to 20 years and typically contain renewal options of five to ten years at the fair rental value at the time of renewal. Our leases are generally subject to periodic consumer price index increases, or contain fixed escalation clauses. Our outpatient dialysis centers range in size from approximately 700 to 33,000 square feet, with an average size of approximately 7,600 square feet. DMG's clinics range in size from approximately 1,000 to 136,000 square feet, with an average size of approximately 10,200 square feet. Our international leases generally range from one to ten years.

Some of our outpatient 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 areas planned for each of these centers, although there can be no assurances in this regard. 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.**

We operate in a highly regulated industry and are a party to various lawsuits, claims, *qui tam* suits, governmental investigations and audits (including investigations resulting from our obligation to self-report suspected violations of law) and other legal proceedings. We record accruals for certain legal proceedings and regulatory matters to the extent that we determine an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. As of December 31, 2017 and December 31, 2016, our total recorded accruals, including DMG, with respect to legal proceedings and regulatory matters, net of anticipated third party recoveries, were approximately \$6 million and \$69 million, respectively. While these accruals reflect our best estimate of the probable loss for those matters as of the dates of those accruals, the recorded amounts may differ materially from the actual amount of the losses for those matters, and any anticipated third party recoveries for any such losses may not ultimately be recoverable. Additionally, in some cases, no estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made because of the inherently unpredictable nature of legal proceedings and regulatory matters, which also may be impacted by various factors, including that they may involve indeterminate claims for monetary damages or may involve fines, penalties or non-monetary remedies; present novel legal theories or legal uncertainties; involve disputed facts; represent a shift in regulatory policy; are in the early stages of the proceedings; or result in a change of business practices. Further, there may be various levels of judicial review available to us in connection with any such proceeding.

The following is a description of certain lawsuits, claims, governmental investigations and audits and other legal proceedings to which we are subject.

#### ***Inquiries by the Federal Government and Certain Related Civil Proceedings***

Swoben Private Civil Suit: On July 13, 2009, pursuant to the *qui tam* provisions of the federal FCA and the California False Claims Act, James M. Swoben, as relator, filed his initial *qui tam* action in the United States District Court for the Central District of California purportedly on behalf of the United States of America and the State of California against SCAN, and certain other defendants whose identities were under seal. In April 2013, HealthCare Partners (HCP), now known as our DMG subsidiary, was one of several defendants served with a civil complaint filed by a former employee of SCAN Health Plan (SCAN), an HMO. The allegations in the complaint relate to alleged overpayments received from government healthcare programs, including allegations of violations of the federal FCA and the California False Claims Act and allegations against HCP relating to patient diagnosis coding. The complaint sought monetary damages and civil penalties as well as costs and expenses. On October 18, 2017, the relator filed a Notice of Dismissal of the action as to HCP, and the government consented to the dismissal, as a result of which the suit is now dismissed, without prejudice.

2015 U.S. Office of Inspector General (OIG) Medicare Advantage Civil Investigation: In March 2015, JSA HealthCare Corporation (JSA), a subsidiary of DMG, received a subpoena from the Office of Inspector General (OIG) for the U.S. Department of Health and Human Services (HHS) requesting documents and information for the period from January 1, 2008

through December 31, 2013, for certain Medicare Advantage (MA) plans for which JSA provided services. It also requests information regarding JSA's communications about patient diagnoses as they relate to certain MA plans generally, and more specifically as related to two Florida physicians with whom JSA previously contracted. We are producing the requested information and are cooperating with the government's investigation.

In addition to the subpoena described above, in June 2015, we received a civil subpoena from the OIG covering the period from January 1, 2008 through the present and seeking production of a wide range of documents relating to our and our subsidiaries' (including DMG's and its subsidiary JSA's) provision of services to MA plans and related patient diagnosis coding and risk adjustment submissions and payments. We believe that the request is part of a broader industry investigation into MA patient diagnosis coding and risk adjustment practices and potential overpayments by the government. The information requested includes information relating to patient diagnosis coding practices for a number of conditions, including potentially improper historical DMG coding for a particular condition. With respect to that condition, the guidance related to that coding issue was discontinued following our November 1, 2012 acquisition of HealthCare Partners (now known as our DMG business), and we notified CMS in April 2015 of the coding practice and potential overpayments. In that regard, we have identified certain additional coding practices which may have been problematic, some of which were the subject of the *Swoben Private Civil Suit*, and are in discussions with the DOJ relating to those practices. We are cooperating with the government. In addition, we are continuing to review other DMG coding practices to determine whether there were any improper coding issues. In connection with our acquisition of DMG in 2012, we have certain indemnification rights against the sellers and an escrow was established as security for the indemnification. We have submitted an indemnification claim against the sellers secured by the escrow for any and all liabilities incurred relating to these matters and intend to pursue recovery from the escrow. However, we can make no assurances that the indemnification and escrow will cover the full amount of our potential losses related to these matters.

2016 U.S. Attorney Prescription Drug Investigation: In early February 2016, we announced that our pharmacy services' wholly-owned subsidiary, DaVita Rx, received a Civil Investigative Demand (CID) from the U.S. Attorney's Office for the Northern District of Texas. The government is conducting an FCA investigation concerning allegations that DaVita Rx presented or caused to be presented false claims for payment to the government for prescription medications, as well as into our relationship with pharmaceutical manufacturers. The CID covers the period from January 1, 2006 through the present. In the spring of 2015, we initiated an internal compliance review of DaVita Rx during which we identified potential billing and operational issues, including potential write-offs and discounts of patient co-payment obligations, and credits to payors for returns of prescription drugs related to DaVita Rx. We notified the government in September 2015 that we were conducting this review of DaVita Rx and began providing regular updates of our review. Upon completion of our review, we filed a self-disclosure with the OIG in February 2016 and we have been working to address and update the practices we identified in the self-disclosure, some of which overlap with information requested by the U.S. Attorney's Office. The OIG informed us in February 2016 that our submission was not accepted. They indicated that the OIG is not expressing an opinion regarding the conduct disclosed or our legal positions. In connection with our ongoing efforts working with the government we learned that a *qui tam* complaint had been filed covering some of the issues in the CID and our self-disclosure. In December 2017, we finalized and executed a settlement agreement with the government and relators in the *qui tam* matter that included total monetary consideration of \$63.7 million, as previously announced, of which \$41.5 million was an incremental cash payment and \$21.2 million was for amounts previously refunded, and all of which was previously accrued. The government's investigation into our relationship with pharmaceutical manufacturers is ongoing and we are continuing to cooperate with the government in this investigation.

2017 U.S. Attorney American Kidney Fund Investigation: On January 4, 2017, we were served with an administrative subpoena for records by the United States Attorney's Office, District of Massachusetts, relating to an investigation into possible federal health care offenses. The subpoena covers the period from January 1, 2007 through the present, and seeks documents relevant to charitable patient assistance organizations, particularly the American Kidney Fund, including documents related to efforts to provide patients with information concerning the availability of charitable assistance. We are cooperating with the government and are producing the requested information.

Although we cannot predict whether or when proceedings might be initiated or when these matters may be resolved (other than as described above), it is not unusual for inquiries such as these to continue for a considerable period of time through the various phases of document and witness requests and ongoing discussions with regulators. In addition to the inquiries and proceedings specifically identified above, we are frequently subject to other inquiries by state or federal government agencies and/or private civil *qui tam* complaints filed by relators. Negative findings or terms and conditions that we might agree to accept as part of a negotiated resolution of pending or future government inquiries or relator proceedings could result in, among other things, substantial financial penalties or awards against us, substantial payments made by us, harm to our reputation, required changes to our business practices, exclusion from future participation in the Medicare, Medicaid and

other federal health care programs and, if criminal proceedings were initiated against us, possible criminal penalties, any of which could have a material adverse effect on us.

#### ***Shareholder Claims***

Peace Officers' Annuity and Benefit Fund of Georgia Securities Class Action Civil Suit: On February 1, 2017, the Peace Officers' Annuity and Benefit Fund of Georgia filed a putative federal securities class action complaint in the U.S. District Court for the District of Colorado against us and certain executives. The complaint covers the time period of August 2015 to October 2016 and alleges, generally, that we and our executives violated federal securities laws concerning our financial results and revenue derived from patients who received charitable premium assistance from an industry-funded non-profit organization. The complaint further alleges that the process by which patients obtained commercial insurance and received charitable premium assistance was improper and "created a false impression of DaVita's business and operational status and future growth prospects." In November 2017, the court appointed the lead plaintiff and an amended complaint was filed on January 12, 2018. Our response is due March 13, 2018. We dispute these allegations and intend to defend this action accordingly.

In re DaVita Inc. Stockholder Derivative Litigation: On August 15, 2017, the U.S. District Court for the District of Delaware consolidated the three previously disclosed shareholder derivative lawsuits: the Blackburn Shareholder action filed on February 10, 2017, the Gabilondo Shareholder action filed on May 30, 2017, and the City of Warren Police and Fire Retirement System Shareholder action filed on June 9, 2017. The complaint covers the time period from 2015 to present and alleges, generally, breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, corporate waste, and misrepresentations and/or failures to disclose certain information in violation of the federal securities laws in connection with an alleged practice to direct patients with government-subsidized health insurance into private health insurance plans to maximize our profits. An amended complaint was filed in September 2017, and on December 18, 2017 we filed a motion to dismiss and a motion to stay proceedings in the alternative. We dispute these allegations and intend to defend this action accordingly.

#### ***Other Proceedings***

In addition to the foregoing, from time to time we are subject to other lawsuits, demands, claims, governmental investigations and audits and legal proceedings that arise due to the nature of our business, including contractual disputes, such as with payors, suppliers and others, employee-related matters and professional and general liability claims. From time to time, we also initiate litigation or other legal proceedings as a plaintiff arising out of contracts or other matters.

\* \* \*

Other than as described above, we cannot predict the ultimate outcomes of the various legal proceedings and regulatory matters to which we are or may be subject from time to time, including those described in this "Item 3. Legal Proceedings" in Part I of this report or the timing of their resolution or the ultimate losses or impact of developments in those matters, which could have a material adverse effect on our revenues, earnings and cash flows. Further, any legal proceedings or regulatory matters we are involved in, whether meritorious or not, are time consuming, and often require management's attention and result in significant legal expense, and may result in the diversion of significant operational resources, or otherwise harm our business, financial results or reputation.

#### **Item 4. Mine Safety Disclosures.**

Not applicable.

## 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 sales prices for our common stock as reported by the New York Stock Exchange.

	High	Low
Year ended December 31, 2017:		
1st quarter	\$ 70.14	\$ 62.24
2nd quarter	70.16	61.48
3rd quarter	66.64	55.59
4th quarter	72.93	52.51
Year ended December 31, 2016:		
1st quarter	\$ 74.18	\$ 61.36
2nd quarter	78.00	72.31
3rd quarter	78.77	62.76
4th quarter	67.44	54.50

The closing price of our common stock on January 31, 2018 was \$78.04 per share. According to Computershare, our registrar and transfer agent, as of January 31, 2018, there were 9,207 holders of record of our common stock. We have not declared or paid cash dividends to holders of our common stock since 1994. We have no current plans to pay cash dividends and we are restricted from paying dividends under the terms of our senior secured credit facilities and the indentures governing our senior notes. See "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.

#### *Stock Repurchases*

The following table summarizes our repurchases of our common stock during the fourth quarter of 2017:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs<sup>(1)</sup></u>	<u>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)</u>
October 1 - October 31, 2017	5,457,839	\$ 59.90	5,457,839	\$ 1,254.3
November 1 - November 30, 2017	431,645	\$ 60.10	431,645	\$ 1,228.4
December 1 - December 31, 2017	1,520,365	\$ 71.87	1,520,365	\$ 1,119.1
Total	7,409,849	\$ 62.37	7,409,849	\$ 1,119.1

- (1) On October 10, 2017, our Board of Directors approved an additional share repurchase authorization in the amount of \$1.3 billion. This share repurchase authorization was in addition to the \$247 million remaining at that time under our Board of Directors' prior share repurchase authorization announced in July 2016. We are authorized to make purchases from time to time in the open market or in privately negotiated transactions, including without limitations, through accelerated share repurchase transactions, derivative transactions, tender offers, Rule 10b5-1 plans or any combination of the foregoing, depending upon market conditions and other considerations. During the quarter ended December 31, 2017, we repurchased a total of 7,409,849 shares of our common stock for approximately \$462 million at an average price of \$62.37 per share. As of February 22, 2018, we have a total of \$1.0 billion remaining in Board authorizations available for share repurchases under our repurchase programs. Although these share repurchase authorizations have no expiration dates, we are subject to share repurchase limitations under the terms of our senior secured credit facilities and the indentures governing our senior notes.

## Item 6. Selected Financial Data.

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. The following table presents selected consolidated financial and operating data for the periods indicated.

	Year ended December 31,				
	2017	2016	2015	2014	2013
(in thousands, except share data)					
<b>Income statement data:</b>					
Net revenues	\$ 10,876,634	\$ 10,707,467	\$ 9,982,245	\$ 9,312,049	\$ 8,580,225
Operating expenses and charges <sup>(2)</sup>	9,063,879	8,677,757	8,845,479	7,711,891	7,464,599
Operating income	1,812,755	2,029,710	1,136,766	1,600,158	1,115,626
Debt expense	(430,634)	(414,116)	(408,380)	(410,223)	(429,938)
Debt refinancing and redemption charges	—	—	(48,072)	(97,548)	—
Other income, net	17,665	7,511	8,073	1,935	6,750
Income from continuing operations before income taxes	1,399,786	1,623,105	688,387	1,094,322	692,438
Income tax expense <sup>(3)</sup>	323,859	431,761	207,510	366,894	246,795
Net income from continuing operations	1,075,927	1,191,344	480,877	727,428	445,643
Net (loss) income from discontinued operations, net of tax <sup>(4)</sup>	(245,372)	(158,262)	(53,467)	135,902	298,182
Gain on disposal of discontinued operations, net of tax <sup>(4)</sup>	—	—	—	—	13,375
Net income	830,555	1,033,082	427,410	863,330	757,200
Less: Net income attributable to noncontrolling interests	(166,937)	(153,208)	(157,678)	(140,216)	(123,755)
Net income attributable to DaVita Inc.	\$ 663,618	\$ 879,874	\$ 269,732	\$ 723,114	\$ 633,445
Basic income from continuing operations per share attributable to DaVita Inc. <sup>(5)</sup>	\$ 4.78	\$ 5.12	\$ 1.53	\$ 2.77	\$ 1.53
Diluted income from continuing operations per share attributable to DaVita Inc. <sup>(5)</sup>	\$ 4.71	\$ 5.04	\$ 1.49	\$ 2.71	\$ 1.50
Weighted average shares outstanding: <sup>(5)</sup>					
Basic	188,626,000	201,641,000	211,868,000	212,302,000	209,939,000
Diluted	191,349,000	204,905,000	216,252,000	216,928,000	214,764,000
Ratio of earnings to fixed charges <sup>(6)</sup>	2.94:1	3.49:1	1.93:1	2.72:1	2.01:1
<b>Balance sheet data:</b>					
Working capital <sup>(1)</sup>	\$ 5,703,181	\$ 1,283,784	\$ 2,104,143	\$ 1,547,518	\$ 600,789
Total assets <sup>(1)</sup>	\$ 18,948,193	\$ 18,755,776	\$ 18,524,224	\$ 17,624,137	\$ 16,614,893
Long-term debt <sup>(1)</sup>	\$ 9,158,018	\$ 8,944,676	\$ 12,972,282	\$ 8,298,624	\$ 8,064,196
Total DaVita Inc. shareholders' equity <sup>(5)</sup>	\$ 4,690,029	\$ 4,648,047	\$ 4,870,781	\$ 5,170,513	\$ 4,432,480

(1) In 2015, we retrospectively adopted ASU 2015-03 related to simplification of debt issuance costs as well as ASU 2015-17 related to classification of deferred taxes. All periods prior to 2015 have been recast to conform to the revised presentation.

(2) Operating expenses and charges in 2017 includes goodwill impairment charges of \$34,696 related to our vascular access reporting unit, an equity investment loss of \$6,293 for goodwill impairments at our APAC JV, an impairment on our investment in the APAC JV of \$280,066, an asset impairment of \$15,168 related to the restructuring of our pharmacy business, restructuring charges related to our international business of \$2,700, a net gain on settlement of \$529,504 and a gain adjustment on the 2016 ownership change of our APAC JV of \$6,273. Operating expenses and charges in 2016 included goodwill impairment charges of \$28,415 related to our vascular access reporting unit, an impairment of an investment of \$14,993, an estimated gain on the ownership change of our APAC JV of \$374,374, and an estimated accrual for certain legal matters of \$15,770. Operating expenses and charges for 2015 included a settlement charge of \$495,000 related to a private civil suit, goodwill impairment charges of \$4,066 related to our international business, and an estimated accrual for certain legal matters of \$22,530. Operating expenses and charges in 2014 and 2013 included an additional \$17,000 and \$397,000 loss contingency accrual related to the settlement of the 2010 and 2011 U.S. Attorney physician relationship investigations, respectively.

(3) Tax expense includes a net tax benefit of \$251,510 related to U.S. tax legislation passed in December 2017.



- (4) On December 5, 2017, we entered into an equity purchase agreement to sell our DMG division to Collaborative Care Holdings, LLC (Optum), a subsidiary of UnitedHealth Group Inc. As a result of this pending transaction, the DMG business has been reclassified as held for sale and its results of operations are reported as net (loss) income from discontinued operations, net of tax for all periods presented. Net (loss) income from discontinued operations, net of tax, also includes HomeChoice Partners Inc. (HomeChoice) which was divested on February 1, 2013. Net (loss) income from discontinued operations, net of tax, in 2017 includes estimated goodwill impairment charges of \$651,659 related to certain DMG reporting units, a net tax benefit of \$163,555 due to a remeasurement of deferred taxes resulting from DMG's reclassification to held for sale, a non-cash gain associated with our Magan acquisition of \$17,129, restructuring charges of \$9,569, and a reduction in estimated accruals for legal matters of \$14,700. Net (loss) income from discontinued operations, net of tax, in 2016 included goodwill impairment charges of \$253,000 related to certain DMG reporting units, a gain related to the partial sale of our interest in Tandigm of \$40,280, a loss on the DMG Arizona sale of \$10,489, an adjustment to reduce receivables associated with the DMG acquisition escrow provision relating to income tax items of \$30,934, and estimated accruals for legal matters of \$16,000. Net (loss) income from discontinued operations, net of tax, in 2015 included estimated goodwill and other intangible asset impairment charges of \$206,169 related to certain DMG reporting units. Net (loss) income from discontinued operations, net of tax, in 2013 includes contingent earn-out obligation, a gain adjustment of \$56,977 related to a decrease in DMG's 2013 contingent earn-out obligation and an adjustment to reduce a tax asset associated with the DMG acquisition escrow provisions of \$7,721.
- (5) In the third quarter of 2013, the Board of Directors approved a two-for-one split of our common stock in the form of a stock dividend payable on September 6, 2013 to stockholders of record on August 23, 2013. Our common stock began trading on a post-split basis on September 9, 2013. Share repurchases consisted of 12,966,672 shares of common stock for \$810,949 in 2017, 16,649,090 shares of common stock for \$1,072,377 in 2016, and 7,779,958 shares of common stock for \$575,380 in 2015. No repurchases of common stock were made in 2014 or 2013. Shares issued in connection with stock awards were 514,091 in 2017, 1,011,328 in 2016, 1,479,217 in 2015, 2,179,766 in 2014, and 1,928,137 in 2013.
- (6) 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 continuing operations adjusted by adding back fixed charges expensed during the period, less noncontrolling interests. Fixed charges include debt expense (interest expense and the write-off and amortization of deferred financing costs), the estimated interest component of rental expense on operating leases and capitalized interest.

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

### *Forward-looking statements*

*This Annual Report on Form 10-K, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, 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 may include statements regarding our future operations, financial condition and prospects, such as expectations for treatment growth rates, revenue per treatment, expense growth, levels of the provision for uncollectible accounts receivable, operating income, cash flow, operating cash flow, estimated tax rates, estimated charges and accruals, capital expenditures, the development of new dialysis centers and dialysis center acquisitions, government and commercial payment rates, revenue estimating risk and the impact of our level of indebtedness on our financial performance, and including earnings per share. 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 risks resulting from the concentration of profits generated by higher-paying commercial payor plans for which there is continued downward pressure on average realized payment rates, and a reduction in the number of patients under such plans, including as a result of restrictions or prohibitions on the use and/or availability of charitable premium assistance, which may result in the loss of revenues or patients, or our making incorrect assumptions about how our patients will respond to any change in financial assistance from charitable organizations; the extent to which the ongoing implementation of healthcare exchanges or changes in or new legislation, regulations or guidance, or enforcement thereof, including among other things those regarding the exchanges, results in a reduction in reimbursement rates for our services from and/or the number of patients enrolled in higher-paying commercial plans; a reduction in government payment rates under the Medicare End Stage Renal Disease program or other government-based programs; the impact of the Medicare Advantage benchmark structure; risks arising from potential and proposed federal and/or state legislation or regulation, including healthcare-related and labor-related legislation or regulation, that could have a material adverse effect on our operations and profitability; the impact of the changing political environment and related developments on the current health care marketplace and on our business, including with respect to the future of the Affordable Care Act, the exchanges and many other core aspects of the current health care marketplace; uncertainties related to the impact of federal tax reform legislation; changes in pharmaceutical or anemia management practice patterns, payment policies, or pharmaceutical pricing; legal compliance risks, including our continued compliance with complex government regulations and the provisions of our current Corporate Integrity Agreement (CIA) and current or potential investigations by various government entities and related government or private-party proceedings, and restrictions on our business and operations required by our corporate integrity agreement and other current or potential settlement terms, and the financial impact thereof and our ability to recover any losses related to such legal matters from third parties; continued increased competition from large- and medium-sized dialysis providers that compete directly with us; our ability to reduce administrative expenses while maintaining targeted levels of service and operating performance, including our ability to achieve anticipated savings from our recent restructurings; our ability to maintain contracts with physician medical directors, changing affiliation models for physicians, and the emergence of new models of care introduced by the government or private sector, that may erode our patient base and reimbursement rates, such as accountable care organizations (ACOs), independent practice associations (IPAs) and integrated delivery systems; our ability to complete acquisitions, mergers or dispositions that we might announce or be considering, on terms favorable to us or at all, or to integrate and successfully operate any business we may acquire or have acquired, or to successfully expand our operations and services to markets outside the United States, or to businesses outside of dialysis; noncompliance by us or our business associates with any privacy laws or any security breach involving the misappropriation, loss or other unauthorized use or disclosure of confidential information; the variability of our cash flows; factors that may impact our ability to repurchase stock under our stock repurchase program and the timing of any such stock repurchases, including market conditions, the price of our common stock, our cash flow position and leverage ratios, and legal, regulatory and contractual requirements; the risk that we might invest material amounts of capital and incur significant costs in connection with the growth and development of our international operations, yet we might not be able to operate them profitably anytime soon, if at all; risks arising from the use of accounting estimates, judgments and interpretations in our financial statements; impairment of our goodwill, investments or other assets; the risks and uncertainties associated with the timing, conditions and receipt of regulatory approvals and satisfaction of other closing conditions of the DMG sale transaction, potential disruption in connection with the DMG sale transaction making it more difficult to maintain business and operational relationships, and uncertainties related to our use of proceeds from the DMG sale transaction, including our ability to repurchase stock; the risk that laws regulating the corporate practice of medicine could restrict the manner in which DMG conducts its business; the risk that the cost of providing services under DMG's agreements may exceed our compensation; the risk that reductions in reimbursement rates, including Medicare Advantage rates, and future regulations may negatively impact DMG's business, revenue and profitability; the risk that DMG may not be able to successfully establish a presence in new geographic regions or successfully address competitive threats that could reduce its profitability; the risk that a disruption in DMG's healthcare provider networks could have an adverse effect on DMG's business operations and profitability; the risk that*

*reductions in the quality ratings of health maintenance organization plan customers of DMG could have an adverse effect on DMG's business; the risk that health plans that acquire health maintenance organizations may not be willing to contract with DMG or may be willing to contract only on less favorable terms; and the other risk factors set forth in Part I, Item 1A. of this Annual Report on Form 10-K. We base our forward-looking statements on information currently available to us, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of changes in underlying factors, new information, future events or otherwise.*

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

## Company overview

The Company has consisted of two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG). Kidney Care is comprised of our U.S. dialysis and related lab services, our ancillary services and strategic initiatives, including our international operations, and our corporate administrative support. Our U.S. dialysis and related lab services business is our largest line of business and is a leading provider of kidney dialysis services in the U.S. for patients suffering from chronic kidney failure, also known as end stage renal disease (ESRD). DMG is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of providing coordinated, outcomes-based medical care in a cost-effective manner.

On December 5, 2017, we entered into an equity purchase agreement to sell our DMG division to Collaborative Care Holdings, LLC (Optum), a subsidiary of UnitedHealth Group Inc. The transaction is expected to close in 2018 and is subject to regulatory approval and other customary closing conditions. As a result of this pending transaction, the DMG business is classified as held for sale and its results of operations are reported as discontinued operations. In addition, prior periods' presentation has been revised to conform to current year presentation and DMG is not included in our Management's Discussion and Analysis below.

The overall financial performance of our U.S. dialysis and related lab services in 2017 benefited from increased treatment volume from acquired and non-acquired growth and cost control initiatives in our dialysis business. This was partially offset by an increase in labor costs and other center related costs.

Some of our major accomplishments and financial operating performance indicators in 2017 and year over year were as follows:

- improved clinical outcomes in our U.S. dialysis operations, including the fifth consecutive year as a leader in CMS' Quality Incentive Program;
- consolidated net revenue growth of 1.6%, which included 2.4% total net revenue growth in our U.S. dialysis segment, despite a decrease of \$5 in average dialysis net patient service revenue per treatment;
- solid performance in our normalized non-acquired U.S. dialysis treatment growth of 3.5%, which contributed to an increase of approximately 4.1% in the overall number of U.S. dialysis treatments;
- a net increase of 160 U.S. dialysis centers, including dialysis centers from the Renal Ventures acquisition, and a net increase of 83 international dialysis centers;
- an increase in our overall number of patients we serve in the U.S. of approximately 5.4% in 2017;
- a decrease in U.S. dialysis and lab related services patient care costs of approximately \$2 per treatment and a decrease in general and administrative expenses of approximately \$1 per treatment; and
- consolidated operating cash flows of \$1.9 billion, or \$1.6 billion from continuing operations, which included the net VA settlement of \$332 million.

We believe 2018 will be challenging. We continue to expect clinical costs to increase due to inflation and a tight labor market and we do not foresee an opportunity to offset these pressures with productivity improvements. With labor cost inflation continuing to outpace Medicare reimbursement, we anticipate that margins on our Medicare business will continue to experience pressure. In addition, we will experience an increase in benefit costs as we transition to a 401(k) plan match program as our 2017 benefit costs did not include a comparable expense. In 2018 we also anticipate additional reimbursement pressure on our pharmacy business. We remain committed to our plans for international expansion in certain regions, which will continue to require investment. We anticipate that these challenges will be partially offset in 2018 by the expected reduction in income taxes as a result of recent U.S. tax reform legislation. In addition, in connection with our previously announced capital allocation strategy, in 2018 we plan to continue our evaluation of strategic alternatives for various assets in our portfolio.

Following is a summary of our consolidated operating results for reference in the discussion that follows.

	Year ended December 31,								
	2017		2016		2015				
	(dollars in millions)								
Net revenues:									
Dialysis and related lab patient service revenues	\$	10,094	\$	9,727	\$	9,155			
Less: Provision for uncollectible accounts		(485)		(431)		(413)			
Net dialysis and related lab patient service revenues		9,608		9,296		8,743			
Other revenues		1,268		1,411		1,240			
Total net consolidated revenues		10,877	100 %	10,707	100 %	9,982	100 %		
Operating expenses and charges:									
Patient care costs		7,640	70 %	7,432	69 %	6,856	69 %		
General and administrative		1,064	10 %	1,073	10 %	1,031	10 %		
Depreciation and amortization		560	5 %	509	5 %	464	5 %		
Provision for uncollectible accounts		(7)	— %	12	— %	9	— %		
Equity investment loss (income)		9	— %	(17)	— %	(14)	— %		
Investment and other asset impairments		295	3 %	15	— %	—	— %		
Goodwill impairment charges		36	— %	28	— %	4	— %		
Gain on changes in ownership interests		(6)	— %	(374)	(3)%	—	— %		
Gain on settlement, net		(527)	(5)%	—	— %	—	— %		
Settlement charge		—	— %	—	— %	495	5 %		
Total operating expenses and charges		9,064	83 %	8,678	81 %	8,845	89 %		
Operating income	\$	1,813	17 %	\$	2,030	19 %	\$	1,137	11 %

Certain columns, rows or percentages may not sum or recalculate due to the use of rounded numbers.

The following table summarizes our consolidated net revenues among our reportable segments:

	Year ended December 31,					
	2017	2016	2015			
	(dollars in millions)					
Net revenues:						
U.S. dialysis and related lab patient service revenues	\$	9,822	\$	9,551	\$	9,034
Less: Provision for uncollectible accounts		(482)		(430)		(406)
U.S. dialysis and related lab net patient service revenues		9,340		9,121		8,628
Other revenues		20		17		14
Total net U.S. dialysis and related lab services revenues		9,360		9,138		8,642
Other-ancillary services and strategic initiatives other revenues		1,273		1,420		1,248
Other-ancillary services and strategic initiatives net patient service revenues (less provision for uncollectible accounts)		323		202		134
Total net other-ancillary services and strategic initiatives revenues		1,596		1,621		1,382
Total net segment revenues		10,956		10,759		10,024
Elimination of intersegment revenues		(80)		(52)		(42)
Consolidated net revenues	\$	10,877	\$	10,707	\$	9,982

Certain columns, rows or percentages may not sum or recalculate due to the use of rounded numbers.

The following table summarizes consolidated operating income and adjusted consolidated operating income:

	Year ended December 31,		
	2017	2016	2015
	(dollars in millions)		
U.S. dialysis and related lab services	\$ 2,297	\$ 1,777	\$ 1,260
Other — ancillary services and strategic initiatives	(439)	267	(104)
<b>Total segment operating income</b>	<b>1,858</b>	<b>2,044</b>	<b>1,156</b>
Reconciling corporate items:			
Corporate administrative support	(45)	(14)	(19)
<b>Consolidated operating income</b>	<b>\$ 1,813</b>	<b>\$ 2,030</b>	<b>\$ 1,137</b>
Reconciliation of non-GAAP measure:			
Goodwill impairment charges	35	28	4
Equity investment loss related to APAC JV goodwill impairment	6	—	—
Impairment of investment	280	15	—
Impairment of assets	15	—	—
Restructuring charges	2	—	—
Equity investment loss related to restructuring charges	1	—	—
Gain on settlement, net	(527)	—	—
Equity investment income related to gain on settlement	(3)	—	—
Gain on APAC JV ownership changes	(6)	(374)	—
Accruals for legal matters	—	16	22
Settlement charge	—	—	495
<b>Adjusted consolidated operating income<sup>(1)</sup></b>	<b>\$ 1,616</b>	<b>\$ 1,715</b>	<b>\$ 1,658</b>

Certain columns, rows or percentages may not sum or recalculate due to the use of rounded numbers.

- (1) For the periods presented in the table above adjusted operating income is defined as operating income before certain items which we do not believe are indicative of ordinary results, including goodwill impairment charges, investment and other asset impairments, restructuring charges, a net settlement gain, gains on ownership changes, estimated accruals for certain legal matters and a settlement charge. Adjusted operating income as so defined is a non-GAAP measure and is not intended as a substitute for GAAP operating income. We have presented these adjusted amounts because management believes that these presentations enhance a user's understanding of our normal consolidated operating income by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normalized prior period results.

#### Consolidated net revenues

Consolidated net revenues for 2017 increased by approximately \$170 million, or 1.6%, from 2016. This increase in consolidated net revenues was due to an increase in U.S. dialysis and related lab services net revenues of approximately \$222 million, principally as a result of solid volume growth from additional treatments, partially offset by a decrease of approximately \$5 in average dialysis net patient service revenue per treatment and by one less treatment day in 2017, as discussed below. Revenue for 2017 was negatively impacted by a decrease of approximately \$25 million from 2016 in our ancillary services and strategic initiatives driven primarily from decreases in revenue from our pharmaceutical business, partially offset by an increase in net revenues from expansion in our international business and increases in VillageHealth revenues, as described below.

Consolidated net revenues for 2016 increased by approximately \$725 million, or 7.3%, from 2015. This increase in consolidated net revenues was due to an increase in U.S. dialysis and related lab services net revenues of approximately \$496 million, principally resulted from solid volume growth from additional treatments, one additional treatment day in 2016, and an increase of \$4 in the average dialysis net patient service revenue per treatment, as discussed below. In addition, revenue for 2016 increased by approximately \$239 million from 2015 in our ancillary services and strategic initiatives driven primarily from growth in our pharmaceutical business and from expansion in our international business and other strategic initiatives.

### *Consolidated operating income*

Consolidated operating income of \$1.813 billion for 2017, which includes goodwill impairment charges of \$35 million related to our vascular access reporting unit, an equity investment loss of \$6 million for goodwill impairments at our APAC JV, an impairment of \$280 million on our investment in the APAC JV, an asset impairment of \$15 million related to the restructuring of our pharmacy business, restructuring charges in our international business of \$3 million, a net gain on settlement of \$530 million, and a gain adjustment on the 2016 ownership change of our APAC JV of \$6 million, as discussed below, decreased by \$217 million as compared to 2016, which included goodwill impairment charges of \$28 million, an investment impairment of \$15 million, an estimated gain on the ownership change of our APAC JV of \$374 million and estimated accruals for legal matters of \$16 million. Excluding these items from their respective periods, adjusted consolidated operating income for 2017 decreased by approximately \$99 million due to an increase in adjusted operating losses in our ancillary and strategic initiatives of \$59 million, an increase in expenses in our corporate administrative support of \$31 million, and a decrease in adjusted operating income in U.S. dialysis and related lab services of \$9 million, as described below.

Consolidated operating income of \$2.030 billion for 2016, which included goodwill impairment charges of \$28 million related to our vascular access reporting unit, an investment impairment of \$15 million, an estimated gain on the ownership change of our APAC JV of \$374 million and estimated accruals for legal matters of \$16 million increased by approximately \$893 million from 2015, which included estimated impairment charges of approximately \$4 million, estimated accruals for legal matters of \$22 million and a settlement charge of \$495 million. Excluding these items from their respective periods, adjusted consolidated operating income for 2016 increased by approximately \$57 million. Adjusted consolidated operating income increased primarily as a result of an increase in adjusted operating income in U.S. dialysis and related lab services of \$22 million, a decrease in adjusted operating losses in our ancillary and strategic initiatives of \$30 million, and a decrease in expenses in our corporate administrative support of \$5 million, as described below.

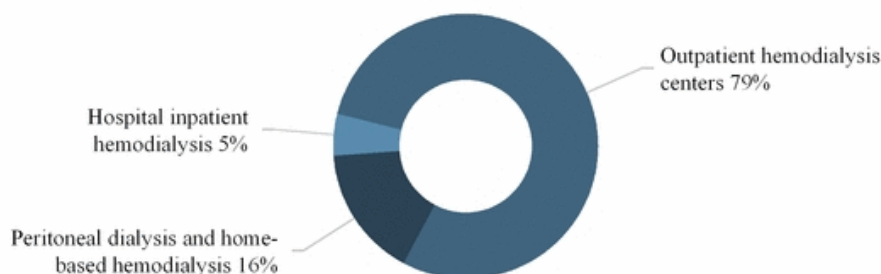
### **U.S. dialysis and related lab services business**

Our U.S. dialysis and related lab services business is a leading provider of kidney dialysis services through a network of 2,510 outpatient dialysis centers which we own and manage through management services agreements, in 46 states and the District of Columbia, serving a total of approximately 197,800 patients. We also provide acute inpatient dialysis services in approximately 900 hospitals. We estimate that we have approximately a 37% share of the U.S. dialysis market based upon the number of patients we serve. In 2017, our overall network of U.S. outpatient dialysis centers increased by 160 dialysis centers, primarily as a result of opening new dialysis centers and from acquisitions of existing dialysis centers. The overall number of patients that we serve in the U.S. increased by approximately 5.4% in 2017, including dialysis patients from the Renal Ventures acquisition, as compared to 2016.

The stated mission of our U.S. dialysis and related lab services is to be the provider, partner and employer of choice. We believe our attention to these three stakeholders—our patients, our business partners, and our teammates—represents a major driver of our long-term performance, although we are subject to the impact of external factors such as government policy, physician practice patterns, commercial payor payment rates and the mix of commercial and government patients, as further described in Item 1A Risk Factors. 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 (DQI). Our clinical outcomes as measured by DQI have improved over each of the past several years, which we believe directly decreases patient mortalities. Our patient mortality percentages have decreased from 19.0% in 2001 to 13.8% in 2016. For the fifth year in a row, we have been a leader in the industry in QIP standards and for the last three years for which data is available, we have been a leader in the industry under the CMS Five-Star Quality Rating systems. Over the last two years our clinical teammate turnover has increased slightly due to increased competition for skilled clinical personnel; however, despite this headwind, we have continued to improve our clinical performance. We will continue to focus on these three stakeholders and our clinical outcomes as we believe these are fundamental long-term value drivers.

We believe our national scale, size and commitment to our patients, among other things, allows us to provide industry-leading quality care with superior clinical outcomes that attracts patients, referring physicians, and qualified medical directors to our network, which in turn provides our dialysis patient base with a large number of outpatient dialysis centers to choose from with convenient locations and access to a full range of other integrated services, which in turn provides us the ability to effectively and efficiently manage a patient's care and certain costs while still maintaining strong legal and compliance programs.

The following graph summarizes our U.S. dialysis services revenues by modality for the year ended December 31, 2017:



Approximately 86% of our 2017 consolidated net revenues were derived directly from our U.S. dialysis and related lab services business. Approximately 79% of our 2017 dialysis services revenues were derived from outpatient hemodialysis services in our 2,471 consolidated U.S. dialysis centers. Other dialysis services, which are operationally integrated with our dialysis operations, are peritoneal dialysis, home-based hemodialysis, hospital inpatient hemodialysis and management and administrative services provided to dialysis centers in which we own a noncontrolling interest or which are wholly owned by third parties. These services collectively accounted for the balance of our 2017 U.S. dialysis and related lab services revenues.

The principal drivers of our U.S. dialysis and related lab services revenues are:

- the number of treatments, which is primarily a function of the number of chronic patients requiring approximately three treatments per week as well as, to a lesser extent, the number of treatments for peritoneal dialysis and home-based dialysis and hospital inpatient dialysis; and
- average dialysis net patient service revenue per treatment, including the mix of commercial and government patients.

The total U.S. dialysis patient base is a relatively stable and growing factor, and is fundamentally influenced by a demographically growing need for dialysis services, as well as mortality rates that are common for patients with ESRD. The United States Renal Data System has reported an approximate compound annual growth rate of 3.8% from 2000 to 2015 for the U.S. dialysis patient population.

We believe our ability to maintain a stable or growing share of the U.S. dialysis patient base is influenced by the quality of our relationships with referring physicians and the quality of our clinical care, which can lead to reduced patient mortality rates, as described above, as well as our ability to open and acquire new dialysis centers.

Our average U.S. dialysis and related lab services net patient service revenue per treatment is driven by changes in our mix of commercial and government (principally Medicare and Medicaid) patients, commercial and government payment rates, and our billing and collecting operations performance.

On average, dialysis-related payment rates from contracted commercial payors are significantly higher than Medicare, Medicaid and other government program payment rates, and therefore the percentage of commercial patients in relation to total patients represents a major driver of our total average dialysis net patient service revenue per treatment. The percentage of commercial patients covered under contracted plans as compared to commercial patients with out-of-network providers has continued to increase, which can significantly affect our average dialysis net patient service revenue per treatment since commercial payment rates for patients with out-of-network providers are on average higher than in-network payment rates that are covered under commercial contracted plans.

In addition, growth of our government-based patients outpaced the growth of our commercial patients in 2017 due to a decrease in exchange patients. Government dialysis-related payment rates in the U.S. are principally determined by federal Medicare and state Medicaid policy. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate which provides a fixed payment rate encompassing all goods and services provided during



the dialysis treatment, including certain pharmaceuticals such as Epogen® (EPO), vitamin D analogs and iron supplements, irrespective of the amount of pharmaceuticals administered to the patient or additional services performed. Most lab services are also included in the bundled payment. Under the ESRD PPS, the bundled payments to a dialysis facility may be reduced by as much as 2% based on the facility's performance in specified quality measures set annually by CMS through QIP, which was established by the Medicare Improvements for Patients and Providers Act of 2008. The bundled payment rate is also adjusted for certain patient characteristics, a geographic usage index and certain other factors.

This bundled payment system presents certain operating, clinical and financial risks as further described in the risk factor in Item 1A Risk Factors under the heading "Changes in the structure of and payment rates under the Medicare ESRD program could have a material adverse effect on our business, results of operations and financial condition." For example, with regard to the expanded list of case-mix adjusters, there is a risk that our dialysis centers or billing and other systems may not accurately document and track the appropriate patient-specific characteristics, resulting in a reduction or overpayment in the amounts of the payments that we would otherwise be entitled to receive. In addition, as new drugs, services or labs are added to the ESRD bundle, CMS' failure to adequately calculate the costs associated with the drugs, services or labs could have a material adverse effect on our business, results of operations and financial condition.

Uncertainty about future payment rates remains a material risk to our business, as well as the potential implementation of or changes in coverage determinations or other rules or regulations by CMS or MACs that may impact reimbursement. An important provision in the law is an annual adjustment, or market basket inflation update, to the ESRD PPS base rate. Absent action by Congress, the PPS base rate is automatically updated annually by a formulaic inflation adjustment.

In December 2013, CMS issued the 2014 final rule for the ESRD PPS, which phases in the payment reductions mandated by ATRA, as modified by the Protecting Access to Medicare Act of 2014 which reduced our market basket inflation adjustment by 1.25% in 2016 and 2017, and by 1% in 2018. In November 2017, CMS published the 2018 final rule for the ESRD PPS, which increased dialysis facilities' bundled payment rate for 2018 relative to prior years. In particular, CMS projects that the 2018 final rule for the ESRD PPS will (i) increase the total payments to all ESRD facilities by 0.5% in 2018 compared to 2017; (ii) increase total payments to hospital-based ESRD facilities by 0.7% in 2018 compared to 2017; and (iii) increase total payments for freestanding facilities by 0.5% in 2018 compared to 2017. The 2018 final rule for ESRD PPS also implements changes to the PPS outlier policy, broadening the pricing methodologies used to determine the cost of certain service drugs and biologicals in computing outlier payments when average sales price data is not available.

As a result of the BCA and subsequent activity in Congress, a \$1.2 trillion sequester (across-the-board spending cuts) in discretionary programs took effect on April 1, 2013, reducing Medicare payments by 2% which was subsequently extended through fiscal year 2027. These across-the-board spending cuts have affected and will continue to adversely affect our business, results of operations and financial condition.

The CMS Innovation Center is working with various healthcare providers to develop, refine and implement ACOs and other innovative models of care for Medicare and Medicaid beneficiaries. We are uncertain of the extent to which the long-term operation and evolution of these models of care, including ACOs, Bundled Payments for Care Improvement Initiative, the CEC Model (which includes the development of ESCOs), the Comprehensive Primary Care Initiative, the Duals Demonstration, or other models, will impact the healthcare market over time. Our U.S. dialysis business may choose to participate in one or several of these models either as a partner with other providers or independently. We currently participate in the CEC Model with the Innovation Center, including with the ESCO organizations in the Arizona, Florida, and adjacent New Jersey and Pennsylvania markets. In areas where we are not directly participating in this or other Innovation Center models, some of our patients may be assigned to an ACO, another ESRD Care Model, or another program, in which case the quality and cost of care that we furnish will be included in an ACO's, another ESRD Care Model's or other programs' calculations.

The Department of Health and Human Services (HHS) has also pledged to tie 50% of Medicare payments to quality or alternate payment models by the end of 2018. As new models of care emerge and evolve, we may be at risk for losing our Medicare patient base, which would have a material adverse effect on our revenues, earnings and cash flows. Other initiatives in the government or private sector may also arise, including the development of models similar to ACOs, independent practice associations (IPAs) and integrated delivery systems or evolutions of those concepts which could adversely impact our business.

We anticipate that we will continue to experience increases in our operating costs in 2018 that will outpace any net Medicare rate increases that we may receive, which could significantly impact our operating results. In particular, we expect to continue experiencing increases in operating costs that are subject to inflation, such as labor and supply costs, including increases in maintenance costs and capital expenditures to improve, renovate and maintain our facilities, equipment and information technology to meet changing regulatory requirements, regardless of whether there is a compensating inflation-based increase in Medicare payment rates or in payments under the bundled payment rate system.

Dialysis payment rates from commercial payors can vary and a major portion of our commercial rates are set at contracted amounts with payors and are subject to intense negotiation pressure. Our commercial payment rates also include payments for out-of-network patients that on average are higher than our in-network commercial contract rates. We continue to enter into some commercial contracts covering certain patients that will primarily pay us a single bundled payment rate for all dialysis services provided to these patients. However, some contracts will pay us for certain other services and pharmaceuticals in addition to the bundled payment. We are continuously in the process of negotiating agreements with our commercial payors, and if our negotiations result in overall commercial contract payment rate reductions in excess of our commercial contract payment rate increases, or if commercial payors implement plans that restrict access to coverage or the duration or breadth of benefits or impose restrictions or limitations on patient access to commercial plans on non-contracted or out-of-network providers, it could have a material adverse effect on our business, results of operations and financial condition. In addition, if there is an increase in job losses in the U.S., or depending upon changes to the healthcare regulatory system by CMS and/or the impact of healthcare insurance exchanges, we could experience a decrease in the number of patients covered under commercial insurance plans and/or an increase in uninsured or underinsured patients. Patients with commercial insurance who cannot otherwise maintain coverage frequently rely on financial assistance from charitable organizations, such as the American Kidney Fund. If these patients are unable to obtain or continue to receive or receive for a limited duration, such financial assistance, or if our assumptions about how patients will respond to any change in such financial assistance are incorrect, it could have a material adverse effect on our business, results of operations and financial condition. For further details, see the risk factor in Item 1A Risk Factors under the heading “If patients in commercial plans are subject to restriction in plan designs or the average rates that commercial payors pay us decline significantly, it would have a material adverse effect on our business, results of operations and financial condition.”

Our operating performance with respect to dialysis services billing and collection can also be a significant factor in the average U.S. dialysis and related lab services net patient service revenue per treatment we recognize and are able to collect. Over the past several years we have invested heavily in upgrades to our systems and internal processes that we believe have helped improve our operating performance and reduced our regulatory compliance risks, and we expect to continue to improve these systems and processes. We continue to upgrade our billing and other systems; however, as we continue to make upgrades to our systems and processes, or as payors change their systems and requirements, such as changes to what is included in the bundled payment from Medicare, we could experience a negative impact to our cash collection performance, which would affect our average U.S. dialysis and related lab services net patient service revenue per treatment.

Our U.S. dialysis and related lab services 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 collectability of our billings as of the reporting date based upon our actual historical collection experience. Changes in estimates are reflected in the then-current period financial statements based upon on-going actual experience and trends, or subsequent settlements and realizations depending on the nature and predictability of the estimates and contingencies.

Our average U.S. dialysis and related lab services net patient service revenue per treatment can be significantly impacted by several major factors, including our commercial payment rates; government payment policies regarding reimbursement amounts for dialysis treatments covered under Medicare’s bundled payment rate system, including our ability to capture certain patient characteristics; and changes in the mix of government and commercial patients and the number of commercial patients that are either covered under commercial contracts or are out of network.

Our annual average U.S. dialysis and related lab services net patient service revenue per treatment was approximately \$330, \$336 and \$332 for 2017, 2016 and 2015, respectively. In 2017, our average U.S. dialysis and related lab services net patient service revenue per treatment decreased by approximately \$5 per treatment due to a decrease in our commercial treatment volume, a decline in our commercial payor mix, including exchange patients, and an increase in our provision for uncollectible accounts. In 2016, our average U.S. dialysis and related lab services net patient service revenue per treatment increased by approximately \$4 per treatment due to an increase in our average commercial payment rates and improvements in our commercial payor mix, partially offset by an increase in our provision for uncollectible accounts.

The principal drivers of our U.S. dialysis and related lab services patient care costs are clinical hours per treatment, labor rates, vendor pricing of pharmaceuticals, utilization levels of pharmaceuticals, business infrastructure costs, which include the operating costs of our dialysis centers, and certain professional fees. However, other cost categories can also present significant cost variability, such as employee benefit costs, payroll taxes, insurance costs and medical supply costs. In addition, currently pending and future proposed ballot initiatives or referendums, legislation or policy changes could cause us to incur substantial costs to challenge and, if implemented, impose additional requirements on our operations, including increases in the required staffing levels or staffing ratios for clinical personnel, minimum transition times between treatments, limits on how much patients may be charged for care, limitations as to the amount that can be spent on certain medical costs, and a ceiling on the percent of profit for such care. Changes such as these mandated by currently pending and future ballot initiatives or

referendums, legislation or policy changes would likely materially reduce our revenues and increase our operating expense and impact our ability to staff our clinics to the new, elevated staffing levels, in particular given the ongoing nationwide shortage of healthcare workers, especially nurses.

Our average clinical hours per treatment, or productivity levels, were flat in 2017 compared to 2016. We are always striving for improved productivity levels, however, changes in federal and state policies or regulatory billing requirements can lead to increased labor costs in order to implement these new requirements, which can adversely impact our ability to achieve optimal productivity levels. In addition, improvements in the U.S. economy have stimulated additional competition for skilled clinical personnel resulting in slightly higher teammate turnover in 2017, which we believe negatively affected productivity levels. In 2017 and 2016, we experienced an increase in our clinical labor rates of approximately 4.0% and 2.8%, respectively, consistent with general industry trends, mainly due to the high demand for and nationwide shortage of skilled clinical personnel, along with general inflation increases. In 2018, we will have a year-over-year accounting headwind of up to \$100 million as we finish the transition from a profit sharing program to a 401(k) match program. With the old program, we accrued for the expense in the calendar year before payout; with the new program, we will accrue for the expense as we pay out. This accounting change created a one-year gap in 2017 when we did not need to accrue for any such payouts. We also continue to experience increases in the infrastructure and operating costs of our dialysis centers, primarily due to the number of new dialysis centers opened, and general increases in rent, utilities and repairs and maintenance. In 2017, we continued to implement certain cost control initiatives to manage our overall operating costs, including labor productivity.

Our U.S. dialysis and related lab services general and administrative expenses represented 8.1% and 8.2% of our U.S. dialysis and related lab services net revenues in 2017 and 2016, respectively. Although slightly down as a percent of net revenues, general and administrative expenses increased by \$9 million, primarily due to an increase in labor and benefit costs and occupancy costs, partially offset by a decrease in long-term compensation, profit sharing and travel expenses. Increases in general and administrative expenses over the last several years were primarily related to strengthening our dialysis business, improving our regulatory compliance and other operational processes, responding to certain legal and compliance matters, and professional fees associated with enhancing our information technology systems. We expect that these levels of expenditures on our U.S. dialysis and related lab services general and administrative expenses will continue in 2018 and could possibly increase as we seek out new business opportunities within the dialysis industry and continue to invest in improving our information technology infrastructure and the level of support required for our regulatory compliance and legal matters.

## Results of Operations

The following table reflects the results of operations for our U.S. dialysis and related lab services business:

	Year ended December 31,		
	2017	2016	2015
	(dollars in millions, except treatment data)		
U.S. dialysis and related lab patient service revenues	\$ 9,822	\$ 9,551	\$ 9,034
Less: Provision for uncollectible accounts	(482)	(430)	(406)
U.S. dialysis and related lab net patient service revenues	9,340	9,121	8,628
Other revenues	20	17	14
Total U.S. dialysis and related lab net services revenues	9,360	9,138	8,642
Operating expenses and charges:			
Patient care costs	6,334	6,145	5,755
General and administrative	760	751	709
Depreciation and amortization	521	483	438
Equity investment income	(25)	(18)	(15)
Gain on settlement	(527)	—	—
Settlement charge and loss contingency accruals	—	—	495
Total operating expenses and charges	7,063	7,361	7,382
Operating income	\$ 2,297	\$ 1,777	\$ 1,260
Reconciliation of non-GAAP measures:			
Gain on settlement, net	(527)	—	—
Equity investment income related to gain on settlement	(3)	—	—
Settlement charge	—	—	495
Adjusted operating income <sup>(1)</sup>	\$ 1,768	\$ 1,777	\$ 1,755
Dialysis treatments	28,271,113	27,162,545	25,986,719
Average dialysis treatments per treatment day	90,468	86,532	83,104
Average U.S. dialysis and related lab services patient service revenue per treatment	\$ 347.43	\$ 351.64	\$ 347.64
Less: Provision for uncollectible accounts per treatment	(17.05)	(15.83)	(15.64)
Average U.S. dialysis and related lab services net patient service revenue per treatment	\$ 330.38	\$ 335.81	\$ 332.00

Certain columns, rows or percentages may not sum or recalculate due to the use of rounded numbers.

- (1) For the periods presented in the table above adjusted operating income is defined as operating income before certain items which we do not believe are indicative of ordinary results, including a net settlement gain and a settlement charge related to a legal matter. Adjusted operating income as so defined is a non-GAAP measure and is not intended as a substitute for GAAP operating income. We have presented these adjusted amounts because management believes that these presentations enhance a user's understanding of our normal consolidated operating income by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normalized prior period results.

### Net revenues

U.S. dialysis and related lab services net revenues for 2017 increased by approximately \$222 million, or 2.4%, from 2016. This increase in net revenues was primarily driven by solid volume growth from additional treatments of approximately 4.1% due to an increase in acquired and non-acquired treatments, including the acquisition of Renal Ventures. U.S. dialysis and related lab services' net revenues was negatively impacted by approximately one less treatment day in 2017 as compared to 2016, a decrease in the average dialysis net patient service revenue per treatment of approximately \$5, primarily due to a decrease in our commercial payor mix, including exchange patients. In addition, our provision for uncollectible accounts increased by \$52 million in 2017.

U.S. dialysis and related lab services net revenues for 2016 increased by approximately \$496 million, or 5.7%, from 2015. This increase in net revenues was primarily driven by solid volume growth from additional treatments of approximately 4.5% due to an increase in acquired and non-acquired treatment growth at existing and new dialysis centers, as well as one additional treatment day in 2016 as compared to 2015. U.S. dialysis and related lab services' net revenues also benefited from an increase in the average dialysis net patient service revenue per treatment of approximately \$4, primarily due to an increase in our average commercial payment rates and improvements in our commercial payor mix. In addition, our provision for uncollectible accounts increased by \$24 million in 2016.

The following table summarizes our U.S. dialysis services revenues by source:

	2017	2016	2015
Medicare and Medicare-assigned plans	56%	55%	56%
Medicaid and Managed Medicaid plans	7	5	6
Other government-based programs	4	4	4
Total government-based programs	67	64	66
Commercial (including hospital dialysis services)	33	36	34
Total U.S. dialysis and related lab services revenues	100%	100%	100%

Approximately 67% of our total U.S. dialysis services revenues for the year ended December 31, 2017 were from government-based programs, principally Medicare, Medicaid, Medicare-assigned and Managed Medicaid plans, representing approximately 89.5% of our total patients. Over the last year we have seen a decline in our commercial patients, which have been outpaced by the growth of our government-based patients. Less than 1% of our U.S. dialysis and related lab services revenues are due directly from patients. There is no single commercial payor that accounted for more than 10% of total U.S. dialysis and related lab services revenues for the year ended December 31, 2017.

On average, dialysis-related payment rates from contracted commercial payors are significantly higher than Medicare, Medicaid and other government program payment rates, and therefore the percentage of commercial patients as a relationship to total patients represents a major driver of our total average dialysis net patient service revenue per treatment. For a patient covered by a commercial insurance plan, Medicare generally becomes the primary payor after 33 months, which includes the three month waiting period, or earlier if the patient's commercial insurance plan coverage terminates. When Medicare becomes the primary payor, the payment rates we receive for that patient shift from the commercial insurance plan rates to Medicare payment rates, which on average are significantly lower than commercial insurance rates. Medicare payment rates are insufficient to cover our costs associated with providing dialysis services, and we therefore lose money on each Medicare treatment that we provide.

Nearly all of our net earnings from our U.S. dialysis and related lab services are derived from commercial payors, some of which pay at established contract rates and others of which pay negotiated payment rates based on our usual and customary fee schedule for out-of-network patients, which are typically higher than commercial contracted rates. If we experience an overall net reduction in our contracted and non-contracted commercial payment rates as a result of negotiations, restrictions or changes to the healthcare regulatory system, including the potential impact of healthcare insurance exchanges, it could have a material adverse effect on our business, results of operations and financial condition.

#### *Operating expenses and charges*

*Patient care costs.* U.S. dialysis and related lab services patient care costs are those costs directly associated with operating and supporting our dialysis centers and consist principally of labor, benefits, pharmaceuticals, medical supplies and other operating costs of the dialysis centers. U.S. dialysis and related lab services patient care costs on a per treatment basis were \$224 and \$226 for 2017 and 2016, respectively. The \$2 decrease in per treatment costs in 2017 as compared to 2016 was primarily attributable to a decrease in pharmaceutical unit costs due to a net price reduction as well as a decrease in profit sharing expense. These decreases were partially offset by an increase in labor and benefit costs due to an increase in teammates and clinical labor rates, and an increase in other direct operating expenses associated with our dialysis centers, including the impact of the hurricanes during the third quarter of 2017.

U.S. dialysis and related lab services patient care costs on a per treatment basis were \$226 and \$221 for 2016 and 2015, respectively. The \$5 increase in per treatment costs in 2016 as compared to 2015 was primarily attributable to an increase in labor and benefit costs due to a decrease in productivity, increased turnover and clinical labor rates, an increase in other direct operating expenses associated with our dialysis centers and an increase in pharmaceutical unit costs. These increases were partially offset by a decrease in professional fees.

*General and administrative expenses.* U.S. dialysis and related lab services general and administrative expenses in 2017 increased by approximately \$9 million as compared to 2016. This increase was primarily due to an increase in our labor and benefit costs, and occupancy costs, partially offset by a decrease in long-term incentive compensation, profit sharing and travel expenses.

U.S. dialysis and related lab services general and administrative expenses in 2016 increased by approximately \$42 million as compared to 2015. This increase was primarily due to an increase in our labor and benefit costs, occupancy, and legal costs, partially offset by a decrease in long-term incentive compensation expense.

*Depreciation and amortization.* U.S. dialysis and related lab services depreciation and amortization expenses for 2017 increased by approximately \$38 million as compared to 2016 and increased by \$45 million in 2016 as compared to 2015. The increases were primarily due to both growth through new dialysis center developments and acquisitions as well as additional informational technology initiatives.

*Gain on settlement, net.* During the first quarter of 2017, we reached an agreement with the government for amounts owed to us for dialysis services provided from 2005 through 2011 to patients covered by the Department of Veterans Affairs (VA). As a result of this settlement we recognized a one-time net gain of \$527 million as well as equity investment income of \$3 million for our share of the settlement recognized by our nonconsolidated joint ventures. As such, the total effect of this settlement on our operating income was an increase of \$530 million.

*Provision for uncollectible accounts receivable.* The provision for uncollectible accounts receivable for our U.S. dialysis and related lab services business was 4.9% for 2017 and 4.5% for both 2016 and 2015. We continue to experience higher amounts of accounts receivable write-offs due to uninsured and underinsured patients. We assess our level of provision for uncollectible accounts based upon our historical cash collection experience and trends, and have and will continue to adjust the provision as necessary as a result of changes in expectations based on our cash collections.

*Equity investment income.* Equity investment income was approximately \$25 million, \$18 million and \$15 million in 2017, 2016 and 2015, respectively. The increases in equity investment income over the last three years were primarily due to the increase in the number of our nonconsolidated dialysis joint ventures and an increase in profitability at some of these joint ventures.

#### *Segment operating income*

U.S. dialysis and related lab services operating income for 2017, which includes a net gain on the VA settlement of \$530 million, increased by approximately \$520 million as compared to 2016. Excluding this item from 2017, U.S. dialysis and related lab services adjusted operating income decreased by approximately \$9 million from 2016. This decrease in adjusted operating income was primarily due to a decrease in the average dialysis net patient service revenue per treatment of approximately \$5, one less treatment day, partially offset by treatment growth, as described above. Adjusted operating income also decreased due to an increase in general and administrative expenses, partially offset by lower patient care costs, as described above.

U.S. dialysis and related lab services operating income for 2016 increased by approximately \$517 million as compared to 2015, which included a settlement charge of \$495 million. Excluding this item from 2015, U.S. dialysis and related lab services adjusted operating income increased by \$22 million. This increase in adjusted operating income was primarily due to treatment growth as a result of additional dialysis treatments, one additional treatment day, and an increase in the average dialysis net patient service revenue per treatment of approximately \$4, as described above. Adjusted operating income also increased due to a decrease in long-term incentive compensation expense, partially offset by higher patient care costs and an increase in general and administrative expenses, as described above.

#### *Other—Ancillary services and strategic initiatives business*

Our other operations include ancillary services and strategic initiatives which are primarily aligned with our core business of providing dialysis services to our network of patients. As of December 31, 2017, these consisted primarily of pharmacy services, disease management services, vascular access services, clinical research programs, physician services, direct primary care, ESRD seamless care organizations, and comprehensive care as well as our international operations.

Our ancillary services and strategic initiatives, including our pharmacy services and international operations among others, generated approximately \$1.6 billion of net revenues in 2017, representing approximately 14% of our consolidated net revenues. We expect to add additional service offerings to our business and pursue additional strategic initiatives in the future as circumstances warrant, which could include healthcare services not related to dialysis. In addition, in connection with our

previously announced capital allocation strategy, in 2018 we plan to continue our evaluation of strategic alternatives for various assets in our portfolio. Any significant change in market conditions, or business performance, or in the political, legislative or regulatory environment, may impact the economic viability of any of our strategic initiatives. If any of our ancillary services or strategic initiatives, including our pharmacy services and our international operations, are unsuccessful, it would have a negative impact on our business, results of operations and financial condition, and we may determine to exit the line of business. We could incur significant termination costs if we were to exit certain of these lines of business. In addition, we may incur a material write-off or an impairment of our investment, including goodwill, in one or more of our ancillary services or strategic initiatives. In that regard, we have taken, and may in the future take, impairment charges related to our ancillary services and strategic initiatives, including in our international and pharmacy businesses.

As of December 31, 2017, our international dialysis operations provided dialysis and administrative services to a total of 237 outpatient dialysis centers located in 11 countries outside of the U.S. The total net revenues generated from our international operations, as reflected below, were approximately 3% of our 2017 consolidated net revenues.

The following table reflects the results of operations for the ancillary services and strategic initiatives:

	Year ended December 31,		
	2017	2016	2015
(dollars in millions)			
<b>U.S. revenues</b>			
Other revenues	\$ 1,268	\$ 1,413	\$ 1,242
Total	1,268	1,413	1,242
<b>International revenues</b>			
Net dialysis patient service revenues	323	202	134
Other revenues	5	6	6
Total	328	208	140
Total net revenues	\$ 1,596	\$ 1,621	\$ 1,382
<b>Operating expenses and charges:</b>			
Operating and other general expenses	\$ 1,711	\$ 1,686	\$ 1,482
Goodwill impairment	36	28	4
Impairment of investment	295	15	—
Gain from APAC JV ownership changes	(6)	(374)	—
Total operating expenses and charges	2,036	1,355	1,486
<b>Total ancillary services and strategic initiatives operating (loss) income</b>	<b>\$ (439)</b>	<b>\$ 267</b>	<b>\$ (104)</b>
<b>U.S. operating loss</b>			
Reconciliation of non-GAAP:			
Goodwill impairment	35	28	—
Impairment of assets	15	—	—
Accruals for legal matters	—	16	22
Adjusted operating loss <sup>(1)</sup>	\$ (60)	\$ (21)	\$ (23)
<b>International operating (loss) income</b>			
Reconciliation of non-GAAP:			
Goodwill impairment	—	—	4
Equity investment loss related to APAC JV goodwill impairment	6	—	—
Impairment of investment	280	15	—
Restructuring charges	2	—	—
Equity investment loss related to restructuring charges	1	—	—
Gain from APAC JV ownership changes	(6)	(374)	—
Adjusted operating loss <sup>(1)</sup>	\$ (46)	\$ (27)	\$ (55)
<b>Total adjusted ancillary services and strategic initiatives operating loss<sup>(1)</sup></b>	<b>\$ (107)</b>	<b>\$ (48)</b>	<b>\$ (78)</b>

Certain columns, rows or percentages may not sum or recalculate due to the use of rounded numbers.

- (1) For the periods presented in the table above adjusted operating loss is defined as operating loss before certain items which we do not believe are indicative of ordinary results, including goodwill impairment charges, investment and other asset impairments, restructuring charges, gains on ownership changes and accruals for legal matters. Adjusted operating loss as so defined is a non-GAAP measure and is not intended as a substitute for GAAP operating (loss) income. We have presented these adjusted amounts because management believes that these presentations enhance a user's understanding of our normal consolidated operating (loss) income by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normalized prior period results.



### *Net revenues*

Ancillary services and strategic initiatives net revenues for 2017 decreased by approximately \$25 million, or 1.5%, as compared to 2016. This decrease was primarily related to a decrease in volume in our pharmaceutical business, partially offset by an increase in pharmaceutical rates, an increase in VillageHealth special needs plan revenues, an increase in shared savings revenue recognized by our ESCO joint ventures and an increase in net revenues from expansions in our international business and other strategic initiatives.

Ancillary services and strategic initiatives net revenues for 2016 increased by approximately \$239 million, or 17.3%, as compared to 2015. This increase was primarily related to an increase in pharmaceutical rates, a decrease in reserves due to refunds of pharmacy reimbursements taken in 2015 that did not reoccur in 2016, an increase in VillageHealth special needs plan revenues and an increase in net revenues from expansions in our international business and other strategic initiatives. These increases were partially offset by a decrease in our pharmacy services volume.

### *Operating and general expenses*

Ancillary services and strategic initiatives operating and general expenses for 2017, which includes restructuring charges related to our international business of \$3 million, increased by approximately \$25 million from 2016, which included an estimated accrual for certain legal matters of \$16 million. Excluding these items from their respective periods, ancillary services and strategic initiatives adjusted operating expenses increased by \$38 million. This increase in adjusted operating and general expenses was primarily related to an increase in medical costs at VillageHealth, an increase in labor and benefits costs and additional expenses associated with our international dialysis expansion, including losses from adverse changes in foreign exchange rates included in equity investment income, partially offset by a decrease in pharmaceutical costs due to decreased volume in our pharmacy services business.

Ancillary services and strategic initiatives operating and general expenses for 2016, which includes an estimated accrual for certain legal matters of \$16 million, increased by approximately \$203 million from 2015, which included an estimated accrual for certain legal matters of \$22 million. Excluding these items from their respective periods, ancillary services and strategic initiatives adjusted operating expenses increased by \$209 million. This increase in adjusted operating and general expenses was primarily due to an increase in pharmaceutical unit costs, labor and benefit costs, professional fees, other general and administration expenses, and additional expenses associated with our international dialysis expansion, partially offset by a decrease in prescription dispensing volume, long-term incentive compensation expense and foreign currency gains.

### *Investment and other asset impairments*

During the year ended December 31, 2017, we recognized a non-cash other-than-temporary impairment charge of \$280 million on our investment in the APAC JV. This charge resulted from changes in our expectations for the joint venture based on continuing market research and assessments by both us and the DaVita Care Pte. Ltd. (the APAC JV) concerning the size of the addressable market available to the joint venture at attractive risk-adjusted returns. We estimated the fair value of our retained interest in the APAC JV with the assistance of an independent third party valuation firm based on information available to management as of December 31, 2017. After this charge, our investment in the APAC JV was carried at \$160 million as of December 31, 2017.

During the year ended December 31, 2017, we also recognized other asset impairment charges of \$15 million related to a restructuring of our pharmacy business.

During the year ended December 31, 2016, we recognized an impairment of \$15 million related to an investment in one of our international reporting units.

### *Goodwill impairment charges*

During the year ended December 31, 2016, we recognized a goodwill impairment charge of \$28 million related to our vascular access reporting unit as a result of changes in future governmental reimbursement rates for this business and our expected ability to mitigate them. Specifically, on November 2, 2016, CMS released the 2017 Physician Fee Schedule Final Rule and the Ambulatory Surgical Center Payment Final Rule which reflected significant changes in reimbursement structure for this business unit.

During the year ended December 31, 2017, we recognized an additional goodwill impairment charge of \$35 million at our vascular access reporting unit. This charge resulted primarily from continuing changes in our outlook for this business unit as our partners and operators continued to evaluate and make decisions concerning changes in operations, including termination

of their management services agreements and center closures as a result of the changes in reimbursement structure discussed above. As of December 31, 2017, there was no goodwill remaining at our vascular access reporting unit.

We also recognized a goodwill impairment charge of \$2 million at one of our international reporting units during the year ended December 31, 2017 and \$4 million at another international reporting unit during the year ended December 31, 2015.

#### *Restructuring charges*

During the year ended December 31, 2017, we recognized total restructuring charges related to our international business of \$2 million and recognized equity investment losses of \$1 million related to restructuring charges at our APAC JV. These restructuring charges were related to a reorganization of our international general and administrative infrastructure at the global, regional and county levels in order to improve efficiency.

#### *Gain on changes in ownership interests in APAC JV*

As a result of our agreement with Khazanah Nasional Berhad (Khazanah) and Mitsui and Co., Ltd (Mitsui) concerning the APAC JV, we recorded an additional \$6 million non-cash gain during the year ended December 31, 2017 related to a change in estimate of pending post-closing adjustments for the 2016 formation of this joint venture.

In 2016 we deconsolidated our Asia Pacific dialysis business and recognized an initial non-cash non-taxable estimated gain of \$374 million on our retained investment in the APAC JV net of contingent obligations as a result of adjusting the carrying value of our retained interest in the APAC JV to our proportionate share of the estimated fair value of the business.

#### *Segment operating (loss) income*

Ancillary services and strategic initiatives operating results for 2017, which include goodwill impairment charges of \$35 million at our vascular access reporting unit, an impairment of \$280 million on our investment in the APAC JV, an asset impairment of \$15 million related to the restructuring of our pharmacy business, equity investment losses of \$6 million related to goodwill impairments at our APAC JV, restructuring charges related to our international business of \$3 million and an adjustment to the gain on the 2016 ownership change of our APAC JV of \$6 million, decreased by approximately \$706 million from the same period in 2016, which included an estimated gain on the ownership change of our APAC JV of \$374 million, a goodwill impairment charge of \$28 million at our vascular access reporting unit, an estimated accrual for certain legal matters of \$16 million and an investment impairment of \$15 million. Excluding these items from their respective periods, adjusted operating losses increased by \$59 million, primarily due to a decrease in revenues in our pharmacy services business, an increase in medical costs, higher labor and benefits costs, and additional expenses associated with our international operations, partially offset by an increase in VillageHealth special needs plan revenues, an increase in shared savings revenue recognized by our ESCO joint ventures, an increase in net revenues from expansion in our international business, and a decrease in pharmaceutical costs due to decreased volume in our pharmacy services business.

Ancillary services and strategic initiatives operating results for 2016, which includes an estimated gain on the ownership change of our APAC JV of \$374 million, a goodwill impairment charge of \$28 million at our vascular access reporting unit, an estimated accrual for certain legal matters of \$16 million and an investment impairment of \$15 million, increased by approximately \$372 million from 2015, which included an estimated accrual for certain legal matters of \$22 million, as well as a goodwill impairment charge of \$4 million related to our international operations. Excluding these items from their respective periods, adjusted operating losses decreased by \$30 million. This decrease in adjusted operating losses was primarily due to an increase in pharmaceutical rates, a decrease in reserves due to refunds of pharmacy reimbursements taken in 2015 that did not reoccur in 2016, an increase in VillageHealth special needs plan revenues and an increase in net revenues from our expansion in our international business and other strategic initiatives. The decrease in adjusted operating losses was partially offset by an increase in pharmaceutical unit costs, higher labor and benefits costs and additional expenses associated with our international dialysis expansion.

#### **Corporate level charges**

*Debt expense.* Debt expense for 2017, 2016, and 2015 consisted of interest expense of approximately \$407 million, \$394 million and \$390 million, respectively, and amortization and accretion of debt discounts and premiums, amortization of deferred financing costs and amortization of interest rate cap agreements of approximately \$24 million, \$20 million, and \$18 million, respectively. The increase in debt expense in 2017 as compared to 2016 was primarily due to an increase in our average interest rate, partially offset by a decrease in our average outstanding balance. Our overall weighted average effective interest rate in 2017 was 4.70% as compared to 4.43% in 2016.

The increase in debt expense in 2016 as compared to 2015 was primarily related to an increase in our weighted average outstanding principal balances as a result of a full year of interest on our 5.0% Senior Notes, which were issued in April 2015, and an increase in our interest rate on the amortization of our cap agreements in the fourth quarter of 2016. Our overall weighted average effective interest rate in 2016 was 4.43% as compared to 4.42% in 2015.

*Corporate administrative support.* Corporate administrative support consists primarily of labor, benefits and long-term incentive compensation expense, as well as professional fees for departments which provide support to all of our various operating lines of business. This is partially offset by internal management fees charged to our other lines of business for that support.

Corporate administrative support costs were approximately \$45 million in 2017 and \$14 million 2016. Corporate administrative support costs increased \$31 million due to a decrease in internal management fees charged to our ancillary lines of business and increases in long-term incentive compensation and labor and benefits expenses, partially offset by decreases in professional fees and other general and administrative expenses.

Corporate administrative support costs were approximately \$14 million in 2016 and \$19 million in 2015. Corporate administrative support costs decreased \$5 million primarily attributable to a decrease in long-term incentive compensation expense, primarily due to reductions in ultimate expected payouts as well as the departure of a senior executive, partially offset by increases in labor and benefits, professional fees, and other general and administrative expenses.

*Other income.* Other income was approximately \$18 million in 2017 and \$8 million in both 2016 and 2015, and consisted principally of interest income. Other income in 2017 as compared to 2016 increased approximately \$10 million, primarily due to a decrease in foreign currency transaction losses. Other income in 2016 as compared to 2015 was flat, as short-term investment interest income increased but was offset by an increase in foreign currency transaction losses.

*Provision for income taxes.* The provision for income taxes for 2017, 2016 and 2015 represented an effective annualized tax rate of 23.1%, 26.6% and 30.1% of income from continuing operations, respectively. The effective tax rate in 2017 was lower primarily due to the enactment of new U.S. federal tax reform legislation known as the Tax Cuts and Jobs Act (the 2017 Tax Act) as signed into law on December 22, 2017. The 2017 Tax Act, among other changes, reduces the federal corporate income tax rate from 35% to 21%, effective January 1, 2018, resulting in a net income net tax benefit of \$252 million in 2017 primarily related to a remeasurement of our net deferred tax liability. Excluding this item, our effective tax rate from continuing operations for 2017 was 41.1%. The effective tax rate in 2016 was lower primarily due to the gain on the APAC JV ownership changes, offset by goodwill impairment charges. See Note 12 to the consolidated financial statements for further information.

#### **Noncontrolling interests**

Net income attributable to noncontrolling interests for 2017, 2016 and 2015 was approximately \$167 million, \$153 million and \$158 million, respectively. The increase in noncontrolling interests in 2017 was primarily due to additional income to noncontrolling interests related to the net gain on the settlement with the VA of \$24 million, partially offset by the impairment of our vascular access reporting unit, which reduced income to noncontrolling interests by \$2 million year over year.

The decrease in noncontrolling interests in 2016 was primarily due to the impairment of our vascular access reporting unit, which resulted in a decrease in income to noncontrolling interest of \$8 million. The percentage of net U.S. dialysis and related lab services revenues generated from dialysis-related joint ventures was approximately 24% in 2017, and 23% in both 2016 and 2015.

#### **Accounts receivable**

Our consolidated accounts receivable balances at December 31, 2017 and December 31, 2016 were \$1.715 billion and \$1.504 billion, respectively, representing approximately 57 days and 52 days of revenue, respectively, net of the allowance for uncollectible accounts. The increase in consolidated DSO was primarily related to our U.S. dialysis and related lab services business and was due to changes we made in our collection policies and procedures to improve overall collections. We expect DSO to decline two to three days over the next few quarters as we continue to adjust and refine our collection operations for these new protocols. Our DSO calculation is based on the current quarter's average revenues per day. There were no significant changes during 2017 from 2016 in the amount of unreserved accounts receivable over one year old or the amounts pending approval from third-party payors.

As of December 31, 2017 and 2016, our net patient services accounts receivable balances more than six months old represents approximately 21% and 16% of our dialysis accounts receivable balances, respectively. The increase was primarily

due to changes we made in our collection policies and procedures to improve overall collections. There were no significant unreserved balances over one year old. Approximately 1% of our revenues are classified as patient pay. Substantially all revenue realized is from government and commercial payors, as discussed above.

Amounts pending approval from third-party payors associated with Medicare bad debt claims as of December 31, 2017 and 2016, other than the standard monthly billing, consisted of approximately \$104 million and \$105 million, respectively, and are classified as other receivables. Currently, a significant portion of our Medicare bad debt claims are typically paid to us before the Medicare fiscal intermediary audits the claims. However, payments received from Medicare are subject to adjustment based upon the actual results of these audits. Such audits typically occur one to four years after the claims are filed.

### **Liquidity and capital resources**

*Available liquidity.* As of December 31, 2017, our cash balance was \$508 million and we also had approximately \$44 million in short-term investments. We had \$300 million drawn on our \$1.0 billion revolving line of credit under our senior secured credit facilities, in addition to the approximately \$14 million committed for outstanding letters of credit. We also have approximately \$90 million of additional outstanding letters of credit related to Kidney Care and \$0.2 million of committed outstanding letters of credit related to DMG, which is backed by a certificate of deposit. We believe that we will have sufficient liquidity, operating cash flows and access to borrowings to fund our scheduled debt service payments and other obligations for the foreseeable future. Our primary sources of liquidity are cash from operations and cash from borrowings.

Consolidated cash flows from operations during 2017 was \$1.9 billion, of which \$1.6 billion was from continuing operations, compared with consolidated cash flows from operations of \$2.0 billion for 2016, of which \$1.7 billion was from continuing operations. Consolidated cash flows declined due to an increase in DSO and the timing of other working capital items, partially offset by the payment received from the settlement with the VA, net of associated tax payments. Cash flows from operations in 2017 included cash interest payments of approximately \$425 million and cash tax payments of \$387 million. Cash flows from operations in 2016 included cash interest payments of approximately \$407 million and cash tax payments of \$339 million.

Non-operating cash outflows in 2017 included \$905 million for capital asset expenditures, including \$559 million for new center developments and relocations and \$346 million for maintenance and information technology. We also spent an additional \$804 million for acquisitions. In addition, during 2017 we received \$21 million associated with stock award exercises and other share issuances. We also made distributions to noncontrolling interests of \$211 million, which included \$24 million related to the noncontrolling interest portion of the VA settlement gain, and received contributions from noncontrolling interests of \$75 million associated with new or existing joint ventures. We also repurchased a total of 12,966,672 shares of our common stock for \$811 million, or an average price of \$62.54 per share, of which \$8 million was unsettled at December 31, 2017.

Consolidated cash flows from operations during 2016 was \$2.0 billion, of which \$1.7 billion was from continuing operations, compared with cash flows from operations of \$1.6 billion for 2015, of which \$1.2 billion was from continuing operations. The increase in our operating cash flows in 2016 as compared to 2015 was primarily due to payments of \$494 million, or \$304 million after-tax, made in connection with the settlement of a private civil suit in 2015 and the timing of other working capital items, offset by an increase in our income tax payments and a slight increase in our cash interest payments. Cash flows from operations in 2016 included cash interest payments of approximately \$407 million and cash tax payments of \$339 million. Cash flows from operations in 2015 included cash interest payments of approximately \$405 million and cash tax payments of \$156 million.

Non-operating cash outflows in 2016 included \$829 million for capital asset expenditures, including \$470 million for new center developments and relocations and \$359 million for maintenance and information technology. We also spent an additional \$564 million for acquisitions. During 2016, we also received \$1.3 billion from the maturity and sale of investments, however these proceeds were principally used to repurchase other investments or to fund distributions from our deferred compensation plans. In addition, during 2016 we received \$37 million associated with stock award exercises and other share issuances and related excess tax benefits. We also made distributions to noncontrolling interests of \$192 million, and received contributions from noncontrolling interests of \$48 million associated with new or existing joint ventures. We also repurchased a total of 16,649,090 shares of our common stock for \$1.1 billion, or an average price of \$64.41 per share. In addition, we settled \$25 million in share repurchases related to 2015.

During 2017, in the U.S. we opened 121 dialysis centers, acquired 66 dialysis centers, including dialysis centers from the Renal Ventures acquisition, closed and merged ten dialysis centers, closed nine dialysis centers, divested six dialysis centers, deconsolidated seven dialysis centers which we continue to operate under management services agreements, and terminated two management services agreements. In addition, our international dialysis operations acquired 68 dialysis centers,

opened eight dialysis centers, and closed one dialysis center. In addition, our APAC JV acquired two dialysis centers, opened nine dialysis centers and closed three dialysis centers.

During 2017, our DMG business acquired four primary care physician practices, including the acquisition of Magan, seven private medical practices, and one independent physician association.

On December 5, 2017, we entered into an equity purchase agreement to sell our DMG division to Optum, a subsidiary of UnitedHealth Group Inc., for \$4.9 billion in cash, subject to net working capital and other customary adjustments. The transaction is expected to close in 2018 and is subject to regulatory approval and other customary closing conditions.

During 2016, in the U.S. we opened 100 new dialysis centers, acquired a total of eight dialysis centers, closed and merged five centers, added two centers which we operate under a management and administrative services agreement, terminated two management and administration services agreements, deconsolidated three centers which we now operate under management and administrative services agreements and closed four centers. Outside the U.S., we acquired 21 dialysis centers and opened 12 new dialysis and hospital operated centers. In addition, our APAC JV acquired three dialysis and hospital operated centers.

During 2016, our DMG business acquired three primary care physician practices including the acquisition of TEC, and four private medical practices.

During the year ended December 31, 2017, we made mandatory principal payments under our senior secured credit facilities totaling \$88 million on Term Loan A and \$35 million on Term Loan B. During the year ended December 31, 2016, we made mandatory principal payments under our senior secured credit facilities totaling \$63 million on Term Loan A and \$35 million on Term Loan B.

#### *Interest rate cap agreements*

As of December 31, 2017, we maintain several currently effective interest rate cap agreements that were entered into in November 2014 with notional amounts totaling \$3.5 billion. These cap agreements became effective September 30, 2016 and have the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of our debt. These cap agreements expire on June 30, 2018. As of December 31, 2017, these cap agreements had an immaterial fair value. During the year ended December 31, 2017, we recognized debt expense of \$8.3 million from these caps. During the year ended December 31, 2017, we recorded a loss of \$0.1 million in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

As of December 31, 2017, we also maintain several forward interest rate cap agreements that were entered into in October 2015 with notional amounts totaling \$3.5 billion. These forward cap agreements will become effective June 29, 2018 and will have the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of its debt. These cap agreements expire on June 30, 2020. As of December 31, 2017, the total fair value of these cap agreements was an asset of approximately \$1.0 million. During the year ended December 31, 2017, we recorded a loss of \$8.8 million in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

#### *Other items*

As of December 31, 2017, our Term Loan B debt bears interest at LIBOR plus an interest rate margin of 2.75%. Term Loan B is subject to interest rate caps if LIBOR should rise above 3.50%. Term Loan A bears interest at LIBOR plus an interest rate margin of 2.00%. The capped portion of Term Loan A is \$122.5 million. In addition, the uncapped portion of Term Loan A, which is subject to the variability of LIBOR, is \$652.5 million. Interest rates on our senior notes are fixed by their terms.

Our overall weighted average effective interest rate on the senior secured credit facilities was 4.45%, based on the current margins in effect of 2.00% for Term Loan A and the Revolver and 2.75% for Term Loan B, as of December 31, 2017.

As of December 31, 2017, our interest rates are fixed on approximately 52% of our total debt.

Our overall weighted average effective interest rate during the year ended December 31, 2017 was 4.70% and as of December 31, 2017 was 4.88%.

As of December 31, 2017, we had \$300 million drawn on our \$1.0 billion revolving line of credit under our senior secured credit facilities, in addition to approximately \$14.4 million committed for outstanding letters of credit. We also have approximately \$90.1 million of additional outstanding letters of credit related to Kidney Care and \$0.2 million of committed outstanding letters of credit related to DMG, which is backed by a certificate of deposit.

We believe that we will generate significant operating cash flows and will have sufficient liquidity to fund our scheduled debt service and other obligations for the foreseeable future, including the next 12 months, under the terms of our debt agreements. However, our primary sources of liquidity are cash from operations and cash from borrowings, including general, economic, financial, competitive, regulatory and other factors that are beyond our control, as described in the risk factor in Item IA Risk Factors under the heading "The level of our current and future debt could have an adverse impact on our business and our ability to generate cash to service our indebtedness and for other intended purposes depends on many factors beyond our control."

#### Goodwill

We elected to early adopt ASU No. 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, effective January 1, 2017. The amendments in this ASU simplify the test for goodwill impairment by eliminating the second step in the assessment. All goodwill impairment tests performed during 2017 have been performed under this new guidance.

During the year ended December 31, 2016, we recognized a goodwill impairment charge of \$28 million related to our vascular access reporting unit as a result of changes in future governmental reimbursement rates for this business and our expected ability to mitigate them. Specifically, on November 2, 2016, CMS released the 2017 Physician Fee Schedule Final Rule and the Ambulatory Surgical Center Payment Final Rule which reflected significant changes in reimbursement structure for this business unit.

During the year ended December 31, 2017, we recognized an additional goodwill impairment charge of \$35 million at our vascular access reporting unit. This charge resulted primarily from continuing changes in our outlook for this business unit as our partners and operators continued to evaluate and make decisions concerning changes in operations, including termination of their management services agreements and center closures, as a result of the changes in reimbursement structure discussed above. As of December 31, 2017, there was no goodwill remaining at our vascular access reporting unit.

During the year ended December 31, 2017, we also performed annual impairment assessments for various other reporting units. As a result of these assessments, we also recognized a goodwill impairment charge of \$2 million at one of our international reporting units during the year ended December 31, 2017. During the year ended December 31, 2015, we recognized a goodwill impairment charge of \$4 million in another international reporting unit.

Based on our most recent assessments, we determined that reductions in reimbursement rates, changes in actual or expected growth rates, or other significant adverse changes in expected future cash flows or valuation assumptions could result in goodwill impairment charges in the future for the following reporting units, which remain at risk of goodwill impairment as of December 31, 2017:

Reporting unit	Goodwill balance as of December 31, 2017	Carrying amount coverage <sup>(1)</sup>	Sensitivities		
			Operating income <sup>(2)</sup>	Discount rate <sup>(3)</sup>	
	(in millions)				
Kidney Care Germany	\$ 316	13.7%	(1.6)%	(11.1)%	
Kidney Care Portugal	\$ 47	16.9%	(1.9)%	(6.0)%	
Kidney Care Poland	\$ 47	11.8%	(1.9)%	(6.0)%	

(1) Excess of estimated fair value of the reporting unit over carrying amount as of the latest assessment date.

(2) Potential impact on estimated fair value of a sustained, long-term reduction of 3% in operating income as of the latest assessment date.

(3) Potential impact on estimated fair value of an increase in discount rates of 100 basis points as of the latest assessment date.

There were no major changes in the business, prospects, or expected future results of these reporting units from their latest assessment date through December 31, 2017.

Except as described above, none of our various other reporting units was considered at risk of significant goodwill impairment as of December 31, 2017. Since the dates of our last annual goodwill impairment tests, there have been certain developments, events, changes in operating performance and other changes in key circumstances that have affected our businesses. However, except as further described above, these did not cause management to believe it is more likely than not that the fair values of any of our reporting units would be less than their respective carrying amounts as of December 31, 2017.

### *Long-term incentive compensation*

Long-term incentive program (LTIP) compensation includes both stock-based awards (principally stock-settled stock appreciation rights, restricted stock units and performance stock units) as well as long-term performance-based cash awards. Long-term incentive compensation expense, which was primarily general and administrative in nature, was attributed among our U.S. dialysis and related lab services business, corporate administrative support, and the ancillary services and strategic initiatives.

Our stock-based compensation awards are measured at their estimated fair values on the date of grant if settled in shares or at their estimated fair values at the end of each reporting period if settled in cash. The value of stock-based awards so measured is recognized as compensation expense on a cumulative straight-line basis over the vesting terms of the awards, adjusted for expected forfeitures.

During 2017, we granted approximately 1,692,154 stock-settled stock appreciation rights (SSARs) with an aggregate grant-date fair value of \$24.5 million and a weighted-average expected life of approximately 4.2 years and approximately 528,968 stock units with an aggregate grant-date fair value of \$34.8 million and a weighted-average expected life of approximately 3.4 years. We also granted 15,000 cash-settled stock-based awards with an aggregate grant-date fair value of \$0.3 million.

For the years ended December 31, 2017 and 2016, long-term incentive compensation expense of \$62.0 million and \$65.0 million decreased by approximately \$3.0 million and \$59.0 million as compared to 2016 and 2015, respectively. This decrease in long-term incentive compensation expense was primarily due to cumulative revaluation of liability-based awards for reductions in estimated ultimate payouts, as well as the final vesting of a prior broad grant that is no longer contributing expense.

As of December 31, 2017, there was \$98.0 million in total estimated but unrecognized long-term incentive compensation expense for LTIP awards outstanding, including \$61.2 million relating to stock-based awards under our equity compensation plans. We expect to recognize the performance-based cash component of these LTIP costs over a weighted average remaining period of 1.1 years and the stock-based component of these LTIP costs over a weighted average remaining period of 1.4 years.

For the years ended December 31, 2017, 2016 and 2015, we received \$13.5 million, \$28.4 million and \$45.7 million, respectively, in actual tax benefits upon the exercise of stock awards. Since we issue stock-settled stock appreciation rights rather than stock options, we did not receive cash proceeds from stock option exercises during the years ended December 31, 2017, 2016 and 2015.

### *Stock repurchases*

We repurchased a total of 12,966,672 shares for \$811 million, or an average price of \$62.54 during the year ended December 31, 2017. We also repurchased a total of 16,649,090 shares for \$1.1 billion, or an average price of \$64.41 during the year ended December 31, 2016 and a total of 7,779,958 shares for \$575 million, or an average price of \$73.96 during the year ended December 31, 2015. Subsequent to December 31, 2017, we have repurchased 1,237,800 additional shares of our common stock for \$93 million, or an average price of \$74.96 per share, through February 22, 2018.

On October 10, 2017, our Board of Directors approved an additional share repurchase authorization in the amount of \$1.3 billion. This share repurchase authorization was in addition to the \$247 million remaining at that time under our Board of Directors' prior share repurchase authorization announced in July 2016. Accordingly, as of February 22, 2018, we have a total of \$1.0 billion available under the current Board repurchase authorizations for additional share repurchases. Although these share repurchase authorizations do not have expiration dates, we remain subject to share repurchase limitations under the terms of our senior secured credit facilities and the indentures governing our senior notes.

### **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 and letters of credit, as well as potential obligations associated with our equity investments in nonconsolidated businesses and to dialysis centers that are wholly-owned by third parties. Substantially all of our U.S. dialysis facilities are leased. We have potential obligations to purchase the noncontrolling interests held by third parties in several of our majority-owned joint ventures and other nonconsolidated entities. These obligations are in the form of put provisions that are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, we would be required to purchase the third-party owners' equity interests at either the appraised fair market value or

a predetermined multiple of earnings or cash flows attributable to the equity interests put to us, which is intended to approximate fair value. The methodology we use to estimate the fair values of noncontrolling interests subject to put provisions assumes the higher of either a liquidation value of net assets or an average multiple of earnings, based on historical earnings, patient mix and other performance indicators that can affect future results, as well as other factors. The estimated fair values of noncontrolling interests subject to put provisions are a critical accounting estimate that involves significant judgments and assumptions and may not be indicative of the actual values at which the noncontrolling interests may ultimately be settled, which could vary significantly from our current estimates. The estimated fair values of noncontrolling interests subject to put provisions can fluctuate and the implicit multiple of earnings at which these noncontrolling interests obligations may be settled will vary significantly depending upon market conditions including potential purchasers' access to the capital markets, which can impact the level of competition for dialysis and non-dialysis related businesses, the economic performance of these businesses and the restricted marketability of the third-party owners' equity interests. The amount of noncontrolling interests subject to put provisions that employ a contractually predetermined multiple of earnings rather than fair value are immaterial. For additional information see Note 17 to the consolidated financial statements.

We also have certain other potential commitments to provide operating capital to several dialysis centers that are wholly-owned by third parties or centers in which we own a noncontrolling equity interest as well as to physician-owned vascular access clinics or medical practices that we operate under management and administrative services agreements.

The following is a summary of these contractual obligations and commitments as of December 31, 2017:

	Less than 1 year	1-3 years	4-5 years	After 5 years	Total
(dollars in millions)					
Scheduled payments under contractual obligations:					
Long-term debt	\$ 158	\$ 1,078	\$ 4,549	\$ 3,318	\$ 9,103
Interest payments on the senior notes	237	473	473	367	1,550
Interest payments on Term Loan B <sup>(1)</sup>	148	290	71	—	509
Interest payments on Term Loan A <sup>(2)</sup>	27	12	—	—	39
Kidney Care capital lease obligations	20	44	43	190	297
Kidney Care operating leases	447	807	665	1,304	3,223
DMG capital lease obligations	37	—	—	—	37
DMG operating leases	85	152	108	283	628
	<u>\$ 1,159</u>	<u>\$ 2,856</u>	<u>\$ 5,909</u>	<u>\$ 5,462</u>	<u>\$ 15,386</u>
Potential cash requirements under other commitments:					
Letters of credit	105	\$ —	\$ —	\$ —	\$ 105
Noncontrolling interests subject to put provisions	613	211	96	91	1,011
Non-owned and minority owned put provisions	27	—	28	—	55
Operating capital advances	1	1	1	2	5
Purchase commitments	447	644	497	—	1,588
	<u>\$ 1,193</u>	<u>\$ 856</u>	<u>\$ 622</u>	<u>\$ 93</u>	<u>\$ 2,764</u>

(1) Based upon current LIBOR-based interest rates in effect at December 31, 2017 plus an interest rate margin of 2.75% for Term Loan B.

(2) Based upon current LIBOR-based interest rates in effect at December 31, 2017 plus an interest rate margin of 2.00% for Term Loan A.

In 2010, we entered into and subsequently extended an agreement with FMC to purchase a certain amount of dialysis equipment, parts and supplies from FMC through December 31, 2017. In January 2018, we entered into a new agreement extending this agreement with FMC through December 31, 2020. The actual amount of purchases in future years from FMC will depend upon a number of factors, including the operating requirements of our centers, the number of centers we acquire, and growth of our existing centers.

We are party to agreements with Baxter Healthcare Corporation (Baxter) that commit us to purchase a certain amount of hemodialysis non-equipment product supplies, such as dialyzers, at fixed prices through 2018. In addition, in February 2018 we amended our agreement with Baxter related to certain peritoneal dialysis supplies. Under this new contract with Baxter we have committed to purchase a certain amount of peritoneal dialysis supplies at fixed prices (as set forth in the contract for each year) through 2022.



In January 2017, we entered into a Sourcing and Supply Agreement with Amgen USA Inc. (Amgen) that expires on December 31, 2022. Under the terms of the agreement, we will purchase EPO in amounts necessary to meet no less than 90% of our requirements for ESAs through the expiration of the contract. The actual amount of EPO that we will purchase will depend upon the amount of EPO administered during dialysis as prescribed by physicians and the overall number of patients that we serve.

Settlements of approximately \$33 million of existing income tax liabilities for unrecognized tax benefits, including interest, penalties and other long-term tax liabilities, are excluded from the above table as reasonably reliable estimates of their timing cannot be made.

#### **Supplemental information concerning certain Physician Groups and unrestricted subsidiaries**

The following information is presented as supplemental data as required by the indentures governing our senior notes.

We provide services to certain physician groups, including those within our DMG business, which while consolidated in our financial statements for financial reporting purposes, are not subsidiaries of or owned by us, do not constitute "Subsidiaries" as defined in the indentures governing our outstanding senior notes, and do not guarantee those senior notes. In addition, we have entered into management agreements with these physician groups pursuant to which we receive management fees from the physician groups.

As of December 31, 2017, if these physician groups were not consolidated in our financial statements, our consolidated assets would have been approximately \$18.522 billion and our consolidated other liabilities would have been approximately \$3.342 billion. Our consolidated indebtedness would have remained approximately \$9.400 billion due to these physician groups being classified as held for sale. For the year ended December 31, 2017, if these physician groups were not consolidated in our financial statements, our consolidated net income would have been reduced by approximately \$21 million. Our consolidated total net revenues and consolidated operating income would have remained approximately \$10.877 billion and \$1.813 billion, respectively, due to these physician groups being reported as discontinued operations.

In addition, our DMG business owns a 67% equity interest in California Medical Group Insurance (CMGI), which is an Unrestricted Subsidiary as defined in the indentures governing our outstanding senior notes, and does not guarantee those senior notes. DMG's equity interest in CMGI is accounted for under the equity method of accounting, meaning that, although CMGI is not consolidated in our financial statements for financial reporting purposes, our consolidated income statement reflects our pro rata share of CMGI's net income within net loss from discontinued operations.

For the year ended December 31, 2017, excluding DMG's equity investment income attributable to CMGI, our consolidated net income would be decreased by approximately \$19 thousand. See Note 29 to the consolidated financial statements for further details.

#### **Contingencies**

The information in Note 16 to the consolidated financial statements of this report is incorporated by reference in response to this item.

#### **Critical accounting policies, estimates and judgments**

Our consolidated financial statements and accompanying notes are prepared in accordance with United States generally accepted accounting principles. These accounting principles require us to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingencies and temporary equity. 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 accounts receivable, impairments of goodwill and investments, accounting for income taxes, quarterly and annual variable compensation accruals, consolidation of variable interest entities, and fair value estimates are considered to be critical to evaluating and understanding our financial results because they involve inherently uncertain matters and their application requires the most difficult and complex judgments and estimates.

*U.S. dialysis and related lab services revenue recognition and accounts receivable.* There are significant estimating risks associated with the amount of U.S. dialysis and related lab services revenue that we recognize in a given reporting period. Payment rates are often subject to significant uncertainties related to wide variations in the coverage terms of the commercial

healthcare plans under which we receive payments. In addition, ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage, and other payor issues complicate the billing and collection process. Net revenue recognition and allowances for uncollectible billings require the use of estimates of the amounts that will ultimately 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 payment rates that are established by statute or regulation for the portion of the payment 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 (e.g., Medicaid secondary coverage), the patient's commercial health plan secondary coverage, or the patient. Our dialysis related reimbursements from Medicare are subject to certain variations under Medicare's single bundled payment rate system whereby our reimbursements can be adjusted for certain patient characteristics and certain other factors. Our revenue recognition depends upon our ability to effectively capture, document and bill for Medicare's base payment rate and these other factors. In addition, as a result of the potential range of variations that can occur in our dialysis-related reimbursements from Medicare under the single bundled payment rate system, our revenue recognition is subject to a greater degree of estimating risk.

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 covered under commercial healthcare plans with which we have formal agreements, non-contracted commercial 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 payments, a slowdown in collections, a reduction in the amounts that we expect to collect and regulatory compliance issues. Determining applicable primary and secondary coverage for our approximately 197,800 U.S. dialysis 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 or longer after services are provided.

We generally expect the range of our U.S. dialysis and related lab services revenues estimating risk to be within 1% of its revenue, which can represent as much as approximately 5% of U.S. dialysis and related lab services' adjusted operating income. Changes in estimates are reflected in the then-current 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, and have not been significant.

Laboratory service revenues for current period dates of services are recognized at the estimated net realizable amounts to be received.

*Impairments of goodwill and investments.* We account for impairments of goodwill and equity method and other investments in accordance with the provisions of applicable accounting guidance. Goodwill is not amortized, but is assessed for impairment when changes in circumstances warrant and at least annually. An impairment charge would be recorded to the extent that the carrying amount of a reporting unit's goodwill exceeds its estimated fair value. Equity method and other investments are assessed for other-than-temporary impairment when changes in circumstances warrant. An other-than-temporary impairment charge is recorded when the fair value of an investment has fallen below its carrying amount and the shortfall is expected to be indefinitely or permanently unrecoverable.

Such changes can include, among others, changes in the legal environment, addressable market, business strategy, development or business plans, reimbursement structure, operating performance, future prospects, relationships with partners, and/or market value indications for the subject business. We use a variety of factors to assess changes in the financial condition, future prospects and other circumstances concerning the subject businesses and to estimate their fair value when applicable. Any change in the factors, assessments or assumptions involved could impact a determination of whether and when to assess goodwill or an investment for impairment as well as the outcome of such an assessment. These assessments and the related valuations can involve significant uncertainties and require significant judgment on various matters, some of which could be subject to reasonable disagreement.

*Accounting for income taxes.* Our income tax expense, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. We are subject to income taxes in the United States and numerous state and foreign jurisdictions, and changes in tax laws or regulations may be proposed or enacted that could adversely affect our overall tax liability. The actual impact of any such laws or regulations, including the 2017 Tax Act, could be materially different from our current estimates.

Significant judgments and estimates are required in determining our consolidated income tax expense. Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in the future. In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations, assumptions about the amount of future federal, state, and foreign pre-tax operating income adjusted for items that do not have tax consequences. The assumptions about future taxable income require significant judgments and are consistent with the plans and estimates we are using to manage the underlying businesses. 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.

*Variable compensation accruals.* We estimate variable compensation accruals quarterly based upon the 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 and other awards, including long-term incentive programs, are updated periodically based on changes in our economic condition or cash flows that could ultimately impact the actual final payment amount. Actual results reflected in each fiscal quarter may vary due to the subjectivity involved in anticipating fulfillment of specific and/or corporate goals, as well as the final determination and approval of amounts by our Board of Directors, as applicable.

*Consolidation of variable interest entities.* We rely on the operating activities of certain entities that we do not directly own or control, but over which we have indirect influence and of which we are considered the primary beneficiary. Under accounting guidance applicable to variable interest entities, we have determined that these entities are to be included in our consolidated financial statements. The analyses upon which these determinations rest are complex, involve uncertainties, and require significant judgment on various matters, some of which could be subject to reasonable disagreement. While these determinations have a meaningful effect on the description and classification of various amounts in our consolidated financial statements, non-consolidation of these entities would not have had a material effect on our results of operations.

*Fair value estimates.* We rely on fair value measurements and estimates for purposes that require the recording, reassessment, or adjustment of the carrying amounts of certain assets, liabilities and noncontrolling interest subject to put provisions (temporary equity). These purposes can include the accounting for business combination transactions, impairment assessments for goodwill, investments, or other long-lived assets, and stock-based compensation, among others. The criticality of a particular fair value estimate to our consolidated financial statements depends upon the nature and size of the item being measured and the extent of uncertainties involved and the nature and magnitude or potential effect of assumptions and judgments required. Critical fair value estimates can involve significant uncertainties and require significant judgment on various matters, some of which could be subject to reasonable disagreement.

The FASB defines fair value as the amount at which an asset (or liability) could be bought (or incurred) or sold (or settled) between willing parties, that is, other than in a forced or liquidation sale. Critical fair value estimates can be required for measurement of goodwill and equity method and other investment impairments, as discussed previously. Fair value estimates can also be critical in accounting for major acquisitions or business combination transactions of significant size involving businesses or industries in which we and/or our professional valuation advisors do not have significant experience. In these cases, the nature and size of the item being measured and the extent of uncertainties involved, as well as the nature and magnitude or potential effect of assumptions and judgments required, can make the fair value estimate a critical accounting estimate.

#### **Significant new accounting standards**

See Note 1 to the consolidated financial statements included in this report for information regarding certain recent financial accounting standards that have been issued by the FASB.

#### **Item 7A. Quantitative and Qualitative Disclosures about Market Risk.**

##### **Interest rate sensitivity**

The tables below provide information about our financial instruments that are sensitive to changes in interest rates. The table below presents principal repayments and current weighted average interest rates on our debt obligations as of December 31, 2017. The variable rates presented reflect the weighted average LIBOR rates in effect for all debt tranches plus interest rate margins in effect as of December 31, 2017. The Term Loan A margin in effect at December 31, 2017 is 2.00%, and along with the revolving line of credit, is subject to adjustment depending upon changes in certain of our financial ratios, including a leverage ratio. Term Loan B currently bears interest at LIBOR plus an interest rate margin of 2.75%.

	Expected maturity date					Thereafter	Total	Average interest rate	Fair value
	2018	2019	2020	2021	2022				
	(dollars in millions)								
<b>Long term debt:</b>									
Fixed rate	\$ 36	\$ 28	\$ 27	\$ 26	\$ 1,276	\$ 3,501	\$ 4,894	5.28%	\$ 4,961
Variable rate	\$ 142	\$ 1,021	\$ 46	\$ 3,282	\$ 8	\$ 7	\$ 4,506	4.45%	\$ 4,549

	Notional amount	Contract maturity date					Receive variable	Fair value
		2018	2019	2020	2021	2022		
		(dollars in millions)						
Cap agreements	\$ 7,000	\$ 3,500	\$ —	\$ 3,500	\$ —	\$ —	LIBOR above 3.5%	\$ 1.0

Our senior secured credit facilities, which include Term Loan A and Term Loan B, consist of various individual tranches of debt that can range in maturity from one month to twelve months (currently, all tranches are one month in duration). For Term Loan A and Term Loan B, each tranche bears interest at a LIBOR rate that is determined by the duration of such tranche plus an interest rate margin. The LIBOR variable component of the interest rate for each tranche is reset as such tranche matures and a new tranche is established. LIBOR can fluctuate significantly depending upon conditions in the credit and capital markets.

As of December 31, 2017, our Term Loan A bears interest at LIBOR plus an interest rate margin of 2.00% and our Term Loan B debt bears interest at LIBOR plus an interest rate margin of 2.75%. LIBOR was greater than the 0.75% embedded LIBOR floor on Term Loan B, resulting in Term Loan B being subject to LIBOR-based interest rate volatility on the LIBOR variable component of our interest rate as of December 31, 2017. The LIBOR-based interest component is effectively limited to a maximum LIBOR rate of 3.50% on the outstanding principal debt on Term Loan B and on \$122.5 million of Term Loan A as a result of the interest rate cap agreements, as described below. In addition, the uncapped portion of Term Loan A, which is subject to the variability of LIBOR, is \$652.5 million. Interest rates on our senior notes are fixed by their terms.

As of December 31, 2017, we maintain several currently effective interest rate cap agreements that were entered into in November 2014 with notional amounts totaling \$3.5 billion. These cap agreements became effective September 30, 2016 and have the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of our debt. These cap agreements expire on June 30, 2018. As of December 31, 2017, these cap agreements had an immaterial fair value. During the year ended December 31, 2017, we recognized debt expense of \$8.3 million from these caps. During the year ended December 31, 2017, we recorded a loss of \$0.1 million in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

As of December 31, 2017, we also maintain several forward interest rate cap agreements that were entered into in October 2015 with notional amounts totaling \$3.5 billion. These forward cap agreements will become effective June 29, 2018 and will have the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of its debt. These cap agreements expire on June 30, 2020. As of December 31, 2017, the total fair value of these cap agreements was an asset of approximately \$1.0 million. During the year ended December 31, 2017, we recorded a loss of \$8.8 million in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

Our overall weighted average effective interest rate on the senior secured credit facilities was 4.45%, based on the current margins in effect of 2.00% for Term Loan A and the Revolver and 2.75% for Term Loan B, as of December 31, 2017.

Our overall weighted average effective interest rate during the year ended December 31, 2017 was 4.70% and as of December 31, 2017 was 4.88%.

As of December 31, 2017, we had \$300 million drawn on our \$1.0 billion revolving line of credit under our senior secured credit facilities, in addition to approximately \$14.4 million committed for outstanding letters of credit. We also have approximately \$90.1 million of additional outstanding letters of credit related to Kidney Care and \$0.2 million of committed outstanding letters of credit related to DMG, which is backed by a certificate of deposit.

We believe that we will generate significant operating cash flows and will have sufficient liquidity to fund our scheduled debt service and other obligations and working capital needs for the foreseeable future, including the next 12 months, under the terms of our debt agreements. Our primary sources of liquidity are cash from operations and cash from borrowings.

One means of assessing exposure to debt-related interest rate changes is a 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 \$27.6 million, \$11.6 million, and \$9.3 million, net of tax, for the years ended December 31, 2017, 2016, and 2015, respectively.

#### *Exchange rate sensitivity*

While our business is predominantly conducted in the U.S. we have developing operations in 11 other countries as well. For financial reporting purposes, the U.S. dollar is our reporting currency. However, the functional currencies of our operating businesses in other countries are typically those of the countries in which they operate. Therefore, changes in the rate of exchange between the U.S. dollar and the local currencies in which our international operations are conducted affect our results of operations and financial position as reported in our consolidated financial statements.

We have consolidated the balance sheets of our non-U.S. dollar denominated operations into U.S. dollars at the exchange rates prevailing at the balance sheet date and have translated their revenues and expense at average exchange rates during the period. Additionally, our individual subsidiaries are exposed to transactional risks mainly resulting from intercompany transactions between and among subsidiaries with different functional currencies. This exposes the subsidiaries to fluctuations in the rate of exchange between the invoicing or obligation currencies and the currency in which their local operations are conducted.

We evaluate our exposure to foreign exchange risk through the judgment of our regional and corporate management teams. Through 2017, our international operations remained fairly small relative to the size of our consolidated financial statements, constituting less than 6% of our consolidated assets as of December 31, 2017 and approximately 3% of our consolidated net revenues for the year ended December 31, 2017. In addition, our foreign currency translation gains (losses) were less than approximately 6%, (2)%, and (3)% of our consolidated operating income for the years ended December 31, 2017, 2016 and 2015.

Given the still small size of our international operations, management does not consider our exposure to foreign exchange risk to be significant to the consolidated enterprise. As such, through December 31, 2017 we have not engaged in transactions to hedge the exposure of our international transactions or net investments to foreign currency risk. However, we may do so in the future.

#### **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 ensure that information required to be disclosed in the reports that it files or submits pursuant to the Securities Exchange Act of 1934 (Exchange Act) as amended is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management including our Chief Executive Officer and Chief Financial Officer as appropriate to allow for timely decisions regarding required disclosures.

At the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our 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 our disclosure controls and procedures are effective for timely identification and review of material information required to be included in our Exchange Act reports, including this report on Form 10-K. 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.

There has not been any change in our internal control over financial reporting that was identified during the evaluation that occurred during the fourth fiscal quarter and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information.**

None.

## PART III

### Item 10. Directors, Executive Officers and Corporate Governance.

We intend to disclose any amendments or waivers to the Code of Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, on our website. 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 legal 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 our website, located at <http://www.davita.com>. We also maintain a Corporate Code of Conduct that applies to all of our employees, officers and directors, which is posted on our 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>.

The other information required to be disclosed by this item will appear in, and is incorporated by reference from, the sections entitled "Proposal No. 1. Election of Directors", "Corporate Governance", and "Security Ownership of Certain Beneficial Owners and Management" included in our definitive proxy statement relating to our 2018 annual stockholder meeting.

### Item 11. Executive Compensation.

The information required by this item will appear in, and is incorporated by reference from, the sections entitled "Executive Compensation" and "Compensation Committee Interlocks and Insider Participations" included in our definitive proxy statement relating to our 2018 annual stockholder meeting. The information required by Item 407(e)(5) of Regulation S-K will appear in and is incorporated by reference from the section entitled "Compensation Committee Report" included in our definitive proxy statement relating to our 2018 annual stockholder meeting; however, this information shall not be deemed to be filed.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table provides information about our common stock that may be issued upon the exercise of stock-settled stock appreciation rights, restricted stock units and other rights under all of our existing equity compensation plans as of December 31, 2017, which consist of our 2011 Incentive Award Plan and our Employee Stock Purchase Plan. The material terms of these plans are described in Note 18 to the consolidated financial statements.

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	8,034,080 <sup>(1)</sup>	67.92 <sup>(2)</sup>	34,493,542	42,527,622
Equity compensation plans not requiring shareholder approval	—	—	—	—
<b>Total</b>	<b>8,034,080</b>	<b>\$ 67.92</b>	<b>34,493,542</b>	<b>42,527,622</b>

(1) Includes 752,029 shares of common stock reserved for issuance in connection with performance share units and performance stock appreciation rights at the maximum number of shares issuable thereunder.

(2) This weighted-average includes performance stock appreciation rights at 100% of target amount and excludes full value awards such as restricted stock units and performance share units.

Other information required to be disclosed by Item 12 will appear in, and is incorporated by reference from, the section entitled “Security Ownership of Certain Beneficial Owners and Management” included in our definitive proxy statement relating to our 2018 annual stockholder meeting.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information required by this item will appear in, and is incorporated by reference from, the section entitled “Certain Relationships and Related Transactions” and the section entitled “Corporate Governance” included in our definitive proxy statement relating to our 2018 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 “Ratification of Appointment of Independent Registered Public Accounting Firm” included in our definitive proxy statement relating to our 2018 annual stockholder meeting.



**PART IV**

**Item 15. Exhibits, Financial Statement Schedules.**

**(a) Documents filed as part of this Report:**

*(1) Index to Financial Statements:*

	<u>Page</u>
<a href="#">Management's Report on Internal Control Over Financial Reporting</a>	F-1
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-2
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-3
<a href="#">Consolidated Statements of Income for the years ended December 31, 2017, 2016, and 2015</a>	F-4
<a href="#">Consolidated Statements of Comprehensive Income for the years ended December 31, 2017, 2016, and 2015</a>	F-5
<a href="#">Consolidated Balance Sheets as of December 31, 2017, and 2016</a>	F-6
<a href="#">Consolidated Statements of Cash Flow for the years ended December 31, 2017, 2016, and 2015</a>	F-7
<a href="#">Consolidated Statements of Equity for the years ended December 31, 2017, 2016, and 2015</a>	F-8
<a href="#">Notes to Consolidated Financial Statements</a>	F-9
<i>(2) Index to Financial Statement Schedules:</i>	
<a href="#">Schedule II—Valuation and Qualifying Accounts</a>	S-3

*(3) Exhibits*

The information required by this Item is set forth in the Exhibit Index that precedes the signature pages of this Annual Report on Form 10-K.

**Item 16. Form 10-K Summary.**

None.

**DAVITA INC.**  
**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is 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 U.S. generally accepted accounting principles and which includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. 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 (iii) 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 Chief Executive Officer and Chief Financial Officer, 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 (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based upon our evaluation under the COSO framework, we have concluded that the Company's internal control over financial reporting was effective as of December 31, 2017.

The Company's independent registered public accounting firm, KPMG LLP, has issued an attestation report on the Company's internal control over financial reporting, which report is included in this Annual Report.

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
DaVita Inc.:

### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of DaVita Inc. and subsidiaries (the Company) as of December 31, 2017 and 2016, the related consolidated statements of income, comprehensive income, equity, and cash flow for each of the years in the three-year period ended December 31, 2017, and the related notes and financial statement Schedule II - Valuation and Qualifying Accounts (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2017, 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) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 23, 2018 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

### *Basis for Opinion*

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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2000.

Seattle, Washington  
February 23, 2018

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
DaVita Inc.:

### *Opinion on Internal Control Over Financial Reporting*

We have audited DaVita Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2017 and 2016, the related consolidated statements of income, comprehensive income, equity, and cash flow for each of the years in the three-year period ended December 31, 2017, and the related notes and financial statement Schedule II - Valuation and Qualifying Accounts (collectively, the consolidated financial statements), and our report dated February 23, 2018 expressed an unqualified opinion on those consolidated financial statements.

### *Basis for Opinion*

The Company'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, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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 of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### *Definition and Limitations of Internal Control Over Financial Reporting*

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.

/s/ KPMG LLP

Seattle, Washington  
February 23, 2018

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(dollars in thousands, except per share data)

	Year ended December 31,		
	2017	2016	2015
Dialysis and related lab patient service revenues	\$ 10,093,670	\$ 9,727,360	\$ 9,155,447
Less: Provision for uncollectible accounts	(485,398)	(431,308)	(412,905)
Net dialysis and related lab patient service revenues	9,608,272	9,296,052	8,742,542
Other revenues	1,268,362	1,411,415	1,239,703
Total net revenues	10,876,634	10,707,467	9,982,245
Operating expenses and charges:			
Patient care costs and other costs	7,640,005	7,431,582	6,856,062
General and administrative	1,064,026	1,072,841	1,031,125
Depreciation and amortization	559,911	509,497	463,905
Provision for uncollectible accounts	(7,033)	11,677	9,240
Equity investment loss (income)	8,640	(16,874)	(13,919)
Investment and other asset impairments	295,234	14,993	—
Goodwill impairment charges	36,196	28,415	4,066
Gain on changes in ownership interests	(6,273)	(374,374)	—
(Gain) loss on settlements, net	(526,827)	—	495,000
Total operating expenses and charges	9,063,879	8,677,757	8,845,479
Operating income	1,812,755	2,029,710	1,136,766
Debt expense	(430,634)	(414,116)	(408,380)
Debt redemption charges	—	—	(48,072)
Other income, net	17,665	7,511	8,073
Income from continuing operations before income taxes	1,399,786	1,623,105	688,387
Income tax expense	323,859	431,761	207,510
Net income from continuing operations	1,075,927	1,191,344	480,877
Net loss from discontinued operations, net of tax	(245,372)	(158,262)	(53,467)
Net income	830,555	1,033,082	427,410
Less: Net income attributable to noncontrolling interests	(166,937)	(153,208)	(157,678)
Net income attributable to DaVita Inc.	\$ 663,618	\$ 879,874	\$ 269,732
<b>Earnings per share:</b>			
Basic net income from continuing operations per share attributable to DaVita Inc.	\$ 4.78	\$ 5.12	\$ 1.53
Basic net income per share attributable to DaVita Inc.	\$ 3.52	\$ 4.36	\$ 1.27
Diluted net income from continuing operations per share attributable to DaVita Inc.	\$ 4.71	\$ 5.04	\$ 1.49
Diluted net income per share attributable to DaVita Inc.	\$ 3.47	\$ 4.29	\$ 1.25
<b>Weighted average shares for earnings per share:</b>			
Basic	188,625,559	201,641,173	211,867,714
Diluted	191,348,533	204,904,656	216,251,807
<b>Amounts attributable to DaVita Inc.:</b>			
Net income from continuing operations	\$ 901,277	\$ 1,032,373	\$ 323,199
Net loss from discontinued operations	(237,659)	(152,499)	(53,467)
Net income attributable to DaVita Inc.	\$ 663,618	\$ 879,874	\$ 269,732

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(dollars in thousands)

	Year ended December 31,		
	2017	2016	2015
Net income	\$ 830,555	\$ 1,033,082	\$ 427,410
Other comprehensive income (loss):			
Unrealized losses on interest rate cap and swap agreements:			
Unrealized losses on interest rate cap and swap agreements	(5,437)	(3,670)	(12,241)
Reclassifications of net cap and swap agreements realized losses into net income	5,058	2,566	3,111
Unrealized gains (losses) on investments:			
Unrealized gains (losses) on investments	3,705	1,427	(1,413)
Reclassification of net investment realized losses (gains) into net income	(220)	(423)	(377)
Foreign currency translation adjustments:			
Foreign currency translation adjustments	99,770	(39,614)	(23,889)
Reclassification of foreign currency translation into net income	—	10,087	—
Other comprehensive income (loss)	102,876	(29,627)	(34,809)
Total comprehensive income	933,431	1,003,455	392,601
Less: Comprehensive income attributable to noncontrolling interests	(166,935)	(153,398)	(157,678)
Comprehensive income attributable to DaVita Inc.	\$ 766,496	\$ 850,057	\$ 234,923

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(dollars in thousands, except per share data)

	December 31, 2017	December 31, 2016
<b>ASSETS</b>		
Cash and cash equivalents	\$ 508,234	\$ 674,776
Short-term investments	43,516	306,981
Accounts receivable, less allowance of \$218,399 and \$238,897	1,714,750	1,503,950
Inventories	181,799	160,419
Other receivables	372,919	288,156
Income tax receivable	49,440	—
Prepaid and other current assets	112,058	99,510
Current assets held for sale	5,761,642	960,956
Total current assets	8,744,358	3,994,748
Property and equipment, net	3,149,213	2,864,121
Intangible assets, net	113,827	73,504
Equity method and other investments	245,534	492,039
Long-term investments	37,695	29,997
Other long-term assets	47,287	33,857
Goodwill	6,610,279	6,015,375
Long-term assets held for sale	—	5,252,135
	<u>\$ 18,948,193</u>	<u>\$ 18,755,776</u>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 509,116	\$ 456,619
Other liabilities	552,662	578,892
Accrued compensation and benefits	616,116	706,564
Current portion of long-term debt	178,213	160,262
Income tax payable	—	1,394
Current liabilities held for sale	1,185,070	807,233
Total current liabilities	3,041,177	2,710,964
Long-term debt	9,158,018	8,944,676
Other long-term liabilities	365,325	317,383
Deferred income taxes	486,247	530,869
Long-term liabilities held for sale	—	428,885
Total liabilities	13,050,767	12,932,777
Commitments and contingencies		
Noncontrolling interests subject to put provisions	1,011,360	973,258
Equity:		
Preferred stock (\$0.001 par value, 5,000,000 shares authorized; none issued)		
Common stock (\$0.001 par value, 450,000,000 shares authorized; 182,462,278 and 194,554,491 shares issued and outstanding, respectively)	182	195
Additional paid-in capital	1,042,899	1,027,182
Retained earnings	3,633,713	3,710,313
Accumulated other comprehensive income (loss)	13,235	(89,643)
Total DaVita Inc. shareholders' equity	4,690,029	4,648,047
Noncontrolling interests not subject to put provisions	196,037	201,694
Total equity	4,886,066	4,849,741
	<u>\$ 18,948,193</u>	<u>\$ 18,755,776</u>

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
(dollars in thousands)

	Year ended December 31,		
	2017	2016	2015
<b>Cash flows from operating activities:</b>			
Net income	\$ 830,555	\$ 1,033,082	\$ 427,410
Adjustments to reconcile net income to net cash provided by operating activities:			
(Gain) loss on settlements, net	(526,827)	—	495,000
Depreciation and amortization	777,485	720,252	638,024
Impairment charges	981,589	296,408	210,234
Debt redemption charges	—	—	48,072
Stock-based compensation expense	35,092	38,338	56,664
Deferred income taxes	(395,217)	52,010	61,744
Equity investment income, net	28,925	17,766	9,293
Gain on sales of business interests, net	(23,402)	(404,165)	—
Other non-cash charges, net	66,925	(7,338)	44,691
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:			
Accounts receivable	(156,305)	(152,240)	(202,867)
Inventories	(18,625)	22,920	(48,313)
Other receivables and other current assets	(117,154)	(54,038)	32,761
Other long-term assets	(11,945)	35,893	3,723
Accounts payable	26,876	11,897	30,998
Accrued compensation and benefits	(78,239)	68,272	54,950
Other current liabilities	1,908	176,494	113,470
Settlement receipts (payments)	526,827	—	(493,775)
Income taxes	(52,176)	77,376	41,767
Other long-term liabilities	11,157	30,517	33,354
Net cash provided by operating activities	<u>1,907,449</u>	<u>1,963,444</u>	<u>1,557,200</u>
<b>Cash flows from investing activities:</b>			
Additions of property and equipment	(905,250)	(829,095)	(707,998)
Acquisitions	(803,879)	(563,856)	(96,469)
Proceeds from asset and business sales	92,336	64,725	19,715
Purchase of investments available for sale	(13,117)	(13,539)	(8,783)
Purchase of investments held-to-maturity	(230,989)	(1,133,192)	(1,709,883)
Proceeds from sale of investments available for sale	6,408	18,963	2,058
Proceeds from investments held-to-maturity	492,470	1,240,502	1,637,358
Purchase of equity investments	(4,816)	(27,096)	(17,911)
Proceeds from sale of equity investments	—	40,920	—
Distributions received on equity investments	106	—	129
Net cash used in investing activities	<u>(1,366,731)</u>	<u>(1,201,668)</u>	<u>(881,784)</u>

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOW - continued**  
(dollars in thousands)

	Year ended December 31,		
	2017	2016	2015
<b>Cash flows from financing activities:</b>			
Borrowings	50,991,960	51,991,490	54,541,988
Payments on long-term debt and other financing costs	(50,837,112)	(52,116,120)	(53,998,962)
Purchase of treasury stock	(802,949)	(1,097,822)	(549,935)
Distributions to noncontrolling interests	(211,467)	(192,401)	(174,635)
Stock award exercises and other share issuances, net	21,252	23,543	26,155
Excess tax benefits from stock award exercises	—	13,251	28,157
Contributions from noncontrolling interests	74,552	47,590	54,644
Proceeds from sales of additional noncontrolling interests	2,864	—	—



Purchases of noncontrolling interests	(5,357)	(21,512)	(66,382)
Net cash used in financing activities	(766,257)	(1,351,981)	(138,970)
Effect of exchange rate changes on cash and cash equivalents	254	4,276	(2,571)
Net (decrease) increase in cash and cash equivalents	(225,285)	(585,929)	533,875
Less: Net (decrease) increase in cash and cash equivalents from discontinued operations	(58,743)	(15,788)	25,855
Net (decrease) increase in cash and cash equivalents from continuing operations	(166,542)	(570,141)	508,020
Cash and cash equivalents of continuing operations at beginning of the year	674,776	1,244,917	736,897
Cash and cash equivalents of continuing operations at end of the year	\$ 508,234	\$ 674,776	\$ 1,244,917

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(dollars and shares in thousands)

	Non-controlling interests subject to put provisions	DaVita Inc. Shareholders' Equity								Non-controlling interests not subject to put provisions
		Common stock		Additional paid-in capital	Retained earnings	Treasury stock		Accumulated other comprehensive income (loss)	Total	
		Shares	Amount			Shares	Amount			
Balance at December 31, 2014	\$ 829,965	215,641	\$ 216	\$ 1,108,211	\$ 4,087,103	—	\$ —	\$ (25,017)	\$ 5,170,513	\$ 189,798
<b>Comprehensive income:</b>										
Net income	96,510				269,732				269,732	61,168
Other comprehensive loss								(34,809)	(34,809)	
Stock purchase shares issued		—	—	(6,079)		414	30,608		24,529	
Stock unit shares issued		348	—	—					—	
Stock-settled SAR shares issued		1,131	1	(1)					—	
Stock-settled stock-based compensation expense				56,899					56,899	
Excess tax benefits from stock awards exercised				28,157					28,157	
<b>Changes in non-controlling interests from:</b>										
Distributions	(103,355)									(71,280)
Contributions	25,795									28,849
Acquisitions and divestitures	10,654									6,875
Partial purchases	(8,538)			(55,826)					(55,826)	(2,018)
Fair value remeasurement	13,035			(13,035)					(13,035)	
Purchase of treasury stock						(7,780)	(575,380)		(575,380)	
Balance at December 31, 2015	\$ 864,066	217,120	\$ 217	\$ 1,118,326	\$ 4,356,835	(7,366)	\$ (544,772)	\$ (59,826)	\$ 4,870,780	\$ 213,392
<b>Comprehensive income:</b>										
Net income	99,834				879,874				879,874	53,374
Other comprehensive loss								(29,817)	(29,817)	190
Stock purchase shares issued		438	1	23,902					23,903	
Stock unit shares issued		4	—	(19,815)		276	19,815			
Stock-settled SAR shares issued		218	—	(36,685)		513	36,685			
Stock-settled stock-based compensation expense				37,970					37,970	
Excess tax benefits from stock awards exercised				13,251					13,251	
<b>Changes in non-controlling interests from:</b>										
Distributions	(111,092)									(81,309)
Contributions	33,517									14,073
Acquisitions and divestitures	28,874			3,423					3,423	2,585
Partial purchases	(6,660)			(13,105)					(13,105)	(1,747)
Fair value remeasurement	65,855			(65,855)					(65,855)	
Reclassifications and expirations of puts	(1,136)									1,136
Purchase of treasury stock						(16,649)	(1,072,377)		(1,072,377)	
Retirement of treasury stock		(23,226)	(23)	(34,230)	(1,526,396)	23,226	1,560,649			
Balance at December 31, 2016	\$ 973,258	194,554	\$ 195	\$ 1,027,182	\$ 3,710,313	—	\$ —	\$ (89,643)	\$ 4,648,047	\$ 201,694

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY - continued**  
(dollars and shares in thousands)

	Non-controlling interests	DaVita Inc. Shareholders' Equity				Non-controlling interests not subject to
		Common stock	Additional	Treasury stock	Accumulated other	

	subject to put provisions							comprehensive income (loss)	Total	put provisions
		Shares	Amount	paid-in capital	Retained earnings	Shares	Amount			
Comprehensive income:										
Net income	103,641				663,618			663,618	63,296	
Other comprehensive income							102,878	102,878	(2)	
Stock purchase shares issued		360		22,131					22,131	
Stock unit shares issued		117		(101)					(101)	
Stock-settled SAR shares issued		398		—					—	
Stock-settled stock-based compensation expense				34,981					34,981	
Excess tax benefits from stock awards exercised										
Changes in noncontrolling interest from:										
Distributions	(128,853)									(82,614)
Contributions	52,911									21,641
Acquisitions and divestitures	43,799			(823)					(823)	(5,770)
Partial purchases	(397)			(2,752)					(2,752)	(2,208)
Fair value remeasurements	(32,999)			32,999					32,999	
Purchase of treasury stock						(12,967)	(810,949)		(810,949)	
Retirement of treasury stock		(12,967)	(13)	(70,718)	(740,218)	12,967	810,949			
Balance at December 31, 2017	\$ 1,011,360	182,462	\$ 182	\$ 1,042,899	\$ 3,633,713	—	\$ —	\$ 13,235	\$ 4,690,029	\$ 196,037

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. (the Company) has consisted of two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG). The Kidney Care division is comprised of the Company's U.S. dialysis and related lab services, its ancillary services and strategic initiatives, including its international operations, and its corporate administrative support. The Company's largest line of business is its U.S. dialysis and related lab services business, which operates kidney dialysis centers in the U.S. for patients suffering from chronic kidney failure also known as end stage renal disease (ESRD). As of December 31, 2017, the Company operated or provided administrative services through a network of 2,510 U.S. outpatient dialysis centers in 46 states and the District of Columbia, serving a total of approximately 197,800 patients. In addition, as of December 31, 2017, the Company operated or provided administrative services to a total of 237 outpatient dialysis centers serving approximately 22,900 patients located in 11 countries outside of the U.S.

The Company's DMG division is a patient- and physician-focused integrated healthcare delivery and management company that provides medical services to members primarily through capitation contracts with some of the nation's leading health plans. On December 5, 2017, the Company entered into an equity purchase agreement to sell its DMG division to Collaborative Care Holdings, LLC (Optum), a subsidiary of UnitedHealth Group Inc. The transaction is expected to close in 2018 and is subject to regulatory approval and other customary closing conditions. As a result of this pending transaction, the DMG business has been reclassified as held for sale and its results of operations are reported as discontinued operations for all periods presented in these consolidated financial statements. For financial information about the DMG business, see Note 21.

The Company's U.S. dialysis and related lab services business qualifies as a separately reportable segment and the Company's other ancillary services and strategic initiatives, including its international operations, have been combined and disclosed in the other segments category.

*Basis of presentation*

These consolidated financial statements are prepared in accordance with United States generally accepted accounting principles (U.S. GAAP). The financial statements include DaVita Inc. and its subsidiaries, partnerships and other entities in which it maintains a majority voting interest or other controlling financial interest (collectively, the Company). All significant intercompany transactions and balances have been eliminated. Non-marketable equity investments are recorded under the equity or cost method of accounting based upon whether the Company has significant influence over the investee. For the Company's international subsidiaries, local currencies are considered their functional currencies. Translation adjustments result from translating the Company's international subsidiaries' financial statements from their functional currencies into the Company's reporting currency (USD). Prior year balances and amounts have been reclassified to conform to the current year presentation.

The Company has evaluated subsequent events through the date these consolidated financial statements were issued and has included all necessary adjustments and disclosures.

*Use of estimates*

The preparation of financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingencies and noncontrolling interests subject to put provisions. 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. All significant assumptions and estimates underlying the amounts reported in the financial statements and accompanying notes are regularly reviewed and updated when necessary. 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 accounts receivable, contingencies, impairments of goodwill and investments, accounting for income taxes, long-term variable compensation accruals, consolidation of variable interest entities, and certain fair value estimates. Specific estimating risks and contingencies are further addressed within these notes to the consolidated financial statements.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

*Patient service net revenues and accounts receivable*

*U.S. dialysis and related lab services*

U.S. dialysis patient service net revenues are recognized in the period services are provided. Revenues consist primarily of payments from Medicare, Medicaid and commercial health plans for dialysis and ancillary services provided to patients. A usual and customary fee schedule is maintained for the Company's dialysis treatments and other patient services; however, actual collectible revenue is normally recognized at a discount from the fee schedule.

Revenues associated with Medicare and Medicaid programs are recognized based on: (a) the payment rates that are established by statute or regulation for the portion of payment rates paid by the government payor (e.g., 80% for Medicare patients) and (b) for the portion not paid by the primary government payor, estimates of the amounts ultimately collectible from other government programs paying secondary coverage (e.g., Medicaid secondary coverage), the patient's commercial health plan secondary coverage, or the patient. The Company's reimbursements from Medicare are subject to certain variations under Medicare's single bundled payment rate system, whereby reimbursements can be adjusted for certain patient characteristics and other factors. The Company's revenue recognition will depend upon its ability to effectively capture, document and bill for Medicare's base payment rate as well as these other variable factors.

Revenues associated with commercial health plans are estimated based on contractual terms for the patients under healthcare plans with which the Company has formal agreements, non-contracted health plan coverage terms if known, estimated secondary collections, historical collection experience, historical trends of refunds and payor payment adjustments (retractions), inefficiencies in the Company's billing and collection processes that can result in denied claims for payments, and regulatory compliance matters.

Commercial revenue recognition also involves significant estimating risks. With many larger, commercial insurers the Company has several different contracts and payment arrangements, and these contracts often include only a subset of the Company's centers. It is often not possible to determine which contract, if any, should be applied prior to billing. In addition, for services provided by non-contracted centers, final collection may require specific negotiation of a payment amount, typically at a significant discount from the Company's usual and customary rates.

Under Medicare's bundled payment rate system, services covered by Medicare are subject to estimating risk, whereby reimbursements from Medicare can vary significantly depending upon certain patient characteristics and other variable factors. Even with the bundled payment rate system, Medicare payments for bad debt claims as established by cost reports require evidence of collection efforts. As a result, billing and collection of Medicare bad debt claims can be delayed significantly and final payment is subject to audit.

Medicaid payments, when Medicaid coverage is secondary, can also be difficult to estimate. For many states, Medicaid payment terms and methods differ from Medicare, and may prevent accurate estimation of individual payment amounts prior to billing.

The Company's range of revenue estimating risk for the U.S. dialysis and related lab services segment is generally expected to be within 1% of its revenue. Changes in revenue estimates for prior periods are not material.

*Other revenues*

Other revenues consist of the revenues associated with the ancillary services and strategic initiatives, management and administrative support services that are provided to outpatient dialysis centers that the Company does not own or in which the Company owns a noncontrolling interest, and administrative and management support services to certain other non-dialysis joint ventures in which the Company owns a noncontrolling interest. Revenues associated with pharmacy services are recognized as prescriptions are filled and shipped to patients. Revenues associated with disease management services, medical consulting services, clinical research programs, physician services, ESRD seamless care organizations, and comprehensive care are recognized in the period services are provided. Revenues associated with direct primary care are recognized over the membership period. 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 revenues when earned.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

*Allowance for uncollectible accounts*

Net revenue recognition and allowances for uncollectible billings require the use of estimates of the amounts that will ultimately be realized considering, among other items, retroactive adjustments that may be associated with regulatory reviews, audits, billing reviews and other matters. The Company's policy is to write off any uncollectible accounts receivable balance only after all collection efforts have been exhausted or when write off is mandated by federal or state policies or required by certain payor contracts. It is also the Company's policy to write off any accounts receivable balance associated with any payors or patients when the Company receives notification of a bankruptcy filing.

*Other income*

Other income includes interest income on cash and cash-equivalents and short- and long-term investments, other non-operating gains from investment transactions, and foreign currency transaction gains and losses.

*Cash and cash equivalents*

Cash equivalents are short-term highly liquid investments with maturities of three months or less at date of purchase.

*Investments in debt and equity securities*

The Company classifies certain debt securities as held-to-maturity and records them at amortized cost based on the Company's intentions and strategies concerning those investments. Equity securities that have readily determinable fair values, and certain other financial instruments that have readily determinable fair values or redemption values, are classified as available for sale and recorded at estimated fair value.

*Inventories*

Inventories are stated at the lower of cost (first-in, first-out) or market and consist principally of pharmaceuticals and dialysis-related supplies. Rebates related to inventory purchases are recorded when earned and are based on certain qualification requirements which are dependent on a variety of factors including future pricing levels by the manufacturer and data submission.

*Property and equipment*

Property and equipment is stated at cost less accumulated depreciation and amortization and is further 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 economic useful life or the expected lease term; and equipment and information systems, principally three to eight years. Disposition gains and losses are included in current operating expenses.

*Amortizable intangibles*

Amortizable intangible assets and liabilities include non-competition and similar agreements, lease agreements and hospital acute services contracts, each of which have finite useful lives. Amortization expense is computed using the straight-line method over the useful lives of the assets estimated as follows: non-competition and similar agreements, two to ten years; and lease agreements and hospital acute service contracts, over the term of the lease or contract period, respectively.

*Indefinite-lived intangibles*

Indefinite-lived intangible assets include international licenses and accreditations that allow the Company to be reimbursed for providing dialysis services to patients, each of which has an indefinite useful life.

*Equity method and other investments*

Equity investments that do not have readily determinable fair values are carried on the cost or equity method, as applicable, net of any other-than-temporary impairment. The Company classifies its cost and equity method investments as "Equity method and other investments" on its balance sheet. See Note 9 to these consolidated financial statements for further details.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

*Goodwill*

Goodwill represents the difference between the fair value of businesses acquired and the fair value of the identifiable tangible and intangible net assets acquired. Goodwill is not amortized, but is assessed by individual reporting unit for impairment as circumstances warrant and at least annually. An impairment charge is recorded when a reporting unit's carrying amount is determined to exceed its fair value. The Company operates multiple reporting units. See Note 10 to these consolidated financial statements for further details.

*Impairment of equity method and other investments*

Equity method and other investments are assessed for other-than-temporary impairment when significant events or changes in circumstances indicate that an other-than-temporary impairment may have occurred. An other-than-temporary impairment charge is recorded when the fair value of an investment has fallen below its carrying amount and the shortfall is expected to be indefinitely or permanently unrecoverable.

*Impairment of other long-lived assets*

Other long-lived assets, including property and equipment and intangible assets, are reviewed for possible impairment whenever significant events or changes in circumstances indicate that an impairment may have occurred. Such changes can include changes in the Company's business strategy and plans, changes in the quality or structure of its relationships with its partners or deteriorating performance of individual outpatient dialysis centers or other business units. An impairment of an amortizable or depreciable asset is indicated when the sum of the expected future undiscounted net cash flows identifiable to the related asset group is less than its carrying amount. Impairment losses are measured based on the difference between the estimated fair value and the carrying amount of the subject asset group and are included in operating expenses.

Indefinite-lived 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.

*Self-insurance*

The Company is predominantly self-insured with respect to professional and general liability and workers' compensation risks through wholly-owned captive insurance companies, with excess or reinsurance coverage for additional risk. The Company is also predominantly self-insured with respect to employee medical and other health benefits. The Company records insurance liabilities for the professional and general liability, workers' compensation, and employee health benefit risks that it retains and estimates its liability for those risks using third party actuarial calculations that are based upon historical claims experience and expectations for future claims.

*Income taxes*

Federal and state income taxes are computed at currently enacted tax rates less tax credits using the asset and liability method. Deferred taxes are adjusted both for items that do not currently 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, changes in the recognition of tax positions and any changes in the valuation allowance caused by a change in judgment about the realizability of the related deferred tax assets. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized.

The Company uses a recognition threshold of more-likely-than-not and a measurement attribute on all tax positions taken or expected to be taken in a tax return in order to be recognized in the financial statements. Once the recognition threshold is met, the tax position is then measured to determine the actual amount of benefit to recognize in the financial statements.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

*Stock-based compensation*

The Company's stock-based compensation awards are measured at their estimated fair values on the date of grant if settled in shares or at their estimated fair values at the end of each reporting period if settled in cash. The value of stock-based awards so measured is recognized as compensation expense on a cumulative straight-line basis over the vesting terms of the awards, adjusted for expected forfeitures. Stock-based compensation to be settled in shares is recorded to the Company's shareholders' equity, while stock-based compensation to be settled in cash is recorded to a liability.

*Interest rate cap and swap agreements*

The Company often carries a combination of currently effective interest rate caps, forward interest rate caps, or interest rate swaps on portions of its variable rate debt as a means of hedging its exposure to changes in LIBOR interest rates as part of its overall interest rate risk management strategy. These interest rate caps and swaps are not held for trading or speculative purposes and are typically designated as qualifying cash flow hedges. See Note 13 to these consolidated financial statements for further details.

*Noncontrolling interests*

Noncontrolling interests represent third-party equity ownership interests in entities which are consolidated by the Company for financial statement reporting purposes. As of December 31, 2017, third parties held noncontrolling equity interests in 589 consolidated legal entities, including 586 legal entities classified as continuing operations.

*Fair value estimates*

The Company relies on fair value measurements and estimates for purposes that require the recording, reassessment, or adjustment of the carrying amounts of certain assets, liabilities and noncontrolling interests subject to put provisions (temporary equity). These purposes can include the accounting for business combination transactions, impairment assessments for goodwill, investments, or other long-lived assets, and stock-based compensation, as well as recurring valuations of available for sale securities, noncontrolling interests in temporary equity, derivative instruments, and/or contingent consideration, as applicable. The Company has also classified its assets, liabilities and temporary equity into the appropriate fair value hierarchy levels as defined by the Financial Accounting Standards Board (FASB). See Note 24 to these consolidated financial statements for further details.

*New accounting standards*

On May 28, 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. In 2015 and 2016, the FASB issued ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-11, and ASU 2016-12, *Revenue from Contracts with Customers (Topic 606)*, each of which amends the guidance in ASU 2014-09. These ASUs will replace most existing revenue recognition guidance in U.S. GAAP.

The Company will adopt these ASUs beginning January 1, 2018 using the cumulative effect method and will apply these ASUs only to those contracts that are not completed contracts as of that date with no cumulative effect adjustment. In preparation for the adoption of these ASUs, the Company has concluded that this guidance will result in a change to the presentation of its revenues, provision for uncollectible accounts and allowance for doubtful accounts, which will result in the Company's provision for uncollectible accounts being recorded as a reduction to revenue. The guidance will also require additional disaggregated revenue disclosures. The guidance will not have a material impact on the Company's consolidated financial position, results of operations, equity or cash flows. The Company expects to benefit from certain policy elections related to its adoption of these standards of approximately \$30,000 in the first half of 2018.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The amendments in this ASU revise accounting related to (i) the classification and measurement of investments in equity securities and (ii) the presentation of certain fair value changes for financial liabilities at fair value. The amendments in this ASU are effective for the Company beginning on January 1, 2018 and are to be applied through a cumulative effect adjustment to the statement of financial position. Early adoption is permitted under certain circumstances. The Company is still evaluating certain aspects of this ASU as well as the related impacts it may have on its consolidated financial statements when adopted on January 1, 2018.



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In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The amendments in this ASU revise the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for substantially all leases with lease terms in excess of twelve months. The new lease guidance also simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. The amendments in this ASU are effective for the Company beginning on January 1, 2019 and are to be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. The Company has assembled an internal lease task force that meets regularly to discuss and evaluate the overall impact of this guidance on its consolidated financial statements and related disclosures, as well as the expected timing of adoption. The Company is currently gathering information from its existing leases and believes that the new standard will have a material impact on its consolidated balance sheet but will not have a material impact on its results of operations or liquidity. The Company expects to adopt this ASU on January 1, 2019, and continues to evaluate the effect that the implementation of this ASU will have on its consolidated financial statements, related disclosures and controls.

In March 2016, the FASB issued ASU No. 2016-07, *Investments - Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting*. The amendments in this ASU eliminate the requirement that when an investment qualifies for use of the equity method as a result of an increase in the level of ownership interest or degree of influence, an investor must adjust the investment, results of operations, and retained earnings retroactively on a step-by-step basis as if the equity method had been in effect during all previous periods that the investment had been held. The amendments in this ASU were effective for the Company beginning on January 1, 2017 and were applied prospectively. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The changes required by this ASU involve several aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, classification on the statement of cash flow, and an election on estimating forfeitures. The amendments in this ASU were effective for the Company beginning January 1, 2017. The method of adoption differs for each of the topics covered by the ASU. The primary effect of this ASU for the Company is the presentation of excess tax benefits or deficiencies as a component of income tax expense within the Company's consolidated statements of income rather than within additional paid-in capital on its consolidated balance sheet. In addition, these excess tax benefits or deficiencies are presented as an operating activity rather than as a financing activity on the consolidated statements of cash flow.

The Company elected to apply the presentation requirements for cash flows related to excess tax benefits prospectively. Additionally, the Company has elected to continue to estimate forfeitures expected to occur in determining the amount of compensation expense to be recognized each period. While this new standard may cause volatility in the Company's effective tax rates and diluted earnings per share due to tax effects of stock awards being recorded within the Company's consolidated statements of operations, adoption of this standard did not have a material impact on the Company's consolidated financial statements for the year ended December 31, 2017.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The amendments in this ASU clarify how certain cash receipts and cash payments should be classified on the statement of cash flows. The new standard is effective for the Company beginning January 1, 2018 and is to be applied retrospectively to all periods presented. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements when adopted on January 1, 2018.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*. The amendments in this ASU allow entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The current guidance does not allow recognition until the asset has been sold to an outside party. The amendments in this ASU are effective for the Company beginning on January 1, 2018 and are to be applied on a modified retrospective basis. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements when adopted on January 1, 2018.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The amendments in this ASU simplify the test for goodwill impairment by eliminating the second step in goodwill impairment assessments. The Company early adopted this ASU as of January 1, 2017.

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments in this ASU better align an entity's risk management activities and

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financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The amendments in the new ASU are effective for the Company on January 1, 2019 and are to be applied prospectively. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements when adopted on January 1, 2018.

In February 2018, the FASB issued ASU No. 2018-2, *Income Statement - Reporting Comprehensive Income (Topic 220), Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, which allows for the reclassification of certain income tax effects related to the Tax Cuts and Jobs Act between "Accumulated other comprehensive income" and "Retained earnings." This ASU relates to the requirement that adjustments to deferred tax liabilities and assets related to a change in tax laws or rates to be included in "Income from continuing operations", even in situations where the related items were originally recognized in "Other comprehensive income" (rather than in "Income from continuing operations"). The amendments in this ASU are effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years, with early adoption permitted. Adoption of this ASU is to be applied either in the period of adoption or retrospectively to each period in which the effect of the change in the tax laws or rates were recognized. The Company is still evaluating certain aspects of this ASU as well as the related impacts it may have on the Company's consolidated financial statements.

**2. Earnings per share**

Basic earnings per share is calculated by dividing net income attributable to the Company, adjusted for any change in noncontrolling interest redemption rights in excess of fair value, by the weighted average number of common shares and vested stock units outstanding, net of shares held in escrow that under certain circumstances may be returned to the Company.

Diluted earnings per share includes the dilutive effect of outstanding stock-settled stock appreciation rights (SSARs) and unvested stock units (under the treasury stock method) as well as shares held in escrow that the Company expects will remain outstanding.

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

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

	Year ended December 31,		
	2017	2016	2015
	(shares in thousands)		
<b>Numerators:</b>			
Net income from continuing operations attributable to DaVita Inc.	\$ 901,277	\$ 1,032,373	\$ 323,199
Net loss from discontinued operations attributable to DaVita Inc.	(237,659)	(152,499)	(53,467)
Net income attributable to DaVita Inc. for basic earnings per share calculation	<u>\$ 663,618</u>	<u>\$ 879,874</u>	<u>\$ 269,732</u>
<b>Basic:</b>			
Weighted average shares outstanding during the period	190,820	203,835	214,062
Contingently returnable shares held in escrow for the DaVita HealthCare Partners merger	(2,194)	(2,194)	(2,194)
Weighted average shares for basic earnings per share calculation	<u>188,626</u>	<u>201,641</u>	<u>211,868</u>
Basic net income from continuing operations per share attributable to DaVita Inc.	\$ 4.78	\$ 5.12	\$ 1.53
Basic net loss from discontinued operations per share attributable to DaVita Inc.	(1.26)	(0.76)	(0.26)
<b>Basic net income per share attributable to DaVita Inc.</b>	<u>\$ 3.52</u>	<u>\$ 4.36</u>	<u>\$ 1.27</u>
<b>Diluted:</b>			
Weighted average shares outstanding during the period	190,820	203,835	214,062
Assumed incremental shares from stock plans	529	1,070	2,190
Weighted average shares for diluted earnings per share calculation	<u>191,349</u>	<u>204,905</u>	<u>216,252</u>
Diluted net income from continuing operations per share attributable to DaVita Inc.	\$ 4.71	\$ 5.04	\$ 1.49
Diluted net loss from discontinued operations per share attributable to DaVita Inc.	(1.24)	(0.75)	(0.24)
<b>Diluted net income per share attributable to DaVita Inc.</b>	<u>\$ 3.47</u>	<u>\$ 4.29</u>	<u>\$ 1.25</u>
Anti-dilutive stock-settled awards excluded from calculation <sup>(1)</sup>	<u>4,350</u>	<u>2,523</u>	<u>1,365</u>

(1) Shares associated with stock-settled stock appreciation rights excluded from the diluted denominator calculation because they are anti-dilutive under the treasury stock method.

### 3. Investments in debt and equity securities

The Company classifies certain debt securities as held-to-maturity and records them at amortized cost based on the Company's intentions and strategies concerning those investments. Equity securities that have readily determinable fair values, and certain other financial instruments that have readily determinable fair values or redemption values, are classified as available for sale and recorded at estimated fair value.

The Company's investments in these securities and certain other financial instruments consist of the following:

	December 31, 2017			December 31, 2016		
	Held to maturity	Available for sale	Total	Held to maturity	Available for sale	Total
Certificates of deposit, commercial paper and money market funds due within one year	\$ 42,316	\$ —	\$ 42,316	\$ 255,781	\$ —	\$ 255,781
Investments in mutual funds and common stock	—	38,895	38,895	50,000	31,197	81,197
	<u>\$ 42,316</u>	<u>\$ 38,895</u>	<u>\$ 81,211</u>	<u>\$ 305,781</u>	<u>\$ 31,197</u>	<u>\$ 336,978</u>
Short-term investments	\$ 42,316	\$ 1,200	\$ 43,516	\$ 305,781	\$ 1,200	\$ 306,981
Long-term investments	—	37,695	37,695	—	29,997	29,997
	<u>\$ 42,316</u>	<u>\$ 38,895</u>	<u>\$ 81,211</u>	<u>\$ 305,781</u>	<u>\$ 31,197</u>	<u>\$ 336,978</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
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The cost of certificates of deposit, commercial paper and money market funds at December 31, 2017 and 2016 approximate their fair value. As of December 31, 2017 and 2016, available for sale investments included \$8,416 and \$3,701, respectively, of gross pre-tax unrealized gains. During 2017 and 2016 the Company recorded gross pre-tax unrealized gains of \$5,075 and \$1,802, respectively, in other comprehensive income associated with changes in the fair value of these investments. During 2017, the Company sold investments in mutual funds and common stock for net proceeds of \$6,408, and recognized a pre-tax gain of \$360, or \$220 after tax, that was previously recorded in other comprehensive income. During 2016, the Company sold investments in mutual funds and common stock for net proceeds of \$14,971, and recognized a pre-tax gain of \$690, or \$423 after tax, that was previously recorded in other comprehensive income.

Investments in mutual funds classified as available for sale are held within trusts to fund existing obligations associated with several of the Company's non-qualified deferred compensation plans.

**4. Accounts receivable**

Approximately 21% and 16% of the Company's net patient services accounts receivable balances as of December 31, 2017 and 2016, respectively, were more than six months old. The increase was primarily due to changes the Company made in its collection policies and procedures to improve overall collections. There were no significant balances over one year old. Accounts receivable are principally from Medicare and Medicaid programs and commercial insurance plans.

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the ultimate collectability of its accounts receivable, the Company analyzes its historical cash collection experience and trends for each payor to estimate the adequacy of the allowance for doubtful accounts and the amount of the provision for uncollectible accounts. Management regularly updates its analysis based upon the most recent information available to it to determine its current provision for uncollectible accounts and the adequacy of its allowance for doubtful accounts.

For receivables associated with U.S. dialysis and related lab services covered by government payors, like Medicare, the Company receives 80% of the payment directly from Medicare as established under the government's bundled payment system and determines an appropriate allowance for doubtful accounts and provision for uncollectible accounts on the remaining balance due depending upon the Company's estimate of the amounts ultimately collectible from other secondary coverage sources or from the patients. For receivables associated with services to patients covered by commercial payors that are either based upon contractual terms or for non-contracted health plan coverage, the Company provides an allowance for doubtful accounts by recording a provision for uncollectible accounts based upon its historical collection experience, potential inefficiencies in its billing processes and for which collectability is determined to be unlikely.

Approximately 1% of the Company's U.S. dialysis and related lab services net accounts receivable are associated with patient pay and it is the Company's policy to reserve 100% of the outstanding accounts receivable balances for dialysis services when those amounts due are outstanding for more than three months.

During the year ended December 31, 2017, the Company's allowance for doubtful accounts decreased by \$20,498. The decrease in 2017 was primarily due to an increase in write-offs of aged balances from an increase in uninsured and underinsured uncollectible patient balances related to the U.S. dialysis and related lab business. During the year ended December 31, 2016, the Company's allowance for doubtful accounts decreased by \$12,837. The decrease in 2016 was primarily due to an increase in the write-offs of patient pay billings in the Company's U.S. dialysis business. The decrease was also due to a reduction in accounts receivable older than six months.

**5. Other receivables**

Other receivables were comprised of the following:

	December 31,	
	2017	2016
Supplier rebates and non-trade receivables	\$ 268,949	\$ 183,498
Medicare bad debt claims	103,970	104,658
	<u>\$ 372,919</u>	<u>\$ 288,156</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**6. Prepaid and other current assets**

Other current assets were comprised of the following:

	December 31,	
	2017	2016
Prepaid expenses	\$ 104,727	\$ 96,818
Other	7,331	2,692
	\$ 112,058	\$ 99,510

**7. Property and equipment**

Property and equipment were comprised of the following:

	December 31,	
	2017	2016
Land	\$ 33,814	\$ 26,339
Buildings	473,489	429,039
Leasehold improvements	2,816,675	2,495,070
Equipment and information systems, including internally developed software	2,352,246	2,182,912
New center and capital asset projects in progress	576,651	429,037
	6,252,875	5,562,397
Less accumulated depreciation	(3,103,662)	(2,698,276)
	\$ 3,149,213	\$ 2,864,121

Depreciation expense on property and equipment was \$544,129, \$494,945, and \$444,720 for 2017, 2016 and 2015, respectively.

In addition, during the first quarter of 2017, the Company recognized an asset impairment charge of \$15,168 related to the restructuring of its pharmacy business.

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 \$19,176, \$12,990 and \$9,723 for 2017, 2016 and 2015, respectively.

**8. Intangibles**

Intangible assets other than goodwill were comprised of the following:

	December 31,	
	2017	2016
Noncompetition and other agreements	\$ 429,140	\$ 407,220
Lease agreements	7,623	7,244
Indefinite-lived assets	33,255	1,125
Other	583	583
	470,601	416,172
Less accumulated amortization	(356,774)	(342,668)
	\$ 113,827	\$ 73,504

Amortization expense from amortizable intangible assets, other than lease agreements, was \$15,782, \$14,552, and \$19,185 for 2017, 2016 and 2015, respectively. Lease agreement intangible assets and liabilities were amortized to rent expense in the amounts of \$(203), \$(232) and \$(331) for 2017, 2016 and 2015, respectively.

During the years ended December 31, 2017, 2016 and 2015, the Company recognized no impairment charges on any intangible assets other than goodwill.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
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Amortizable intangible liabilities as of December 31, 2017 and 2016 were comprised of lease agreements of \$5,447 and \$6,011, respectively, which were net of accumulated amortization of \$3,508 and \$3,618, respectively.

There was no amortization benefit recognized from the alliance and product supply agreement in 2017 and 2016 as it expired in September 2015. Amortization benefit related to this agreement was \$3,997 for 2015.

Lease agreement intangible liabilities are classified in other long-term liabilities and amortized to rent expense.

Scheduled amortization charges from amortizable intangible assets and liabilities as of December 31, 2017 were as follows:

	Noncompetition and other agreements	Lease liabilities	Other
2018	\$ 15,581	\$ (849)	\$ 102
2019	14,051	(658)	87
2020	12,629	(628)	44
2021	9,929	(602)	—
2022	6,808	(553)	—
Thereafter	21,341	(2,157)	—
<b>Total</b>	<b>\$ 80,339</b>	<b>\$ (5,447)</b>	<b>\$ 233</b>

**9. Equity method and other investments**

Equity investments that do not have readily determinable fair values are carried on the cost or equity method, as applicable. The Company maintains equity method investments in nonconsolidated investees as well as minor cost method investments in private securities of certain other healthcare businesses. The Company classifies its non-marketable cost- and equity method investments as "Equity method and other investments" on its balance sheet.

As described in Note 20, effective as of August 1, 2016, the Company deconsolidated its Asia Pacific dialysis business held by DaVita Care Pte. Ltd. (the APAC JV), adjusted its retained investment in the APAC JV to estimated fair value at that time, and has accounted for this retained investment on the equity method since that time.

During the year ended December 31, 2017, the Company recognized a non-cash other-than-temporary impairment charge of \$280,066 on its investment in the APAC JV. This charge resulted from changes in its expectations for the joint venture based on continuing market research and assessments by both the Company and the APAC JV concerning the size of the addressable market available to the joint venture at attractive risk-adjusted returns. The Company estimated the fair value of its retained interest in the APAC JV with the assistance of an independent third party valuation firm based on information available to management as of December 31, 2017. After this charge, the Company's investment in the APAC JV was carried at \$160,481 as of December 31, 2017.

During the year ended December 31, 2016, the Company recorded an impairment of \$14,993 related to an investment at one of its other international reporting units.

Total equity method and other investments in nonconsolidated businesses were \$245,534 and \$492,039 at December 31, 2017 and 2016, respectively. The decrease in these equity investments was primarily due to the impairment of the Company's investment in the APAC JV. During 2017, 2016 and 2015, the Company recognized equity investment (loss) income of \$(8,640), \$16,874 and \$13,919, respectively, from its equity method investments in nonconsolidated businesses.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
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**10. Goodwill**

Changes in the carrying value of goodwill by reportable segments were as follows:

	U.S. dialysis and related lab services	Other ancillary services and strategic initiatives	Consolidated total
Balance at January 1, 2016	\$ 5,629,183	\$ 267,032	\$ 5,896,215
Acquisitions	75,295	123,632	198,927
Divestitures	(12,891)	(29,645)	(42,536)
Goodwill impairment charges	—	(28,415)	(28,415)
Foreign currency and other adjustments	—	(8,816)	(8,816)
Balance at December 31, 2016	\$ 5,691,587	\$ 323,788	\$ 6,015,375
Acquisitions	485,434	131,598	617,032
Divestitures	(32,260)	(126)	(32,386)
Goodwill impairment charges	—	(36,196)	(36,196)
Foreign currency and other adjustments	—	46,454	46,454
Balance at December 31, 2017	\$ 6,144,761	\$ 465,518	\$ 6,610,279
Goodwill	\$ 6,144,761	\$ 536,038	\$ 6,680,799
Accumulated impairment charges	—	(70,520)	(70,520)
	\$ 6,144,761	\$ 465,518	\$ 6,610,279

The Company elected to early adopt ASU No. 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* effective January 1, 2017. The amendments in this ASU simplify the test for goodwill impairment by eliminating the second step in the assessment. All goodwill impairment tests performed during 2017 have been performed under this new guidance.

Each of the Company's operating segments described in Note 25 to these consolidated financial statements represents an individual reporting unit for goodwill impairment testing purposes, except that each sovereign jurisdiction within the Company's international operating segments is considered a separate reporting unit.

Within the U.S. dialysis and related lab services operating segment, the Company considers each of its dialysis centers to constitute an individual business for which discrete financial information is available. However, since these dialysis centers have similar operating and economic characteristics, and the allocation of resources and significant investment decisions concerning these businesses are highly centralized and the benefits broadly distributed, the Company has aggregated these centers and deemed them to constitute a single reporting unit.

The Company has applied a similar aggregation to the vascular access service centers in its vascular access services reporting unit, to the physician practices in its physician services and direct primary care reporting units, and to the dialysis centers within each international reporting unit. For the Company's other operating segments, discrete business components below the operating segment level constitute individual reporting units.

During the year ended December 31, 2016, the Company recognized a goodwill impairment charge of \$28,415 related to the Company's vascular access reporting unit as a result of changes in future governmental reimbursement rates for this business and the Company's expected ability to mitigate them. Specifically, on November 2, 2016, CMS released the 2017 Physician Fee Schedule Final Rule and the Ambulatory Surgical Center Payment Final Rule which reflected significant changes in reimbursement structure for this business unit.

During the year ended December 31, 2017, the Company recognized an additional goodwill impairment charge of \$34,696 at its vascular access reporting unit. This charge resulted primarily from continuing changes in the Company's outlook for this business unit as the Company's partners and operators continued to evaluate and make decisions concerning changes in operations, including termination of their management services agreements and center closures, as a result of the changes in reimbursement structure discussed above. As of December 31, 2017, there was no goodwill remaining at the Company's vascular access reporting unit.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
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During the year ended December 31, 2017, the Company also performed annual impairment assessments for various other reporting units. As a result of these assessments, the Company also recognized a goodwill impairment charge of \$1,500 at one of its international reporting units during the year ended December 31, 2017. During the year ended December 31, 2015, the Company also recognized a goodwill impairment charge of \$4,066 at another international reporting unit.

Based on the most recent assessments, the Company determined that reductions in reimbursement rates, changes in actual or expected growth rates, or other significant adverse changes in expected future cash flows or valuation assumptions could result in goodwill impairment charges in the future for the following reporting units, which remain at risk of goodwill impairment as of December 31, 2017:

Reporting unit	Goodwill		Sensitivities	
	balance as of December 31, 2017	Carrying amount coverage <sup>(1)</sup>	Operating income <sup>(2)</sup>	Discount rate <sup>(3)</sup>
Kidney Care Germany	\$ 316,369	13.7%	(1.6)%	(11.1)%
Kidney Care Portugal	\$ 46,713	16.9%	(1.9)%	(6.0)%
Kidney Care Poland	\$ 46,610	11.8%	(1.9)%	(6.0)%

- (1) Excess of estimated fair value of the reporting unit over carrying amount as of the latest assessment date.
- (2) Potential impact on estimated fair value of a sustained, long-term reduction of 3% in operating income as of the latest assessment date.
- (3) Potential impact on estimated fair value of an increase in discount rates of 100 basis points as of the latest assessment date.

There were no major changes in the business, prospects, or expected future results of these reporting units from their latest assessment date through December 31, 2017.

Except as described above, none of the Company's other reporting units were considered at risk of significant goodwill impairment as of December 31, 2017. Since the dates of the Company's last annual goodwill impairment tests, there have been certain developments, events, changes in operating performance and other changes in key circumstances that have affected the Company's businesses. However, except as further described above, these did not cause management to believe it is more likely than not that the fair values of any of the Company's reporting units would be less than their respective carrying amounts as of December 31, 2017.

#### 11. Other liabilities

Other liabilities were comprised of the following:

	December 31,	
	2017	2016
Payor refunds and retractions	\$ 292,370	\$ 270,298
Insurance and self-insurance accruals	64,924	76,857
Accrued interest	83,362	82,234
Accrued non-income tax liabilities	28,317	23,643
Other	83,689	125,860
	<u>\$ 552,662</u>	<u>\$ 578,892</u>

#### 12. Income taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
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Income before income taxes from continuing operations consisted of the following:

	Year ended December 31,		
	2017	2016	2015
Domestic	\$ 1,725,822	\$ 1,278,754	\$ 730,249
International	(326,036)	344,351	(41,862)
	<u>\$ 1,399,786</u>	<u>\$ 1,623,105</u>	<u>\$ 688,387</u>

Income tax expense (benefit) for continuing operations consisted of the following:

	Year ended December 31,		
	2017	2016	2015
<b>Current:</b>			
Federal	\$ 330,191	\$ 322,940	\$ 124,503
State	47,228	44,525	20,442
International	3,422	1,928	856
Total current income tax	<u>380,841</u>	<u>369,393</u>	<u>145,801</u>
<b>Deferred:</b>			
Federal	(98,760)	88,412	71,016
State	37,347	(28,530)	(9,737)
International	4,431	2,486	430
Total deferred income tax	<u>(56,982)</u>	<u>62,368</u>	<u>61,709</u>
	<u>\$ 323,859</u>	<u>\$ 431,761</u>	<u>\$ 207,510</u>

Income taxes are allocated between continuing and discontinued operations as follows:

	Year ended December 31,		
	2017	2016	2015
Continuing operations	\$ 323,859	\$ 431,761	\$ 207,510
Discontinued operations	(364,856)	24,052	88,216
	<u>\$ (40,997)</u>	<u>\$ 455,813</u>	<u>\$ 295,726</u>

The reconciliation between the Company's effective tax rate from continuing operations and the U.S. federal income tax rate is as follows:

	Year ended December 31,		
	2017	2016	2015
Federal income tax rate	35.0 %	35.0 %	35.0 %
State income taxes, net of federal benefit	3.7	2.6	1.7
Gain on APAC JV ownership changes	(0.2)	(9.9)	—
APAC investment impairment	6.4	—	—
Impact of 2017 Tax Act	(20.5)	—	—
Other	2.0	1.8	2.3
Impact of noncontrolling interests primarily attributable to non-tax paying entities	(3.3)	(2.9)	(8.9)
Effective tax rate	<u>23.1 %</u>	<u>26.6 %</u>	<u>30.1 %</u>

On December 22, 2017, the President signed into law the tax legislation known as the Tax Cuts and Jobs Act (the 2017 Tax Act). The 2017 Tax Act includes a number of changes to existing U.S. tax laws that impact the Company, most notably a reduction in the U.S. corporate income tax rate from 35.0% to 21.0% effective January 1, 2018. The 2017 Tax Act also provides for full expensing of qualified assets placed into service after September 27, 2017, as well as prospective changes beginning in 2018, imposes a one-time transition tax on certain foreign subsidiaries, and changes how foreign earnings are subject to U.S. tax prospectively.

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The Company recognized the income tax effects of the 2017 Tax Act in its 2017 financial statements in accordance with Staff Accounting Bulletin No. 118, which provides SEC staff guidance for the application of ASC Topic 740, *Income Taxes*, in the reporting period in which the 2017 Tax Act was signed into law. As such, the Company's financial results reflect the income tax effects of the 2017 Tax Act for which accounting under ASC Topic 740 is complete and provisional amounts, primarily as it relates to the full expensing provisions of the 2017 Tax Act, for those specific income tax effects for which the accounting is incomplete but a reasonable estimate could be determined.

The Company has completed the accounting for income taxes with respect to the mandatory one-time tax on accumulated earnings of its foreign subsidiaries and has determined that there is no mandatory repatriation and therefore no income tax liability associated with this one-time tax.

The Company measures deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the temporary differences are expected to be recovered or paid. Accordingly, the Company's deferred tax assets and liabilities were remeasured to reflect a reasonable estimate of the reduction in the U.S. corporate income tax rate from 35.0% to 21.0%, resulting in a provisional \$251,510 net tax benefit.

While the Company has substantially completed its provisional analysis of the income tax effects of the 2017 Tax Act and recorded a reasonable estimate of such effects, the net one-time benefit related to the 2017 Tax Act may differ, possibly materially, due to, among other things, further refinement of the underlying calculations, changes in interpretations and assumptions that the Company has made, additional guidance that may be issued by the U.S. Government, and actions and related accounting policy decisions the Company may take as a result of the 2017 Tax Act. The Company will complete its analysis over a one-year measurement period ending December 22, 2018, and any adjustments during this measurement period will be included in net earnings from continuing operations as an adjustment to income tax expense in the reporting period in which such adjustments are determined.

Deferred tax assets and liabilities arising from temporary differences for continuing operations were as follows:

	December 31,	
	2017	2016
Receivables	\$ 19,705	\$ 25,197
Accrued liabilities	96,537	224,712
Net operating loss carryforwards	108,429	128,813
Other	37,794	73,525
Deferred tax assets	262,465	452,247
Valuation allowance	(61,282)	(56,016)
Net deferred tax assets	201,183	396,231
Intangible assets	(501,763)	(676,781)
Property and equipment	(100,376)	(141,919)
Investments in partnerships	(61,529)	(95,936)
Other	(23,762)	(12,464)
Deferred tax liabilities	(687,430)	(927,100)
Net deferred tax liabilities	\$ (486,247)	\$ (530,869)

At December 31, 2017, the Company had federal net operating loss carryforwards of approximately \$137,852 that expire through 2036, although a substantial amount expire by 2028. The Company also had state net operating loss carryforwards of \$445,554 that expire through 2036 and international net operating loss carryforwards of \$138,717, some of which have an indefinite life. The utilization of a portion of these losses may be limited in future years based on the profitability of certain entities. The net increase of \$5,266 in the valuation allowance is primarily due to newly created net operating loss carryforwards in state and foreign jurisdictions that the Company does not anticipate being able to utilize.

The 2017 Tax Act includes a mandatory one-time tax on accumulated earnings of foreign subsidiaries, and as a result, all previously unremitted earnings for which no U.S. deferred tax liability had been accrued would now be subject to U.S. tax. Irrespective of the fact that the Company will not experience any one-time tax under this provision of the 2017 Tax Act, it

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intends to continue to indefinitely reinvest these earnings, as well as capital invested and future earnings from its foreign subsidiaries to fund its international operations. In addition, the Company expects future U.S. cash generation will be sufficient to meet future U.S. cash needs. Determination of the amount of any applicable deferred taxes on the earnings is not practical since the computation would depend on a number of factors that cannot be known unless a decision is made to repatriate the earnings.

*Unrecognized tax benefits*

A reconciliation of the beginning and ending liability for unrecognized tax benefits that do not meet the more-likely-than-not threshold is as follows:

	Year ended December 31,	
	2017	2016
Beginning balance	\$ 24,066	\$ 39,011
Additions for tax positions related to current year	7,606	9,714
Additions for tax positions related to prior years	804	—
Reductions related to lapse of applicable statute	(1,380)	(1,277)
Impact of 2017 Tax Act	3,731	—
Reductions related to settlements with taxing authorities	(2,051)	(23,382)
Ending balance	<u>\$ 32,776</u>	<u>\$ 24,066</u>

As of December 31, 2017, the Company's total liability for unrecognized tax benefits relating to tax positions that do not meet the more-likely-than-not threshold is \$32,776, all of which would impact the Company's effective tax rate if recognized. This balance represents an increase of \$8,710 from the December 31, 2016 balance of \$24,066, primarily due to additions for tax positions related to the current year.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in its income tax expense. At December 31, 2017 and 2016, the Company had approximately \$4,195 and \$2,595, respectively, accrued for interest and penalties related to unrecognized tax benefits, net of federal tax benefit.

The Company and its subsidiaries file U.S. federal and state income tax returns and various foreign income tax returns. The Company is no longer subject to U.S. federal and state examinations by tax authorities for years before 2013 and 2008, respectively.

**13. Long-term debt**

Long-term debt was comprised of the following:

	December 31,	
	2017	2016
<b>Senior Secured Credit Facilities:</b>		
Term Loan A	\$ 775,000	\$ 862,500
Term Loan B	3,377,500	3,412,500
Revolver	300,000	—
Senior notes	4,500,000	4,500,000
Acquisition obligations and other notes payable	150,512	117,547
Capital lease obligations	297,170	292,252
Total debt principal outstanding	9,400,182	9,184,799
Discount and deferred financing costs	(63,951)	(79,861)
	<u>9,336,231</u>	<u>9,104,938</u>
Less current portion	(178,213)	(160,262)
	<u>\$ 9,158,018</u>	<u>\$ 8,944,676</u>

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Scheduled maturities of long-term debt at December 31, 2017 were as follows:

2018	178,213
2019	1,049,091
2020	73,362
2021	3,307,507
2022	1,283,671
Thereafter	3,508,338

*Term Loans*

Total outstanding borrowings under Term Loan A and Term Loan B can consist of various individual tranches that can range in maturity from one month to twelve months (currently all tranches are one month in duration). For Term Loan A and Term Loan B, each tranche bears interest at a London Interbank Offered Rate (LIBOR) that is determined by the duration of such tranche plus an interest rate margin. The LIBOR variable component of the interest rate for each tranche is reset as such tranche matures and a new tranche is established. At December 31, 2017, the overall weighted average interest rate for Term Loan A was determined based upon the LIBOR interest rates in effect for all of the individual tranches plus the interest rate margin of 2.00%. At December 31, 2017, Term Loan B bears interest at LIBOR (floor of 0.75%) plus a margin of 2.75%. The Company is subject to LIBOR-based interest rate volatility on Term Loan B as the LIBOR-based component of the interest rate exceeded the floor of 0.75% as of December 31, 2017. The overall weighted average interest rate for Term Loan B was determined based upon the LIBOR interest rates in effect for all individual tranches plus the interest rate margin.

The Company has several interest rate cap agreements that have the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on \$3,500,000 of outstanding principal debt. The remaining \$652,500 outstanding principal balance of Term Loan A would still be subject to LIBOR-based interest rate volatility. In addition, the Company maintains several forward interest rate cap agreements with notional amounts totaling \$3,500,000, which will be effective June 29, 2018. The cap agreements will have the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on an equivalent amount of the Company's debt. See below for further details. The Company is restricted from paying dividends under the terms of its senior secured credit facilities.

During the year ended December 31, 2017, the Company made mandatory principal payments under its senior secured credit facilities totaling \$87,500 on Term Loan A and \$35,000 on Term Loan B.

*Revolving lines of credit*

The Company has \$300,000 drawn on its \$1,000,000 revolving line of credit under its senior secured credit facilities, in addition to approximately \$14,383 committed for outstanding letters of credit. The Company also has approximately \$90,085 of additional outstanding letters of credit related to Kidney Care and \$211 of committed outstanding letters of credit related to DMG, which is backed by a certificate of deposit.

*Senior Notes*

The Company's senior notes as of December 31, 2017 consisted of \$1,500,000 of 5.0% Senior Notes due 2025, \$1,750,000 5 1/8% senior notes due 2024 and \$1,250,000 of 5 3/4% senior notes due 2022 (collectively Senior Notes).

The Senior Notes are unsecured obligations, rank equally in right of payment with the Company's existing and future unsecured senior indebtedness, and are guaranteed by substantially all of the Company's direct and indirect wholly-owned domestic subsidiaries and require semi-annual interest payments. The Company may redeem some or all of the Senior Notes at any time on or after certain specific dates and at certain specific redemption prices as outlined in each senior note agreement. The Company is restricted from paying dividends under the indentures governing its Senior Notes.

*Interest rate cap and swap agreements*

During the year ended December 31, 2017 the Company had several currently effective and forward interest rate cap agreements as a means of hedging its exposure to and volatility from variable-based interest rate changes as part of its overall interest rate risk management strategy. These agreements were not held for trading or speculative purposes and had the economic effect of capping the Company's maximum exposure to LIBOR variable interest rate changes on specific portions of the Company's floating rate debt, as described below. These cap agreements are also designated as cash flow hedges and, as a

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result, changes in the fair values of these cap agreements are reported in other comprehensive income. The amortization of the original cap premium is recognized as a component of debt expense on a straight-line basis over the term of the cap agreements. The cap agreements do not contain credit-risk contingent features.

As of December 31, 2017, the Company maintains several currently effective interest rate cap agreements that were entered into in November 2014 with notional amounts totaling \$3,500,000. These cap agreements became effective September 30, 2016 and have the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on an equivalent amount of the Company's debt. These cap agreements expire on June 30, 2018. As of December 31, 2017, these cap agreements had an immaterial fair value. During the year ended December 31, 2017, the Company recognized debt expense of \$8,278 from these caps. During the year ended December 31, 2017, the Company recorded a loss of \$115 in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

As of December 31, 2017, the Company also maintains several forward interest rate cap agreements that were entered into in October 2015 with notional amounts totaling \$3,500,000. These forward cap agreements will become effective June 29, 2018 and will have the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on an equivalent amount of its debt. These cap agreements expire on June 30, 2020. As of December 31, 2017, the total fair value of these cap agreements was an asset of approximately \$1,032. During the year ended December 31, 2017, the Company recorded a loss of \$8,782 in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

The following table summarizes the Company's derivative instruments as of December 31, 2017 and 2016:

<b>Derivatives designated as hedging instruments</b>	<b>Balance sheet location</b>	<b>Fair value</b>	
		<b>December 31, 2017</b>	<b>December 31, 2016</b>
Interest rate cap agreements	Other long-term assets	\$ 1,032	\$ 9,929

The following table summarizes the effects of the Company's interest rate cap and swap agreements for the years ended December 31, 2017, 2016 and 2015:

<b>Derivatives designated as cash flow hedges</b>	<b>Amount of unrealized losses in OCI on interest rate cap and swap agreements</b>			<b>Location of losses reclassified from accumulated OCI into income</b>	<b>Amount of losses reclassified from accumulated OCI into income</b>		
	<b>Year ended December 31,</b>				<b>Year ended December 31,</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>		<b>2017</b>	<b>2016</b>	<b>2015</b>
Interest rate cap agreements	\$ (8,897)	\$ (5,198)	\$ (16,114)	Debt expense	\$ 8,278	\$ 3,899	\$ 2,439
Interest rate swap agreements	—	(815)	(3,971)	Debt expense	—	299	2,664
Tax benefit	3,460	2,343	7,844	Tax expense	(3,220)	(1,632)	(1,992)
<b>Total</b>	<b>\$ (5,437)</b>	<b>\$ (3,670)</b>	<b>\$ (12,241)</b>		<b>\$ 5,058</b>	<b>\$ 2,566</b>	<b>\$ 3,111</b>

As of December 31, 2017, the Company's Term Loan B debt bears interest at LIBOR plus an interest rate margin of 2.75%. Term Loan B is subject to an interest rate cap if LIBOR should rise above 3.50%. Term Loan A bears interest at LIBOR plus an interest rate margin of 2.00%. The capped portion of Term Loan A is \$122,500. In addition, the uncapped portion of Term Loan A, which is subject to the variability of LIBOR, is \$652,500. See above for further details. Interest rates on the Company's Senior Notes are fixed by their terms.

The Company's overall weighted average effective interest rate on the senior secured credit facilities was 4.45%, based upon the current margins in effect of 2.00% for Term Loan A and the Revolver and 2.75% for Term Loan B, as of December 31, 2017.

The Company's overall weighted average effective interest rate during the year ended December 31, 2017 was 4.70% and as of December 31, 2017 was 4.88%.

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*Debt expense*

Debt expense consisted of interest expense of \$406,341, \$394,013 and \$389,755 and the amortization and accretion of debt discounts and premiums, amortization of deferred financing costs and the amortization of interest rate cap agreements of \$24,293, \$20,103 and \$18,625 for 2017, 2016 and 2015, respectively. The interest expense amounts are net of capitalized interest.

**14. Leases**

The majority of the Company's facilities are leased under non-cancellable operating leases ranging in terms from five to fifteen years and which contain renewal options of five to ten years at the fair rental value at the time of renewal. The Company's leases are generally subject to periodic consumer price index increases or contain fixed escalation clauses. The Company also leases certain facilities and equipment under capital leases.

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

	Operating leases	Capital leases
2018	\$ 446,935	\$ 35,258
2019	422,245	36,038
2020	384,764	36,689
2021	351,962	32,578
2022	313,005	33,004
Thereafter	1,303,594	234,094
	<u>\$ 3,222,505</u>	<u>407,661</u>
Less portion representing interest		(110,491)
Total capital lease obligations, including current portion		<u>\$ 297,170</u>

Rent expense under all operating leases for 2017, 2016, and 2015 was \$530,748, \$478,531 and \$440,601, respectively. Rent expense is recorded on a straight-line basis over the term of the lease for leases that contain fixed escalation clauses or include abatement provisions. Leasehold improvement incentives are deferred and amortized to rent expense over the term of the lease. The net book value of property and equipment under capital leases was \$257,772 and \$263,438 at December 31, 2017 and 2016, respectively. Capital lease obligations are included in long-term debt. See Note 13 to these consolidated financial statements.

**15. Employee benefit plans**

The Company has a savings plan for substantially all of its Kidney Care employees which has been established pursuant to the provisions of Section 401(k) of the Internal Revenue Code (IRC). The plan allows for employees to contribute a percentage of their base annual salaries on a tax-deferred basis not to exceed IRC limitations. The Company has not provided any matching contributions for its Kidney Care employees through December 31, 2017.

Beginning in 2018, the Company has implemented a 401(k) matching program under which the Company will match 50% of the employee's contribution up to 6% of the employee's salary, subject to certain limitations. The matching contributions will be subject to certain eligibility and vesting conditions.

The Company also maintains a voluntary compensation deferral plan, the DaVita Voluntary Deferral Plan. This plan is non-qualified and permits certain employees whose annualized base salary equals or exceeds a minimum annual threshold amount as set by the Company to elect to defer all or a portion of their annual bonus payment and up to 50% of their base salary into a deferral account maintained by the Company. Total contributions to this plan in 2017, 2016 and 2015 were \$4,497, \$5,344 and \$4,234, respectively. Deferred amounts are generally paid out in cash at the participant's election either in the first or second year following retirement or in a specified future period at least three to four years after the deferral election was effective. During 2017, 2016 and 2015 the Company distributed \$1,731, \$916 and \$1,270, respectively, to participants in this plan. Participants are credited with their proportional amount of annual earnings from the plan. The assets of this plan are held in a rabbi trust and as such are subject to the claims of the Company's general creditors in the event of its bankruptcy. As of December 31, 2017 and 2016, the total fair value of assets held in this plan's trust were \$38,816 and \$30,192, respectively.

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The Company also maintains a legacy Executive Retirement Plan for certain members of management. This plan is non-qualified and contributions to the plan were made at the discretion of DVA Renal Healthcare based upon a pre-determined percentage of a participant's base salary. Effective November 2005, all contributions to this plan were discontinued and the balance of the plan assets will be paid out upon termination or retirement of each individual participant. During 2017, 2016 and 2015 the Company distributed \$1,058 and \$149, \$25 respectively, to participants in this plan. As of December 31, 2017 and 2016, the total fair value of assets held under this plan's trust was \$79 and \$1,005, respectively.

The fair value of all of the assets held in plan trusts as of December 31, 2017, and 2016 totaled \$38,895 and \$31,197, respectively. The assets of these plans are available for sale and as such are recorded at fair value with changes in the fair market values being recorded in other comprehensive income. Any fair value changes to the corresponding liability balance are recorded as compensation expense. See Note 3 to these consolidated financial statements.

Most of the Company's outstanding employee stock plan awards include a provision accelerating the vesting of the award in the event of a change of control. The Company also maintains a change of control protection program for its employees who do not have a significant number of stock awards, which has been in place since 2001, and which provides for cash bonuses to employees in the event of a change of control. Based on the market price of the Company's common stock and shares outstanding on December 31, 2017, these cash bonuses would total approximately \$520,778 if a change of control transaction occurred at that price and the Company's Board of Directors did not modify the program. This amount has not been accrued at December 31, 2017, and would only be accrued upon a change of control. These change of control provisions may affect the price an acquirer would be willing to pay for the Company.

## **16. Contingencies**

The majority of the Company's revenues are from government programs and may be subject to adjustment as a result of: (i) examination by government agencies or contractors, for which the resolution of any matters raised may take extended periods of time to finalize; (ii) differing interpretations of government regulations by different Medicare contractors or regulatory authorities; (iii) differing opinions regarding a patient's medical diagnosis or the medical necessity of services provided; and (iv) retroactive applications or interpretations of governmental requirements. In addition, the Company's revenues from commercial payors may be subject to adjustment as a result of potential claims for refunds, as a result of government actions or as a result of other claims by commercial payors.

The Company operates in a highly regulated industry and is a party to various lawsuits, claims, *qui tam* suits, governmental investigations and audits (including investigations resulting from its obligation to self-report suspected violations of law) and other legal proceedings. The Company records accruals for certain legal proceedings and regulatory matters to the extent that the Company determines an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. As of December 31, 2017 and December 31, 2016, the Company's total recorded accruals, including DMG, with respect to legal proceedings and regulatory matters, net of anticipated third party recoveries, were approximately \$6,000 and \$69,000, respectively. While these accruals reflect the Company's best estimate of the probable loss for those matters as of the dates of those accruals, the recorded amounts may differ materially from the actual amount of the losses for those matters, and any anticipated third party recoveries for any such losses may not ultimately be recoverable. Additionally, in some cases, no estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made because of the inherently unpredictable nature of legal proceedings and regulatory matters, which also may be impacted by various factors, including that they may involve indeterminate claims for monetary damages or may involve fines, penalties or non-monetary remedies; present novel legal theories or legal uncertainties; involve disputed facts; represent a shift in regulatory policy; are in the early stages of the proceedings; or result in a change of business practices. Further, there may be various levels of judicial review available to the Company in connection with any such proceeding.

The following is a description of certain lawsuits, claims, governmental investigations and audits and other legal proceedings to which the Company is subject.

### ***Inquiries by the Federal Government and Certain Related Civil Proceedings***

2015 U.S. Office of Inspector General (OIG) Medicare Advantage Civil Investigation: In March 2015, JSA HealthCare Corporation (JSA), a subsidiary of DMG, received a subpoena from the Office of Inspector General (OIG) for the U.S. Department of Health and Human Services (HHS) requesting documents and information for the period from January 1, 2008 through December 31, 2013, for certain MA plans for which JSA provided services. It also requests information regarding JSA's communications about patient diagnoses as they relate to certain MA plans generally, and more specifically as related to two

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Florida physicians with whom JSA previously contracted. The Company is producing the requested information and is cooperating with the government's investigation.

In addition to the subpoena described above, in June 2015, the Company received a civil subpoena from the OIG covering the period from January 1, 2008 through the present and seeking production of a wide range of documents relating to the Company's and its subsidiaries' (including DMG's and its subsidiary JSA's) provision of services to MA plans and related patient diagnosis coding and risk adjustment submissions and payments. The Company believes that the request is part of a broader industry investigation into MA patient diagnosis coding and risk adjustment practices and potential overpayments by the government. The information requested includes information relating to patient diagnosis coding practices for a number of conditions, including potentially improper historical DMG coding for a particular condition. With respect to that condition, the guidance related to that coding issue was discontinued following the Company's November 1, 2012 acquisition of HealthCare Partners (now known as the Company's DMG business), and the Company notified CMS in April 2015 of the coding practice and potential overpayments. In that regard, the Company has identified certain additional coding practices which may have been problematic, some of which were the subject of the *Swoben Private Civil Suit*, and is in discussions with the DOJ relating to those practices. The Company is cooperating with the government. In addition, the Company is continuing to review other DMG coding practices to determine whether there were any improper coding issues. In connection with the Company's acquisition of DMG in 2012, the Company has certain indemnification rights against the sellers and an escrow was established as security for the indemnification. The Company has submitted an indemnification claim against the sellers secured by the escrow for any and all liabilities incurred relating to these matters and intends to pursue recovery from the escrow. However, the Company can make no assurances that the indemnification and escrow will cover the full amount of the Company's potential losses related to these matters.

2016 U.S. Attorney Prescription Drug Investigation: In early February 2016, the Company announced that its pharmacy services' wholly-owned subsidiary, DaVita Rx, received a Civil Investigative Demand (CID) from the U.S. Attorney's Office for the Northern District of Texas. The government is conducting a federal False Claims Act (FCA) investigation concerning allegations that DaVita Rx presented or caused to be presented false claims for payment to the government for prescription medications, as well as into the Company's relationship with pharmaceutical manufacturers. The CID covers the period from January 1, 2006 through the present. In the spring of 2015, the Company initiated an internal compliance review of DaVita Rx during which it identified potential billing and operational issues, including potential write-offs and discounts of patient co-payment obligations, and credits to payors for returns of prescription drugs related to DaVita Rx. The Company notified the government in September 2015 that it was conducting this review of DaVita Rx and began providing regular updates of its review. Upon completion of its review, the Company filed a self-disclosure with the OIG in February 2016 and has been working to address and update the practices it identified in the self-disclosure, some of which overlap with information requested by the U.S. Attorney's Office. The OIG informed the Company in February 2016 that its submission was not accepted. They indicated that the OIG is not expressing an opinion regarding the conduct disclosed or the Company's legal positions. In connection with the Company's ongoing efforts working with the government the Company learned that a *qui tam* complaint had been filed covering some of the issues in the CID and the Company's self-disclosure. In December 2017, the Company finalized and executed a settlement agreement with the government and relators in the *qui tam* matter and that included total monetary consideration of \$63,700, as previously announced, of which \$41,500 was an incremental cash payment and \$22,200 was for amounts previously refunded, and all of which was previously accrued. The government's investigation into the Company's relationship with pharmaceutical manufacturers is ongoing and the Company is continuing to cooperate with the government in this investigation.

2017 U.S. Attorney American Kidney Fund Investigation: On January 4, 2017, the Company was served with an administrative subpoena for records by the United States Attorney's Office, District of Massachusetts, relating to an investigation into possible federal health care offenses. The subpoena covers the period from January 1, 2007 through the present, and seeks documents relevant to charitable patient assistance organizations, particularly the American Kidney Fund, including documents related to efforts to provide patients with information concerning the availability of charitable assistance. The Company is cooperating with the government and is producing the requested information.

\* \* \*

Although the Company cannot predict whether or when proceedings might be initiated or when these matters may be resolved (other than as described above), it is not unusual for inquiries such as these to continue for a considerable period of time through the various phases of document and witness requests and on-going discussions with regulators. In addition to the inquiries and proceedings specifically identified above, the Company is frequently subject to other inquiries by state or federal government agencies and/or private civil *qui tam* complaints filed by relators. Negative findings or terms and conditions that the Company might agree to accept as part of a negotiated resolution of pending or future government inquiries or relator



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proceedings could result in, among other things, substantial financial penalties or awards against the Company, substantial payments made by the Company, harm to the Company's reputation, required changes to the Company's business practices, exclusion from future participation in the Medicare, Medicaid and other federal health care programs and, if criminal proceedings were initiated against the Company, possible criminal penalties, any of which could have a material adverse effect on the Company.

***Shareholder Claims***

**Peace Officers' Annuity and Benefit Fund of Georgia Securities Class Action Civil Suit:** On February 1, 2017, the Peace Officers' Annuity and Benefit Fund of Georgia filed a putative federal securities class action complaint in the U.S. District Court for the District of Colorado against the Company and certain executives. The complaint covers the time period of August 2015 to October 2016 and alleges, generally, that the Company and its executives violated federal securities laws concerning the Company's financial results and revenue derived from patients who received charitable premium assistance from an industry-funded non-profit organization. The complaint further alleges that the process by which patients obtained commercial insurance and received charitable premium assistance was improper and "created a false impression of DaVita's business and operational status and future growth prospects." In November 2017, the court appointed the lead plaintiff and an amended complaint was filed on January 12, 2018. The Company's response is due March 13, 2018. The Company disputes these allegations and intends to defend this action accordingly.

**In re DaVita Inc. Stockholder Derivative Litigation:** On August 15, 2017, the U.S. District Court for the District of Delaware consolidated the three previously disclosed shareholder derivative lawsuits: the Blackburn Shareholder action filed on February 10, 2017, the Gabilondo Shareholder action filed on May 30, 2017, and the City of Warren Police and Fire Retirement System Shareholder action filed on June 9, 2017. The complaint covers the time period from 2015 to present and alleges, generally, breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, corporate waste, and misrepresentations and/or failures to disclose certain information in violation of the federal securities laws in connection with an alleged practice to direct patients with government-subsidized health insurance into private health insurance plans to maximize the Company's profits. An amended complaint was filed in September 2017, and on December 18, 2017 the Company filed a motion to dismiss and a motion to stay proceedings in the alternative. The Company disputes these allegations and intends to defend this action accordingly.

***Other Proceedings***

In addition to the foregoing, from time to time the Company is subject to other lawsuits, demands, claims, governmental investigations and audits and legal proceedings that arise due to the nature of its business, including contractual disputes, such as with payors, suppliers and others, employee-related matters and professional and general liability claims. From time to time, the Company also initiates litigation or other legal proceedings as a plaintiff arising out of contracts or other matters.

***Resolved Matters***

**Swoben Private Civil Suit:** On July 13, 2009, pursuant to the *qui tam* provisions of the FCA and the California False Claims Act, James M. Swoben, as relator, filed his initial *qui tam* action in the United States District Court for the Central District of California purportedly on behalf of the United States of America and the State of California against SCAN, and certain other defendants whose identities were under seal. In April 2013, HealthCare Partners (HCP), now known as the Company's DMG subsidiary, was one of several defendants served with a civil complaint filed by a former employee of SCAN Health Plan (SCAN), an HMO. The allegations in the complaint relate to alleged overpayments received from government healthcare programs, including allegations of violations of the federal FCA and the California False Claims Act and allegations against HCP relating to patient diagnosis coding. The complaint sought monetary damages and civil penalties as well as costs and expenses. On October 18, 2017, the relator filed a Notice of Dismissal of the action as to HCP, and the government consented to the dismissal, as a result of which the suit is now dismissed, without prejudice.

**Solari Post-Acquisition Matter:** In 2016, HCP Nevada disclosed to the OIG for the HHS that proper procedures for clinical and eligibility determinations may not have been followed by Las Vegas Solari Hospice (Solari), which was acquired in March 2013 and sold in September 2016 by HCP Nevada. In June 2016, the Company was notified by the OIG that the disclosure submission had been accepted into the OIG's Self Disclosure Protocol. HCP Nevada had previously made a disclosure and repayment of overpayments to National Government Services (NGS), the Medicare Administrative Contractor for HCP Nevada, for claims submitted by Solari to the federal government prior to DMG's acquisition of Solari and claims made to the government post-acquisition for which the sellers had certain responsibilities pursuant to a management services

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agreement. In October 2017, the Company finalized and executed a settlement agreement with the OIG including payment of an immaterial amount.

**2011 Suit against the U.S. Department of Veterans Affairs:** As previously disclosed, the Company had a pending lawsuit in the U.S. Court of Federal Claims against the federal government which was originally filed in May 2011. The lawsuit related to the U.S. Department of Veterans Affairs (VA) underpayment of dialysis services the Company provided from 2005 through 2011 to veterans pursuant to VA regulations. In the first quarter of 2017, the Company received a payment of \$538,000 related to the settlement with the VA. The Company's consolidated entities recognized a net gain of \$527,000 on this settlement. The Company's nonconsolidated and managed entities recognized a gain of \$9,000, of which the Company's equity investment share was \$3,000. The net effect was a net increase of \$530,000 to the Company's operating income.

**2015 U.S. Department of Justice Vascular Access Investigation and Related Qui Tam Litigation:** In November 2015, the Company announced that RMS Lifeline, Inc., a wholly-owned subsidiary of the Company that operates under the name Lifeline Vascular Access (Lifeline), received a CID from the DOJ. The CID relates to two vascular access centers in Florida that are part of Lifeline's vascular access business. The CID covers the period from January 1, 2008 through the present. The Company acquired these two centers in December 2012. Based on the language of the CID, the DOJ appeared to be looking at whether angiograms performed at the two centers were medically unnecessary and therefore whether related claims filed with federal healthcare programs possibly violated the FCA. Lifeline does not perform dialysis services but instead provides vascular access management services for dialysis patients. The Company cooperated with the government and produced the requested information. The DOJ investigation was initiated pursuant to a complaint brought under the *qui tam* provisions of the FCA (the Complaint). The Complaint was originally filed under seal in August 2014 in the U.S. District Court, Middle District of Florida, United States ex. rel James Spafford v. DaVita HealthCare Partners, Inc., et al., Case Number 6:14-cv-1251-Orl-41DAB, naming several doctors along with the Company as defendants. In December 2015, a First Amended Complaint was filed under seal. In May 2016, the First Amended Complaint was unsealed. The First Amended Complaint alleged violations of the FCA due to the submission of claims to the government for allegedly medically unnecessary angiograms and angiography procedures at the two vascular access centers as well as employment-related claims. The Complaint covers alleged conduct dating from July 2008, prior to the Company's acquisition of the centers, to the present. The DOJ declined to intervene. In January 2017, the Company finalized and executed a settlement agreement with the relator and the government for an immaterial amount, and in April 2017, the court dismissed the case with prejudice.

**Vainer Private Civil Suit:** As previously disclosed, the Company received a subpoena for documents from the OIG relating to the pharmaceutical products Zemplar, Hectorol, Venofer, Ferrlecit and erythropoietin (EPO), as well as other related matters, covering the period from January 2003 to December 2008. The Company subsequently learned that the allegations underlying this inquiry were made as part of a civil complaint filed by relators, Daniel Barbir and Dr. Alon Vainer, pursuant to the *qui tam* provisions of the federal FCA. The relators also alleged that the Company's drug administration practices for the Company's dialysis operations for Vitamin D and iron agents from 2003 through 2010 fraudulently created unnecessary waste, which was billed to and paid for by the government. In June 2015, the Company finalized the terms of the settlement with plaintiffs, including a settlement amount of \$450,000 and attorney fees and other costs of \$45,000 which was paid in 2015.

\* \* \*

Other than as described above, the Company cannot predict the ultimate outcomes of the various legal proceedings and regulatory matters to which the Company is or may be subject from time to time, including those described in this Note 16, or the timing of their resolution or the ultimate losses or impact of developments in those matters, which could have a material adverse effect on the Company's revenues, earnings and cash flows. Further, any legal proceedings or regulatory matters involving the Company, whether meritorious or not, are time consuming, and often require management's attention and result in significant legal expense, and may result in the diversion of significant operational resources, or otherwise harm the Company's business, financial results or reputation.

**17. Noncontrolling interests subject to put provisions and other commitments**

*Noncontrolling interests subject to put provisions*

The Company has potential obligations to purchase the equity interests held by third parties in several of its majority-owned joint ventures and other nonconsolidated entities. These obligations are in the form of put provisions that are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, the Company would be required to purchase the third-party owners' equity interests at either the appraised fair market value or a predetermined multiple of earnings or cash flows attributable to the equity interests put to the Company,

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which is intended to approximate fair value. The methodology the Company uses to estimate the fair values of noncontrolling interests subject to put provisions assumes the higher of either a liquidation value of net assets or an average multiple of earnings, based on historical earnings, patient mix and other performance indicators that can affect future results, as well as other factors. The estimated fair values of noncontrolling interests subject to put provisions are a critical accounting estimate that involves significant judgments and assumptions and may not be indicative of the actual values at which the noncontrolling interests may ultimately be settled, which could vary significantly from the Company's current estimates. The estimated fair values of noncontrolling interests subject to put provisions can fluctuate and the implicit multiple of earnings at which these noncontrolling interests obligations may be settled will vary significantly depending upon market conditions including potential purchasers' access to the capital markets, which can impact the level of competition for dialysis and non-dialysis related businesses, the economic performance of these businesses and the restricted marketability of the third-party owners' equity interests. The amount of noncontrolling interests subject to put provisions that employ a contractually predetermined multiple of earnings rather than fair value are immaterial.

The Company has certain other potential commitments to provide operating capital to a number of dialysis centers that are wholly-owned by third parties or businesses in which the Company owns a noncontrolling equity interest as well as to physician-owned vascular access clinics or medical practices that the Company operates under management and administrative service agreements of approximately \$5,385.

Certain consolidated joint ventures are originally contractually scheduled to dissolve after terms ranging from 10 to 50 years. While noncontrolling interests in these limited life entities qualify as mandatorily redeemable financial instruments, they are subject to a classification and measurement scope exception from the accounting guidance generally applicable to other mandatorily redeemable financial instruments. Future distributions upon dissolution of these entities would be valued below the related noncontrolling interest carrying balances in the consolidated balance sheet.

*Other commitments*

In January 2017, the Company entered into a Sourcing and Supply Agreement with Amgen USA Inc. (Amgen) that expires on December 31, 2022, replacing the Company's prior agreement that was to expire in 2018. Under the terms of the agreement, the Company will purchase EPO in amounts necessary to meet no less than 90% of its requirements for erythropoiesis-stimulating agents (ESAs) through the expiration of the contract from Amgen. The actual amount of EPO that the Company will purchase will depend upon the amount of EPO administered during dialysis as prescribed by physicians and the overall number of patients that the Company serves.

In 2010, the Company entered into an agreement with Fresenius Medical Care (FMC) which committed the Company to purchase a certain amount of dialysis equipment, parts and supplies from FMC through 2013. This agreement has been subsequently extended through December 31, 2020. During 2017, 2016 and 2015, the Company purchased \$176,212, \$164,766 and \$154,566, respectively, of certain equipment, parts and supplies from FMC.

In 2014, the Company entered into an agreement with Baxter Healthcare (Baxter) which committed the Company to purchase a certain amount of its hemodialysis non-equipment product supplies, such as dialyzers, at fixed prices through 2018. During 2017, 2016 and 2015, the Company purchased \$166,764, \$162,109 and \$112,931 of hemodialysis product supplies from Baxter under this agreement.

Other than operating leases disclosed in Note 14 to the consolidated financial statements, the letters of credit disclosed in Note 13 to the consolidated financial statements, and the arrangements as described above, the Company has no off balance sheet financing arrangements as of December 31, 2017.

**18. Long-term incentive compensation and shareholders' equity**

*Long-term incentive compensation*

Long-term incentive program (LTIP) compensation includes both stock-based awards (principally stock-settled stock appreciation rights, restricted stock units and performance stock units) as well as long-term performance-based cash awards. Long-term incentive compensation expense, which was primarily general and administrative in nature, was attributed to the Company's U.S. dialysis and related lab services business, corporate administrative support, and the ancillary services and strategic initiatives.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The changes required by this ASU involve several aspects of the accounting for

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share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, classification on the statement of cash flows, and an election on estimating forfeitures. The amendments in this ASU were effective for the Company beginning January 1, 2017. See the *New accounting standards* section in Note 1 for further details.

The Company's stock-based compensation awards are measured at their estimated fair values on the date of grant if settled in shares or at their estimated fair values at the end of each reporting period if settled in cash. The value of stock-based awards so measured is recognized as compensation expense on a cumulative straight-line basis over the vesting terms of the awards, adjusted for expected forfeitures.

Stock-based compensation to be settled in shares is recorded to the Company's shareholders' equity, while stock-based compensation to be settled in cash is recorded to a liability. Shares issued upon exercise of stock awards have generally been issued from authorized but unissued shares.

*Long-term incentive compensation plans*

The Company's 2011 Incentive Award Plan (the 2011 Plan) is the Company's omnibus equity compensation plan and provides for grants of stock-based awards to employees, directors and other individuals providing services to the Company, except that incentive stock options may only be awarded to employees. The 2011 Plan authorizes the Company to award stock options, stock appreciation rights, restricted stock units, restricted stock, and other stock-based or performance-based awards, and is designed to enable the Company to grant equity and cash awards that qualified as performance-based compensation under Section 162(m) of the Internal Revenue Code for tax years 2017 and prior. The 2011 Plan mandates a maximum award term of five years and stipulates that stock appreciation rights and stock options be granted with prices not less than fair market value on the date of grant. The 2011 Plan also requires that full value share awards such as restricted stock units reduce shares available under the 2011 Plan at a ratio of 3.5:1. The Company's nonqualified stock appreciation rights and stock units awarded under the 2011 Plan generally vest over 36 to 48 months from the date of grant. At December 31, 2017, there were 6,648,199 stock-settled stock appreciation rights, 1,075,572 stock-settled stock units, 23,000 cash-settled stock appreciation rights and 1,600 cash-settled stock units outstanding, and 27,369,515 shares available for future grants, under the 2011 Plan.

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A combined summary of the status of the Company's stock-settled awards under the 2011 Plan, including base shares for stock-settled stock appreciation rights (SSARs) and stock-settled stock unit awards is as follows:

	Year ended December 31, 2017				
	Stock appreciation rights			Stock units	
	Awards	Weighted average exercise price	Weighted average remaining contractual life	Awards	Weighted average remaining contractual life
Outstanding at beginning of year	7,337,266	\$ 64.90		785,553	
Granted	1,692,154	65.29		528,968	
Exercised	(2,022,418)	54.27		(119,000)	
Canceled	(358,803)	70.61		(119,949)	
Outstanding at end of period	<u>6,648,199</u>	<u>\$ 67.92</u>	<u>2.3</u>	<u>1,075,572</u>	<u>2.0</u>
Exercisable at end of period	2,628,008	\$ 62.78	0.6	—	0.0
Weighted-average fair value of grants					
2017	<u>\$ 14.51</u>			<u>\$ 65.73</u>	
2016	<u>\$ 13.74</u>			<u>\$ 70.99</u>	
2015	<u>\$ 17.97</u>			<u>\$ 80.25</u>	

Range of SSARs base prices	Awards Outstanding	Weighted average exercise price	Awards exercisable	Weighted average exercise price
\$50.01–\$60.00	1,856,145	59.05	1,712,675	59.15
\$60.01–\$70.00	2,715,542	66.70	632,849	67.47
\$70.01–\$80.00	1,443,749	74.77	243,041	73.16
\$80.01–\$90.00	632,763	83.59	39,443	81.51
Total	<u>6,648,199</u>	<u>\$ 67.92</u>	<u>2,628,008</u>	<u>\$ 62.78</u>

The Company granted 15,000 cash-settled stock-based awards during 2017. Liability-classified stock-based awards contributed \$114, \$376 and \$(236) to stock-based compensation expense for the years ended December 31, 2017, 2016 and 2015, respectively. As of December 31, 2017 the Company had 24,600 liability-classified stock-based awards outstanding, none of which were vested, and a total stock-based compensation liability balance of \$99.

For the years ended December 31, 2017, 2016, and 2015, the aggregate intrinsic value of stock-based awards exercised was \$34,895, \$73,944 and \$117,260, respectively. At December 31, 2017, the aggregate intrinsic value of stock-based awards outstanding was \$117,722 and the aggregate intrinsic value of stock awards exercisable was \$25,609.

*Estimated fair value of stock-based compensation awards*

The Company has estimated the grant-date fair value of stock-settled stock appreciation rights awards using the Black-Scholes-Merton valuation model and stock-settled stock unit awards at intrinsic value on the date of grant, except for portions of the Company's performance stock unit awards for which a Monte Carlo simulation was used to estimate the grant-date fair value. The following assumptions were used in estimating these values and determining the related stock-based compensation expense attributable to the current period:

*Expected term of the awards:* The expected term of awards granted represents the period of time that they are expected to remain outstanding from the date of grant. The Company determines the expected term of its stock awards based on its historical experience with similar awards, considering the Company's historical exercise and post-vesting termination patterns, and the terms expected by peer companies in near industries.

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*Expected volatility:* Expected volatility represents the volatility anticipated over the expected term of the award. The Company determines the expected volatility for its awards based on the volatility of the price of its common stock over the most recent retrospective period commensurate with the expected term of the award, considering the volatility expectations implied by the market price of its exchange-traded options and the volatilities expected by peer companies in near industries.

*Expected dividend yield:* The Company has not paid dividends on its common stock and does not currently expect to pay dividends during the term of stock awards granted.

*Risk-free interest rate:* The Company bases the expected risk-free interest rate on the implied yield currently available on stripped interest coupons of U.S. Treasury issues with a remaining term equivalent to the expected term of the award.

A summary of the weighted average valuation inputs described above used for estimating the grant-date fair value of stock-settled stock appreciation rights awards granted in the periods indicated is as follows:

	Year ended December 31,		
	2017	2016	2015
Expected term	4.2	4.2	4.1
Expected volatility	23.9%	21.0%	24.6%
Expected dividend yield	—%	—%	—%
Risk-free interest rate	1.7%	1.0%	1.5%

The Company estimates expected forfeitures based upon historical experience with separate groups of employees that have exhibited similar forfeiture behavior in the past. Stock-based compensation expense is recorded only for awards that are expected to vest.

*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. This compensatory plan allows employees to purchase stock for the lesser of 100% of its fair market value on the first day of the purchase right period or 85% of its fair market value on the last day of the purchase right period. Purchase right periods begin on January 1 and July 1, and end on December 31. Contributions used to purchase the Company's common stock under this plan for the 2017, 2016 and 2015 participation periods were \$22,131, \$23,902 and \$24,523, respectively. Shares purchased pursuant to the plan's 2017, 2016 and 2015 participation periods were 360,368, 438,002 and 413,859, respectively. At December 31, 2017, there were 7,124,027 shares remaining available for future grants under this plan, after an additional 7,500,000 shares were approved to the plan by stockholders on June 20, 2016.

The fair value of participants' purchase rights was estimated as of the beginning dates of the purchase right periods using the Black-Scholes-Merton valuation model with the following weighted average assumptions for purchase right periods in 2017, 2016 and 2015, respectively: expected volatility of 23%, 22% and 26%; risk-free interest rate of 1.3%, 0.8% and 0.2%, and no dividends. Using these assumptions, the weighted average estimated fair value of these purchase rights was \$15.19, \$16.73 and \$18.76 for 2017, 2016 and 2015, respectively.

*Long-term incentive compensation expense and proceeds*

For the years ended December 31, 2017, 2016 and 2015, the Company recognized \$61,978, \$64,956 and \$123,957, respectively, in total long-term incentive program (LTIP) expense, of which \$34,431, \$34,530 and \$52,665, respectively, was stock-based compensation expense for stock appreciation rights, stock units and discounted employee stock plan purchases, which are primarily included in general and administrative expenses. The estimated tax benefits recorded for stock-based compensation in 2017, 2016 and 2015 were \$7,717, \$12,731 and \$19,689, respectively. As of December 31, 2017, there was \$98,015 total estimated unrecognized compensation expense for outstanding LTIP awards, including \$61,166 related to stock-based compensation arrangements under the Company's equity compensation and stock purchase plans. The Company expects to recognize the performance-based cash component of this LTIP expense over a weighted average remaining period of 1.1 years and the stock-based component of this LTIP expense over a weighted average remaining period of 1.4 years.

For the years ended December 31, 2017, 2016 and 2015, the Company received \$13,473, \$28,397 and \$45,749, respectively, in actual tax benefits upon the exercise of stock awards. Since the Company issues stock-settled stock appreciation

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rights rather than stock options, there have been no cash proceeds from stock option exercises during the years ended December 31, 2017, 2016 and 2015.

*Stock repurchases*

During the years ended December 31, 2017 and 2016, the Company repurchased a total of 12,966,672 shares and 16,649,090 shares of its common stock for \$810,949 and \$1,072,377, or an average price of \$62.54 and \$64.41 per share, respectively, pursuant to previously announced authorizations by the Board of Directors. The Company also repurchased 1,237,800 shares of its common stock for \$92,790, or an average price of \$74.96 per share, subsequent to December 31, 2017 through February 22, 2018.

On October 10, 2017, the Company's Board of Directors approved an additional share repurchase authorization in the amount of \$1,252,961. This share repurchase authorization was in addition to the \$247,039 remaining at that time under the Company's Board of Directors' prior share repurchase authorization announced in July 2016. Accordingly, as of February 22, 2018, the Company has a total of \$1,026,326 available under the current Board repurchase authorizations for additional share repurchases. Although these share repurchase authorizations do not have expiration dates, the Company remains subject to share repurchase limitations under the terms of its senior secured credit facilities and the indentures governing its senior notes.

The Company retired all shares held in its treasury effective as of December 31, 2017 and 2016.

*Charter documents & Delaware law*

The Company's charter documents include provisions that may deter hostile takeovers, delay or prevent changes of control or changes in management, or limit the ability of stockholders to approve transactions that they may otherwise determine to be in their best interests. These include provisions prohibiting stockholders from acting by written consent, requiring 90 days advance notice of stockholder proposals or nominations to the Board of Directors and granting the 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.

The Company is also subject to Section 203 of the Delaware General Corporation Law which, subject to exceptions, would prohibit the Company 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 the Company.

*Changes in DaVita Inc.'s ownership interest in consolidated subsidiaries*

The effects of changes in DaVita Inc.'s ownership interest in consolidated subsidiaries on the Company's equity are as follows:

	Year ended December 31,		
	2017	2016	2015
Net income attributable to DaVita Inc.	\$ 663,618	\$ 879,874	\$ 269,732
Changes in paid-in-capital for:			
Sales of noncontrolling interest	(114)	—	—
Purchase of noncontrolling interests	(2,752)	(13,105)	(55,826)
Net transfer in noncontrolling interests	(2,866)	(13,105)	(55,826)
Net income attributable to DaVita Inc. net of transfers in noncontrolling interests	<u>\$ 660,752</u>	<u>\$ 866,769</u>	<u>\$ 213,906</u>

The Company acquired additional ownership interests in several existing majority-owned joint ventures for \$5,357, \$21,512, and \$66,382 in 2017, 2016, and 2015, respectively.

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**19. Other comprehensive (loss) income**

Charges and credits to other comprehensive (loss) income have been as follows:

	Interest rate cap and swap agreements	Investment securities	Foreign currency translation adjustments	Accumulated other comprehensive (loss) income
<b>Balance at January 1, 2015</b>	\$ (1,795)	\$ 3,151	\$ (26,373)	\$ (25,017)
Unrealized losses	(20,085)	(1,974)	(23,889)	(45,948)
Related income tax	7,844	561	—	8,405
	(12,241)	(1,413)	(23,889)	(37,543)
Reclassification from accumulated other comprehensive losses (income) into net income	5,103	(618)	—	4,485
Related income tax	(1,992)	241	—	(1,751)
	3,111	(377)	—	2,734
<b>Balance at December 31, 2015</b>	\$ (10,925)	\$ 1,361	\$ (50,262)	\$ (59,826)
Unrealized (losses) gains	(6,013)	1,802	(39,614)	(43,825)
Related income tax	2,343	(565)	—	1,778
	(3,670)	1,237	(39,614)	(42,047)
Reclassification from accumulated other comprehensive losses (income) into net income	4,198	(690)	10,087	13,595
Related income tax	(1,632)	267	—	(1,365)
	2,566	(423)	10,087	12,230
<b>Balance at December 31, 2016</b>	\$ (12,029)	\$ 2,175	\$ (79,789)	\$ (89,643)
Unrealized (losses) gains	(8,897)	5,075	99,770	95,948
Related income tax	3,460	(1,368)	—	2,092
	(5,437)	3,707	99,770	98,040
Reclassification from accumulated other comprehensive losses (income) into net income	8,278	(360)	—	7,918
Related income tax	(3,220)	140	—	(3,080)
	5,058	(220)	—	4,838
<b>Balance at December 31, 2017</b>	\$ (12,408)	\$ 5,662	\$ 19,981	\$ 13,235

The reclassification of net cap and swap realized losses into income are recorded as debt expense in the corresponding consolidated statements of income. See Note 13 to these consolidated financial statements for further details.

The reclassification of net investment realized gains into income are recorded in other income in the corresponding consolidated statements of income. See Note 3 to these consolidated financial statements for further details.

**20. Acquisitions and divestitures**

*Acquisition of Renal Ventures*

On May 1, 2017, the Company completed its acquisition of 100% of the equity of Colorado-based Renal Ventures Management, LLC (Renal Ventures) for approximately \$359,913 in net cash. Renal Ventures operated 36 dialysis centers, one uncertified dialysis center and one home program, that provided services to approximately 2,600 patients in six states. As a part of this transaction, the Company was required to divest three Renal Ventures outpatient dialysis centers, and three outpatient dialysis centers and one uncertified dialysis center of the Company for approximately \$21,219 in net cash. The Company also incurred approximately \$11,950 in transaction and integration costs during the year ended December 31, 2017 associated with this acquisition that are included in general and administrative expenses.

The initial purchase price allocation for the Renal Ventures acquisition is recorded at estimated fair values based upon the best information available to management and will be finalized when certain information arranged to be obtained has been



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received. In particular, certain working capital items, income tax amounts and the fair value of intangibles and fixed assets are pending final audit, issuance of final tax returns and valuation reports.

The following table summarizes the assets acquired and liabilities assumed in the transactions and recognized at the acquisition date at estimated fair values:

Current assets, net of cash acquired	\$ 22,739
Property and equipment	36,295
Amortizable intangible and other long-term assets	11,547
Goodwill	298,200
Current liabilities	(8,389)
Long-term liabilities	(479)
	\$ 359,913

Amortizable intangible assets acquired, primarily related to non-compete agreements, had weighted-average estimated useful lives of five years. The total estimated amount of goodwill deductible for tax purposes associated with this acquisition was approximately \$298,200.

*Other routine acquisitions*

During 2017, the Company also acquired 30 dialysis centers in the U.S. and 68 dialysis centers outside the U.S. for a total of \$308,550 in net cash, earn-outs of \$2,692, and deferred purchase price and liabilities assumed of \$23,748. During 2016, the Company acquired eight dialysis centers in the U.S. and 21 dialysis centers outside the U.S. for a total of \$165,108 in net cash, earn-outs of \$1,511, and deferred purchase price of \$17,963. During 2015, the Company acquired six dialysis centers in the U.S. and 21 dialysis centers outside the U.S. for a total of \$54,551 in net cash and deferred purchase price of \$7,452. The assets and liabilities for all acquisitions were recorded at their estimated fair values at the dates of the acquisitions and are included in the Company's financial statements and operating results from the effective dates of the acquisitions. For several of the 2017 acquisitions, certain income tax amounts are pending final evaluation and quantification of any pre-acquisition tax contingencies. In addition, valuation of intangibles and certain other working capital items relating to several of these acquisitions are pending final quantification.

The following table summarizes the assets acquired and liabilities assumed in the above described transactions and recognized at their acquisition dates at estimated fair values, as well as the estimated fair value of noncontrolling interests assumed in these transactions:

	Year ended December 31,		
	2017	2016	2015
Current assets	\$ 14,366	\$ 3,996	\$ 2,647
Property and equipment	18,192	8,840	4,466
Amortizable intangible and other long-term assets	11,663	5,876	8,924
Non-amortizable intangibles	32,296	—	—
Goodwill	318,832	198,927	67,183
Deferred income taxes	(210)	597	(717)
Noncontrolling interests assumed	(44,303)	(30,337)	(18,905)
Liabilities assumed	(15,846)	(3,317)	(1,595)
Aggregate purchase cost	\$ 334,990	\$ 184,582	\$ 62,003

Amortizable intangible assets acquired, primarily related to non-compete agreements, during 2017, 2016 and 2015 had weighted-average estimated useful lives of seven, seven and eleven years, respectively. The total amount of goodwill deductible for tax purposes associated with these acquisitions for 2017, 2016, and 2015 was approximately \$237,363, \$169,379 and \$43,823, respectively.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

*Change in ownership interests in Asia Pacific joint venture*

On August 1, 2016, the Company consummated an agreement with Khazanah Nasional Berhad (Khazanah) and Mitsui and Co., Ltd (Mitsui) whereby Khazanah and Mitsui subscribed to invest a total of \$300,000 over three years in exchange for a 40% total equity interest in the Company's APAC JV. Khazanah and Mitsui made initial investments of \$50,000 each on August 1, 2016 as well as additional subscribed contributions of \$50,000 each on August 1, 2017. Subsequent to those contributions, the Company now holds a 60% voting interest and a 73.3% current economic interest in the APAC JV.

Based on the governance structure and voting rights put in place upon the formation of the APAC JV, certain key decisions affecting the JV's operations are no longer at the unilateral discretion of the Company, but rather are shared with the noncontrolling investors. As a result, the Company deconsolidated its Asia Pacific dialysis business in the third quarter of 2016 and recognized an initial non-cash non-taxable estimated gain of \$374,374 on its retained investment, net of contingent obligations. This retained interest was adjusted to the Company's proportionate share of the estimated fair value of the business, as implied by the Khazanah and Mitsui investment and adjusted for certain time value of money and uncertainty discounts. The Company then recognized an additional \$6,293 gain in the first quarter of 2017 upon resolution of certain post-closing adjustments related to this transaction.

The Company's non-cash gain on its retained investment in the APAC JV in the third quarter of 2016 was computed with the assistance of an independent third party valuation firm and was based upon the best information available to management at that time. Subsequent to its deconsolidation on August 1 2016, the Company's retained interest in the APAC JV has been accounted for under the equity method. See Note 9 for further details on the accounting for this retained investment and a subsequent other-than-temporary impairment thereof recognized in 2017.

*Pro forma financial information (unaudited)*

The following summary, prepared on a pro forma basis, combines the results of operations as if all acquisitions within continuing operations in 2017 and 2016 had been consummated as of the beginning of 2016, including the impact of certain adjustments such as amortization of intangibles, interest expense on acquisition financing and income tax effects.

	Year ended December 31,	
	2017	2016
	(unaudited)	
Pro forma net revenues	\$ 11,005,330	\$ 11,076,750
Pro forma net income from continuing operations	907,443	1,052,700
Pro forma basic net income per share from continuing operations attributable to DaVita Inc.	4.81	5.22
Pro forma diluted net income per share from continuing operations attributable to DaVita Inc.	4.74	5.14

*Contingent earn-out obligations*

The Company has several contingent earn-out obligations associated with acquisitions that could result in the Company paying the former shareholders of acquired companies a total of up to approximately \$11,466 if certain EBITDA, operating income performance targets or quality margins are met over the next two to six years.

Contingent earn-out obligations are remeasured to fair value at each reporting date until the contingencies are resolved with changes in the liability due to the remeasurement recognized in earnings. See Note 24 to these consolidated financial statements for further details. As of December 31, 2017, the Company estimated the fair value of these contingent earn-out obligations to be \$6,388, of which a total of \$216 is included in other liabilities, and the remaining \$6,172 is included in other long-term liabilities in the Company's consolidated balance sheet.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
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The following is a reconciliation of changes in the contingent earn-out obligations for the year ended December 31, 2017:

Beginning balance January 1, 2017	\$	2,950
Contingent earn-out obligations associated with acquisitions		2,692
Remeasurement of fair value		746
	<u>\$</u>	<u>6,388</u>

**21. Held for sale and discontinued operations**

*DaVita Medical Group (DMG)*

On December 5, 2017, we entered into an equity purchase agreement to sell our DMG division to Optum, a subsidiary of UnitedHealth Group Inc., for \$4,900,000 in cash, subject to net working capital and other customary adjustments. The transaction is expected to close in 2018 and is subject to regulatory approval and other customary closing conditions. As a result of this pending transaction, the DMG business has been reclassified as held for sale and its results of operations are reported as discontinued operations for all periods presented.

The following table presents the financial results of discontinued operations related to DMG:

	<u>Year ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net revenues	\$ 4,676,213	\$ 4,113,414	\$ 3,837,260
Expenses	4,634,782	3,994,624	3,596,342
Goodwill and other asset impairment charges	651,659	253,000	206,169
(Loss) income from discontinued operations before taxes	(610,228)	(134,210)	34,749
Income tax benefit (expense)	364,856	(24,052)	(88,216)
Net loss from discontinued operations, net of tax	<u>\$ (245,372)</u>	<u>\$ (158,262)</u>	<u>\$ (53,467)</u>

As previously disclosed, the Company's DMG business has continued to experience declining operating results in recent years, and prior to being reclassified as held for sale the Company recorded goodwill and other asset impairment charges for the DMG business of \$651,659, \$253,000 and \$206,169 in 2017, 2016 and 2015, respectively. These charges resulted from continuing developments in the Company's DMG business, including recent annual updates to Medicare Advantage benchmark reimbursement rates, changes in expectations concerning future government reimbursement rates and the Company's expected ability to mitigate them, medical cost and utilization trends, commercial pricing pressures, underperformance of certain DMG business units and other market factors.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

The following table presents the financial position of discontinued operations related to DMG:

	December 31, 2017	December 31, 2016
<b>Assets</b>		
Cash and cash equivalents	\$ 179,668	\$ 238,411
Other current assets	888,697	722,545
Property and equipment, net	379,945	311,246
Intangible assets, net	1,316,550	1,454,263
Other long-term assets	116,805	94,684
Goodwill	2,879,977	3,391,942
Total assets held for sale	\$ 5,761,642	\$ 6,213,091
Total current assets held for sale	\$ 5,761,642	\$ 960,956
Total long-term assets held for sale	\$ —	\$ 5,252,135
<b>Liabilities</b>		
Other liabilities	\$ 505,734	\$ 460,458
Medical payables	457,040	349,506
Current portion of long-term debt	2,845	4,779
Long-term debt	35,003	2,652
Other long-term liabilities	184,448	418,723
Total liabilities held for sale	\$ 1,185,070	\$ 1,236,118
Total current liabilities held for sale	\$ 1,185,070	\$ 807,233
Total long-term liabilities held for sale	\$ —	\$ 428,885

The following table presents cash flows of discontinued operations related to DMG:

	Year ended December 31,		
	2017	2016	2015
Net cash provided by operating activities from discontinued operations	\$ 351,557	\$ 287,049	\$ 365,138
Net cash used in investing activities from discontinued operations	\$ (232,329)	\$ (430,917)	\$ (121,893)

*DMG acquisitions*

During 2017, the Company's DMG business acquired other medical businesses for a total of \$135,416 in net cash, deferred purchase price of \$1,038, and liabilities assumed of \$10,145. During 2016, the Company acquired other medical businesses for a total of \$398,748 in net cash and deferred purchase price and liabilities assumed of \$7,694. During 2015, the Company acquired other medical businesses for a total of \$41,918 in net cash and deferred purchase price of \$944. For several of the 2017 acquisitions, certain income tax amounts are pending final evaluation and quantification of any pre-acquisition tax contingencies. In addition, valuation of medical claims liabilities and certain other working capital items relating to several of these acquisitions are pending final quantification. The assets and liabilities for all acquisitions were recorded at their estimated fair values at the dates of the acquisitions and are included in the Company's current held for sale assets and liabilities.

**22. Variable interest entities**

The Company relies on the operating activities of certain entities that it does not directly own or control, but over which it has indirect influence and of which it is considered the primary beneficiary. These entities are subject to the consolidation guidance applicable to variable interest entities (VIEs).

Under U.S. GAAP, VIEs typically include entities for which (i) the entity's equity is not sufficient to finance its activities without additional subordinated financial support; (ii) the equity holders as a group lack the power to direct the activities that most significantly influence the entity's economic performance, the obligation to absorb the entity's expected losses, or the right to receive the entity's expected returns; or (iii) the voting rights of some investors are not proportional to their obligations to absorb the entity's losses.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

The Company has determined that substantially all of the entities it is associated with that qualify as VIEs must be included in its consolidated financial statements. A number of these VIEs are within the Company's DMG business, which has been reclassified as held for sale and as a discontinued operation in these financial statements. The Company manages these entities and provides operating and capital funding as necessary for the entities to accomplish their operational and strategic objectives. A number of these entities are subject to nominee share ownership or share transfer restriction agreements that effectively transfer the majority of the economic risks and rewards of their ownership to the Company. In other cases the Company's management agreements with these entities include both financial terms and protective and participating rights to the entities' operating, strategic and non-clinical governance decisions which transfer substantial powers over and economic responsibility for the entities to the Company. In some cases such entities are subject to broad exclusivity or noncompetition restrictions that benefit the Company. Further, in some cases the Company has contractual arrangements with its related party nominee owners that effectively indemnify these parties from the economic losses from, or entitle the Company to the economic benefits of, these entities.

The analyses upon which these consolidation determinations rest are complex, involve uncertainties, and require significant judgment on various matters, some of which could be subject to different interpretations. At December 31, 2017, these consolidated financial statements include total assets of VIEs of \$870,314 and total liabilities and noncontrolling interests of VIEs to third parties of \$475,143, including assets of \$595,670 and liabilities and noncontrolling interests of \$319,777 related to the Company's DMG business which is classified as held for sale.

The Company also sponsors certain deferred compensation plans whose trusts qualify as VIEs and the Company consolidates each of these plans as their primary beneficiary. The assets of these plans are recorded in short-term or long-term investments with related liabilities recorded in accrued compensation and benefits and other long-term liabilities. See Note 15 to these consolidated financial statements for disclosures on the assets of these consolidated non-qualified deferred compensation plans.

**23. Concentrations**

Approximately 67%, 64% and 66% of total U.S. dialysis services revenues in 2017, 2016 and 2015, respectively, are from government-based programs, principally Medicare and Medicaid. Related net accounts receivable and other receivables from Medicare, including Medicare-assigned plans, and Medicaid, including Managed Medicaid plans, were approximately \$869,083 and \$831,445, as of December 31, 2017 and 2016, respectively.

There is no single commercial payor that accounted for more than 10% of total consolidated accounts receivable or consolidated net revenues at December 31, 2017 and 2016.

**24. Fair values of financial instruments**

The Company measures the fair value of certain assets, liabilities and noncontrolling interests subject to put provisions (temporary equity) based upon certain valuation techniques that include observable or unobservable inputs and assumptions that market participants would use in pricing these assets, liabilities, temporary equity and commitments. The Company has also classified certain assets, liabilities and temporary equity that are measured at fair value into the appropriate fair value hierarchy levels as defined by the FASB.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

The following tables summarize the Company's assets, liabilities and temporary equity measured at fair value on a recurring basis as of December 31, 2017 and 2016:

<b>December 31, 2017</b>	<b>Total</b>	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
<b>Assets</b>				
Available for sale securities	\$ 38,895	\$ 38,895	\$ —	\$ —
Interest rate cap agreements	\$ 1,032	\$ —	\$ 1,032	\$ —
<b>Liabilities</b>				
Contingent earn-out obligations	\$ 6,388	\$ —	\$ —	\$ 6,388
<b>Temporary equity</b>				
Noncontrolling interests subject to put provisions	\$ 1,011,360	\$ —	\$ —	\$ 1,011,360
<b>December 31, 2016</b>				
<b>Assets</b>				
Available for sale securities	\$ 31,197	\$ 31,197	\$ —	\$ —
Interest rate cap agreements	\$ 9,929	\$ —	\$ 9,929	\$ —
<b>Liabilities</b>				
Contingent earn-out obligations	\$ 2,950	\$ —	\$ —	\$ 2,950
<b>Temporary equity</b>				
Noncontrolling interests subject to put provisions	\$ 973,258	\$ —	\$ —	\$ 973,258

Available for sale securities represent investments in various open-ended registered investment companies, or mutual funds, and are recorded at fair value estimated based upon redemption prices reported by each mutual fund. See Note 3 to these consolidated financial statements for further discussion.

The interest rate cap agreements are recorded at fair value estimated from valuation models utilizing the income approach and commonly accepted valuation techniques that use inputs from closing prices for similar assets and liabilities in active markets as well as other relevant observable market inputs at quoted intervals such as current interest rates, forward yield curves, implied volatility and credit default swap pricing. The Company does not believe the ultimate amount that could be realized upon settlement of these interest rate cap agreements would be materially different from the fair value estimates currently reported. See Note 13 to these consolidated financial statements for further discussion.

The estimated fair value measurements of contingent earn-out obligations are primarily based on unobservable inputs, including projected EBITDA. The estimated fair value of these contingent earn-out obligations is remeasured as of each reporting date and could fluctuate based upon any significant changes in key assumptions, such as changes in the Company credit risk adjusted rate that is used to discount obligations to present value.

See Note 17 to these consolidated financial statements for a discussion of the Company's methodology for estimating the fair values of noncontrolling interests subject to put obligations.

Other financial instruments consist primarily of cash, accounts receivable, accounts payable, other accrued liabilities and debt. The balances of non-debt financial instruments are presented in the consolidated financial statements at December 31, 2017 and 2016 at their approximate fair values due to the short-term nature of their settlements. The carrying amount of the Company's senior secured credit facilities totaled \$4,428,376 as of December 31, 2017, and their fair value was approximately \$4,495,649 based upon quoted market prices. The carrying amount of the Company's Senior Notes was approximately \$4,460,176 at December 31, 2017 and their fair value was approximately \$4,566,175 at December 31, 2017 based upon quoted market prices.

## 25. Segment reporting

The Company has consisted of two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG). The Kidney Care division is comprised of the Company's U.S. dialysis and related lab services business, various ancillary services and strategic initiatives, including its international operations, and the Company's corporate administrative

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

support. The Company's U.S. dialysis and related lab services business is its largest line of business and is a leading provider of kidney dialysis services in the U.S. for patients suffering from chronic kidney failure, also known as ESRD. The Company's ancillary services and strategic initiatives consist primarily of pharmacy services, disease management services, vascular access services, clinical research programs, physician services, direct primary care, ESRD seamless care organizations and comprehensive care as well as the Company's international operations.

The Company's DMG division is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of providing coordinated outcomes-based medical care in a cost-effective manner. On December 5, 2017, the Company entered into an equity purchase agreement to sell its DMG division to Optum, a subsidiary of UnitedHealth Group Inc. The transaction is expected to close in 2018 and is subject to regulatory approval and other customary closing conditions. As a result of this pending transaction, the DMG business has been reclassified as held for sale and its results of operations are reported as discontinued operations for all periods presented in these consolidated financial statements.

The Company's operating segments have been defined based on the separate financial information that is regularly produced and reviewed by the Company's chief operating decision maker in making decisions about allocating resources to and assessing the financial performance of the Company's various operating lines of business. The chief operating decision maker for the Company is its Chief Executive Officer.

The Company's separate operating segments include its U.S. dialysis and related lab services business, each of its ancillary services and strategic initiatives, its consolidated international kidney care operations in each country and under the Saudi Ministry of Health charter, its equity method investment in the Asia Pacific joint venture, and its other health operations in Europe. The U.S. dialysis and related lab services business qualifies as a separately reportable segment, and all other ancillary services and strategic initiatives operating segments, including the international operating segments, have been combined and disclosed in the other segments category.

The Company's operating segment financial information included in this report is prepared on the internal management reporting basis that the chief operating decision maker uses to allocate resources and assess the financial performance of the Company's operating segments. For internal management reporting, segment operations include direct segment operating expenses but generally exclude corporate administrative support costs, which consist primarily of indirect labor, benefits and long-term incentive-based compensation expenses of certain departments which provide support to all of the Company's various operating lines of business, except to the extent that such costs are charged to and borne by certain ancillary services and strategic initiatives via internal management fees. These corporate administrative support costs are reduced by internal management fees received from the Company's ancillary lines of business.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

The following is a summary of segment revenues, segment operating margin (loss), and a reconciliation of segment operating margin to consolidated income from continuing operations before income taxes:

	Year ended December 31,		
	2017	2016	2015
<b>Segment revenues:</b>			
<b>U.S. dialysis and related lab services</b>			
Patient service revenues:			
External sources	\$ 9,767,123	\$ 9,524,067	\$ 9,014,577
Intersegment revenues	55,175	27,355	19,414
Total U.S. dialysis and related lab services revenues	9,822,298	9,551,422	9,033,991
Less: Provision for uncollectible accounts	(482,007)	(429,882)	(406,530)
Net U.S. dialysis and related lab services patient service revenues	9,340,291	9,121,540	8,627,461
Other revenues <sup>(1)</sup>	19,774	16,649	13,971
Total net U.S. dialysis and related lab services revenues	9,360,065	9,138,189	8,641,432
<b>Other - Ancillary services and strategic initiatives</b>			
Net patient service revenues	323,156	201,867	134,496
Other external sources	1,248,588	1,394,766	1,225,731
Intersegment revenues	24,603	24,739	22,204
Total ancillary services and strategic initiatives revenues	1,596,347	1,621,372	1,382,431
Total net segment revenues	10,956,412	10,759,561	10,023,863
Elimination of intersegment revenues	(79,778)	(52,094)	(41,618)
Consolidated net revenues	<u>\$ 10,876,634</u>	<u>\$ 10,707,467</u>	<u>\$ 9,982,245</u>
<b>Segment operating margin (loss):</b>			
U.S. dialysis and related lab services	\$ 2,297,198	\$ 1,777,014	\$ 1,259,632
Other—Ancillary services and strategic initiatives	(439,477)	266,324	(103,901)
Total segment margin	1,857,721	2,043,338	1,155,731
<b>Reconciliation of segment operating margin to consolidated income from continuing operations before income taxes:</b>			
Corporate administrative support	(44,966)	(13,628)	(18,965)
Consolidated operating income	1,812,755	2,029,710	1,136,766
Debt expense	(430,634)	(414,116)	(408,380)
Debt redemption charges	—	—	(48,072)
Other income	17,665	7,511	8,073
Consolidated income from continuing operations before income taxes	<u>\$ 1,399,786</u>	<u>\$ 1,623,105</u>	<u>\$ 688,387</u>

- (1) Includes management fee revenues from providing management and administrative services to dialysis ventures in which the Company owns a noncontrolling interest or which are wholly-owned by third parties.

Depreciation and amortization expense by segment is as follows:

	Year ended December 31,		
	2017	2016	2015
U.S. dialysis and related lab services	\$ 520,965	\$ 482,768	\$ 438,238
Other - Ancillary services and strategic initiatives	38,946	26,729	25,667
	<u>\$ 559,911</u>	<u>\$ 509,497</u>	<u>\$ 463,905</u>



**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

Subsequent to the issuance of the Company's fiscal year 2016 consolidated financial statements and their inclusion in its Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 24, 2017 (the 2016 10-K), the Company determined that it had misstated its disclosure of segment assets at December 31, 2016 in Note 25 to those consolidated financial statements. This misstatement resulted in an overstatement of "U.S. dialysis and related lab services" segment assets of \$338,963 and a corresponding understatement of "Other - ancillary services and strategic initiatives" segment assets of the same amount. The Company performed an assessment of the materiality of this misstatement and concluded that this misstatement as originally disclosed was not materially misleading in its 2016 consolidated financial statements taken as a whole. The Company therefore has not amended its financial statements filed on its 2016 10-K to correct this misstatement, but has provided the corrected disclosure here.

Summary of assets by segment is as follows:

	Year ended December 31,	
	2017	2016
<b>Segment assets</b>		
U.S. dialysis and related lab services (including equity investments of \$84,866 and \$66,924, respectively)	\$ 11,776,042	\$ 11,108,386
Other - Ancillary services and strategic initiatives <sup>(1)</sup> (including equity investments of \$160,668 and \$425,115, respectively)	1,410,509	1,434,299
DMG - Held for sale (including equity investments of \$10,321 and \$10,350, respectively)	5,761,642	6,213,091
<b>Consolidated assets</b>	<b>\$ 18,948,193</b>	<b>\$ 18,755,776</b>

(1) Includes approximately \$125,932 and \$96,396 in 2017 and 2016, respectively, of net property and equipment related to the Company's international operations.

Expenditures for property and equipment by segment is as follows:

	Year ended December 31,		
	2017	2016	2015
U.S. dialysis and related lab services	\$ 759,218	\$ 675,994	\$ 584,513
Other - Ancillary services and strategic initiatives	50,891	68,702	56,685
DMG - Held for sale	95,141	84,399	66,800
	<b>\$ 905,250</b>	<b>\$ 829,095</b>	<b>\$ 707,998</b>

**26. Supplemental cash flow information**

The table below provides supplemental cash flow information:

	Year ended December 31,		
	2017	2016	2015
<b>Cash paid:</b>			
Income taxes	\$ 387,159	\$ 339,411	\$ 156,075
Interest	424,547	406,987	405,120
<b>Non-cash investing and financing activities:</b>			
Fixed assets under capital lease obligations	48,378	28,127	74,035

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

**27. Selected quarterly financial data (unaudited)**

	2017				2016			
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Net revenues	\$ 2,780,913	\$ 2,765,071	\$ 2,699,399	\$ 2,631,251	\$ 2,699,419	\$ 2,725,407	\$ 2,675,474	\$ 2,607,167
Operating income	\$ 150,337	\$ 395,294	\$ 391,196	\$ 875,928	\$ 363,445	\$ 813,103	\$ 431,129	\$ 422,033
Net income from continuing operations, before taxes	\$ 46,825	\$ 289,384	\$ 288,060	\$ 775,517	\$ 259,669	\$ 710,246	\$ 331,231	\$ 321,959
Net income (loss) from discontinued operations, net of income taxes	\$ 143,587	\$ (370,872)	\$ (24,520)	\$ 6,433	\$ 11,772	\$ 20,213	\$ (118,443)	\$ (71,804)
Net income (loss) attributable to DaVita Inc.	\$ 303,396	\$ (214,476)	\$ 127,001	\$ 447,697	\$ 157,726	\$ 571,332	\$ 53,382	\$ 97,434
Basic net income from continuing operations per share attributable to DaVita Inc.	\$ 0.86	\$ 0.81	\$ 0.79	\$ 2.29	\$ 0.74	\$ 2.69	\$ 0.84	\$ 0.83
Basic net income (loss) from discontinued operations per share attributable to DaVita Inc.	\$ 0.80	\$ (1.95)	\$ (0.13)	\$ 0.04	\$ 0.07	\$ 0.11	\$ (0.58)	\$ (0.35)
Basic net income (loss) per share attributable to DaVita Inc.	\$ 1.66	\$ (1.14)	\$ 0.66	\$ 2.33	\$ 0.81	\$ 2.80	\$ 0.26	\$ 0.48
Diluted net income from continuing operations per share attributable to DaVita Inc.	\$ 0.85	\$ 0.80	\$ 0.78	\$ 2.26	\$ 0.73	\$ 2.65	\$ 0.82	\$ 0.81
Diluted net income (loss) from discontinued operations per share attributable to DaVita Inc.	\$ 0.79	\$ (1.92)	\$ (0.13)	\$ 0.03	\$ 0.07	\$ 0.11	\$ (0.56)	\$ (0.34)
Diluted net income (loss) per share attributable to DaVita Inc.	\$ 1.64	\$ (1.12)	\$ 0.65	\$ 2.29	\$ 0.80	\$ 2.76	\$ 0.26	\$ 0.47

**28. Consolidating financial statements**

The following information is presented in accordance with Rule 3-10 of Regulation S-X. The operating and investing activities of the separate legal entities included in the Company's consolidated financial statements are fully interdependent and integrated. Revenues and operating expenses of the separate legal entities include intercompany charges for management and other services. The Company's Senior Notes are guaranteed by substantially all of its domestic subsidiaries. Each of the guarantor subsidiaries has guaranteed the Senior Notes on a joint and several basis. However, the guarantor subsidiaries can be released from their obligations in the event of a sale or other disposition of all or substantially all of the assets of such subsidiary, including by merger or consolidation or the sale of all equity interests in such subsidiary owned by the Company, if such subsidiary guarantor is designated as an unrestricted subsidiary or otherwise ceases to be a restricted subsidiary, and if such subsidiary guarantor no longer guaranties any other indebtedness of the Company. Certain domestic subsidiaries, foreign subsidiaries, joint ventures, partnerships and third parties are not guarantors of the Senior Notes.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Income**

	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>For twelve months ended December 31, 2017</b>					
Dialysis and related lab patient service revenues	\$ —	\$ 6,884,750	\$ 3,393,026	\$ (184,106)	\$ 10,093,670
Less: Provision for uncollectible accounts	—	(340,586)	(151,982)	7,170	(485,398)
Net dialysis and related lab patient service revenues	—	6,544,164	3,241,044	(176,936)	9,608,272
Other revenues	793,751	1,204,501	68,322	(798,212)	1,268,362
Total net revenues	793,751	7,748,665	3,309,366	(975,148)	10,876,634
Operating expenses and charges	527,942	6,475,550	3,035,535	(975,148)	9,063,879
Operating income	265,809	1,273,115	273,831	—	1,812,755
Debt expense	(426,149)	(209,612)	(34,831)	239,958	(430,634)
Other income, net	411,731	11,169	18,467	(423,702)	17,665
Income tax expense	65,965	237,670	20,224	—	323,859
Equity earnings in subsidiaries	478,192	74,375	—	(552,567)	—
Net income from continuing operations	663,618	911,377	237,243	(736,311)	1,075,927
Net (loss) income from discontinued operations, net of tax	—	(433,185)	4,069	183,744	(245,372)
Net income	663,618	478,192	241,312	(552,567)	830,555
Less: Net income attributable to noncontrolling interests	—	—	—	(166,937)	(166,937)
Net income attributable to DaVita Inc.	<u>\$ 663,618</u>	<u>\$ 478,192</u>	<u>\$ 241,312</u>	<u>\$ (719,504)</u>	<u>\$ 663,618</u>
<b>For twelve months ended December 31, 2016</b>					
Dialysis and related lab patient service revenues	\$ —	\$ 6,665,601	\$ 3,215,085	\$ (153,326)	\$ 9,727,360
Less: Provision for uncollectible accounts	—	(272,430)	(158,878)	—	(431,308)
Net dialysis and related lab patient service revenues	—	6,393,171	3,056,207	(153,326)	9,296,052
Other revenues	767,791	1,378,956	30,184	(765,516)	1,411,415
Total net revenues	767,791	7,772,127	3,086,391	(918,842)	10,707,467
Operating expenses and charges	493,175	6,907,469	2,195,955	(918,842)	8,677,757
Operating income	274,616	864,658	890,436	—	2,029,710
Debt expense	(407,925)	(191,083)	(40,434)	225,326	(414,116)
Other income, net	396,797	3,726	7,694	(400,706)	7,511
Income tax expense	77,334	238,446	115,981	—	431,761
Equity earnings in subsidiaries	693,720	667,278	—	(1,360,998)	—
Net income from continuing operations	879,874	1,106,133	741,715	(1,536,378)	1,191,344
Net (loss) income from discontinued operations, net of tax	—	(412,413)	78,771	175,380	(158,262)
Net income	879,874	693,720	820,486	(1,360,998)	1,033,082
Less: Net income attributable to noncontrolling interests	—	—	—	(153,208)	(153,208)
Net income attributable to DaVita Inc.	<u>\$ 879,874</u>	<u>\$ 693,720</u>	<u>\$ 820,486</u>	<u>\$ (1,514,206)</u>	<u>\$ 879,874</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Income - (continued)**

	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>For twelve months ended December 31, 2015</b>					
Dialysis and related lab patient service revenues	\$ —	\$ 6,471,702	\$ 2,814,909	\$ (131,164)	\$ 9,155,447
Less: Provision for uncollectible accounts	—	(281,976)	(130,929)	—	(412,905)
Net dialysis and related lab patient service revenues	—	6,189,726	2,683,980	(131,164)	8,742,542
Other revenues	727,887	1,208,607	24,013	(720,804)	1,239,703
Total net revenues	727,887	7,398,333	2,707,993	(851,968)	9,982,245
Operating expenses and charges	488,595	6,925,234	2,283,618	(851,968)	8,845,479
Operating income	239,292	473,099	424,375	—	1,136,766
Debt (expense) and refinancing charges	(449,598)	(178,389)	(32,450)	203,985	(456,452)
Other income, net	365,752	1,261	6,921	(365,861)	8,073
Income tax expense (benefit)	60,671	163,401	(16,562)	—	207,510
Equity earnings in subsidiaries	174,957	322,022	—	(496,979)	—
Net income from continuing operations	269,732	454,592	415,408	(658,855)	480,877
Net (loss) income from discontinued operations, net of tax	—	(279,635)	64,292	161,876	(53,467)
Net income	269,732	174,957	479,700	(496,979)	427,410
Less: Net income attributable to noncontrolling interests	—	—	—	(157,678)	(157,678)
Net income attributable to DaVita Inc.	\$ 269,732	\$ 174,957	\$ 479,700	\$ (654,657)	\$ 269,732

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Comprehensive Income**

	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b><u>For the year ended December 31, 2017</u></b>					
Net income	\$ 663,618	\$ 478,192	\$ 241,312	\$ (552,567)	\$ 830,555
Other comprehensive income	3,106	—	99,770	—	102,876
Total comprehensive income	666,724	478,192	341,082	(552,567)	933,431
Less: Comprehensive income attributable to noncontrolling interest	—	—	—	(166,935)	(166,935)
Comprehensive income attributable to DaVita Inc.	<u>\$ 666,724</u>	<u>\$ 478,192</u>	<u>\$ 341,082</u>	<u>\$ (719,502)</u>	<u>\$ 766,496</u>
<b><u>For the year ended December 31, 2016</u></b>					
Net income	\$ 879,874	\$ 693,720	\$ 820,486	\$ (1,360,998)	\$ 1,033,082
Other comprehensive loss	(290)	—	(29,337)	—	(29,627)
Total comprehensive income	879,584	693,720	791,149	(1,360,998)	1,003,455
Less: Comprehensive income attributable to noncontrolling interest	—	—	—	(153,398)	(153,398)
Comprehensive income attributable to DaVita Inc.	<u>\$ 879,584</u>	<u>\$ 693,720</u>	<u>\$ 791,149</u>	<u>\$ (1,514,396)</u>	<u>\$ 850,057</u>
<b><u>For the year ended December 31, 2015</u></b>					
Net income	\$ 269,732	\$ 174,957	\$ 479,700	\$ (496,979)	\$ 427,410
Other comprehensive loss	(10,920)	—	(23,889)	—	(34,809)
Total comprehensive income	258,812	174,957	455,811	(496,979)	392,601
Less: Comprehensive income attributable to noncontrolling interest	—	—	—	(157,678)	(157,678)
Comprehensive income attributable to DaVita Inc.	<u>\$ 258,812</u>	<u>\$ 174,957</u>	<u>\$ 455,811</u>	<u>\$ (654,657)</u>	<u>\$ 234,923</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Balance Sheets**

	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>As of December 31, 2017</b>					
Cash and cash equivalents	\$ 149,305	\$ —	\$ 358,929	\$ —	\$ 508,234
Accounts receivable, net	—	1,208,715	506,035	—	1,714,750
Other current assets	68,027	604,450	87,255	—	759,732
Current assets held for sale	—	4,992,067	769,575	—	5,761,642
Total current assets	217,332	6,805,232	1,721,794	—	8,744,358
Property and equipment, net	408,010	1,560,390	1,180,813	—	3,149,213
Intangible assets, net	250	50,971	62,606	—	113,827
Investments in subsidiaries	10,009,874	3,085,722	—	(13,095,596)	—
Intercompany receivables	3,677,947	—	1,313,213	(4,991,160)	—
Other long-term assets and investments	47,297	68,344	214,875	—	330,516
Goodwill	—	4,732,320	1,877,959	—	6,610,279
Total assets	<u>\$ 14,360,710</u>	<u>\$ 16,302,979</u>	<u>\$ 6,371,260</u>	<u>\$ (18,086,756)</u>	<u>\$ 18,948,193</u>
Current liabilities	\$ 238,706	\$ 1,181,139	\$ 436,262	\$ —	\$ 1,856,107
Current liabilities held for sale	—	739,294	445,776	—	1,185,070
Total current liabilities	238,706	1,920,433	882,038	—	3,041,177
Intercompany payables	—	3,690,042	1,301,118	(4,991,160)	—
Long-term debt and other long-term liabilities	8,857,373	682,630	469,587	—	10,009,590
Noncontrolling interests subject to put provisions	574,602	—	—	436,758	1,011,360
Total DaVita Inc. shareholders' equity	4,690,029	10,009,874	3,085,722	(13,095,596)	4,690,029
Noncontrolling interests not subject to put provisions	—	—	632,795	(436,758)	196,037
Total equity	4,690,029	10,009,874	3,718,517	(13,532,354)	4,886,066
Total liabilities and equity	<u>\$ 14,360,710</u>	<u>\$ 16,302,979</u>	<u>\$ 6,371,260</u>	<u>\$ (18,086,756)</u>	<u>\$ 18,948,193</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Balance Sheets - (continued)**

	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>As of December 31, 2016</b>					
Cash and cash equivalents	\$ 549,921	\$ —	\$ 124,855	\$ —	\$ 674,776
Accounts receivable, net	—	1,048,580	455,370	—	1,503,950
Other current assets	277,911	462,684	114,471	—	855,066
Current assets held for sale	—	514,407	446,549	—	960,956
Total current assets	827,832	2,025,671	1,141,245	—	3,994,748
Property and equipment, net	337,200	1,444,248	1,082,673	—	2,864,121
Intangible assets, net	487	42,037	30,980	—	73,504
Investments in subsidiaries	9,717,728	2,021,062	—	(11,738,790)	—
Intercompany receivables	3,250,692	—	866,955	(4,117,647)	—
Other long-term assets and investments	39,994	73,466	442,433	—	555,893
Goodwill	—	4,480,344	1,535,031	—	6,015,375
Long-term assets held for sale	—	5,066,453	185,682	—	5,252,135
Total assets	<u>\$ 14,173,933</u>	<u>\$ 15,153,281</u>	<u>\$ 5,284,999</u>	<u>\$ (15,856,437)</u>	<u>\$ 18,755,776</u>
Current liabilities	\$ 303,840	\$ 1,343,748	\$ 256,143	\$ —	\$ 1,903,731
Current liabilities held for sale	—	533,250	273,983	—	807,233
Total current liabilities	303,840	1,876,998	530,126	—	2,710,964
Intercompany payables	—	2,382,428	1,735,219	(4,117,647)	—
Long-term debt and other long-term liabilities	8,614,445	835,845	342,638	—	9,792,928
Long-term liabilities held for sale	—	340,282	88,603	—	428,885
Noncontrolling interests subject to put provisions	607,601	—	—	365,657	973,258
Total DaVita Inc. shareholders' equity	4,648,047	9,717,728	2,021,062	(11,738,790)	4,648,047
Noncontrolling interests not subject to put provisions	—	—	567,351	(365,657)	201,694
Total equity	4,648,047	9,717,728	2,588,413	(12,104,447)	4,849,741
Total liabilities and equity	<u>\$ 14,173,933</u>	<u>\$ 15,153,281</u>	<u>\$ 5,284,999</u>	<u>\$ (15,856,437)</u>	<u>\$ 18,755,776</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Cash Flow**

	DaVita Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>For the year ended December 31, 2017</b>					
<b>Cash flows from operating activities:</b>					
Net income	\$ 663,618	\$ 478,192	\$ 241,312	\$ (552,567)	\$ 830,555
Changes in operating assets and liabilities and non-cash items included in net income	(534,302)	366,947	691,682	552,567	1,076,894
Net cash provided by operating activities	129,316	845,139	932,994	—	1,907,449
<b>Cash flows from investing activities:</b>					
Additions of property and equipment, net	(155,972)	(490,800)	(258,478)	—	(905,250)
Acquisitions	—	(693,522)	(110,357)	—	(803,879)
Proceeds from asset sales, net of cash divested	—	90,340	1,996	—	92,336
Investments and other items	211,619	(9,003)	47,446	—	250,062
Net cash provided by (used in) investing activities	55,647	(1,102,985)	(319,393)	—	(1,366,731)
<b>Cash flows from financing activities:</b>					
Long-term debt and related financing costs, net	173,529	(12,662)	(6,019)	—	154,848
Intercompany borrowing	22,589	218,980	(241,569)	—	—
Other items	(781,697)	(2,493)	(136,915)	—	(921,105)
Net cash (used in) provided by financing activities	(585,579)	203,825	(384,503)	—	(766,257)
Effect of exchange rate changes on cash	—	—	254	—	254
Net (decrease) increase in cash and cash equivalents	(400,616)	(54,021)	229,352	—	(225,285)
Less: Net decrease in cash and cash equivalents from discontinued operations	—	(54,021)	(4,722)	—	(58,743)
Net (decrease) increase in cash and cash equivalents from continuing operations	(400,616)	—	234,074	—	(166,542)
Cash and cash equivalents of continuing operations at beginning of the year	549,921	—	124,855	—	674,776
Cash and cash equivalents of continuing operations at end of the year	\$ 149,305	\$ —	\$ 358,929	\$ —	\$ 508,234



**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Cash Flow - (continued)**

	DaVita Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>For the year ended December 31, 2016</b>					
<b>Cash flows from operating activities:</b>					
Net income	\$ 879,874	\$ 693,720	\$ 820,486	\$ (1,360,998)	\$ 1,033,082
Changes in operating assets and liabilities and non-cash items included in net income	(612,706)	350,684	(168,614)	1,360,998	930,362
Net cash provided by operating activities	267,168	1,044,404	651,872	—	1,963,444
<b>Cash flows from investing activities:</b>					
Additions of property and equipment, net	(139,303)	(382,305)	(307,487)	—	(829,095)
Acquisitions	—	(472,413)	(91,443)	—	(563,856)
Proceeds from asset and business sales, net of cash divested	—	70,342	(5,617)	—	64,725
Investments and other items	153,031	(29,038)	2,565	—	126,558
Net cash provided by (used in) investing activities	13,728	(813,414)	(401,982)	—	(1,201,668)
<b>Cash flows from financing activities:</b>					
Long-term debt and related financing costs, net	(92,460)	(27,830)	(4,152)	—	(124,442)
Intercompany borrowing	236,052	(231,800)	(4,252)	—	—
Other items	(1,061,203)	(21,525)	(144,811)	—	(1,227,539)
Net cash used in financing activities	(917,611)	(281,155)	(153,215)	—	(1,351,981)
Effect of exchange rate changes on cash	—	—	4,276	—	4,276
Net (decrease) increase in cash and cash equivalents	(636,715)	(50,165)	100,951	—	(585,929)
Less: Net (decrease) increase in cash and cash equivalents from discontinued operations	—	(50,165)	34,377	—	(15,788)
Net (decrease) increase in cash and cash equivalents from continuing operations	(636,715)	—	66,574	—	(570,141)
Cash and cash equivalents of continuing operations at beginning of the year	1,186,636	—	58,281	—	1,244,917
Cash and cash equivalents of continuing operations at end of the year	<u>\$ 549,921</u>	<u>\$ —</u>	<u>\$ 124,855</u>	<u>\$ —</u>	<u>\$ 674,776</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Cash Flow - (continued)**

	DaVita Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>For the year ended December 31, 2015</b>					
<b>Cash flows from operating activities:</b>					
Net income	\$ 269,732	\$ 174,957	\$ 479,700	\$ (496,979)	\$ 427,410
Changes in operating assets and liabilities and non-cash items included in net income	(125,981)	684,760	74,032	496,979	1,129,790
Net cash provided by operating activities	143,751	859,717	553,732	—	1,557,200
<b>Cash flows from investing activities:</b>					
Additions of property and equipment, net	(115,269)	(319,695)	(273,034)	—	(707,998)
Acquisitions	—	(76,983)	(19,486)	—	(96,469)
Proceeds from asset sales	—	19,715	—	—	19,715
Investments and other items	(74,474)	(2,144)	(20,414)	—	(97,032)
Net cash used in investing activities	(189,743)	(379,107)	(312,934)	—	(881,784)
<b>Cash flows from financing activities:</b>					
Long-term debt and related financing costs, net	640,009	(11,953)	(8,358)	—	619,698
Intercompany borrowing	466,038	(370,839)	(95,199)	—	—
Other items	(572,295)	(66,382)	(119,991)	—	(758,668)
Net cash provided by (used in) financing activities	533,752	(449,174)	(223,548)	—	(138,970)
Effect of exchange rate changes on cash	—	—	(2,571)	—	(2,571)
Net increase in cash and cash equivalents	487,760	31,436	14,679	—	533,875
Less: Net increase (decrease) in cash and cash equivalents from discontinued operations	—	31,436	(5,581)	—	25,855
Net increase in cash and cash equivalents from continuing operations	487,760	—	20,260	—	508,020
Cash and cash equivalents of continuing operations at beginning of the year	698,876	—	38,021	—	736,897
Cash and cash equivalents of continuing operations at end of the year	\$ 1,186,636	\$ —	\$ 58,281	\$ —	\$ 1,244,917

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**29. Supplemental data (unaudited)**

The following information is presented as supplemental data as required by the indentures governing the Company's Senior Notes.

**Condensed Consolidating Statements of Income**

	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries <sup>(1)</sup>
<b>For the year ended December 31, 2017</b>				
Dialysis and related lab patient service revenues	\$ 10,093,670	\$ —	\$ —	\$ 10,093,670
Less: Provision for uncollectible accounts	(485,398)	—	—	(485,398)
Net dialysis and related lab patient service revenues	9,608,272	—	—	9,608,272
Other revenues	1,268,362	—	—	1,268,362
Total net revenues	10,876,634	—	—	10,876,634
Operating expenses and charges	9,063,879	—	—	9,063,879
Operating income	1,812,755	—	—	1,812,755
Debt expense	(430,634)	—	—	(430,634)
Other income, net	17,665	—	—	17,665
Income tax expense	323,859	—	—	323,859
Net income from continuing operations	1,075,927	—	—	1,075,927
Net (loss) income from discontinued operations, net of tax	(245,372)	13,611	19	(259,002)
Net income	830,555	13,611	19	816,925
Less: Net income attributable to noncontrolling interests	(166,937)	7,183	—	(174,120)
Net income attributable to DaVita Inc.	<u>\$ 663,618</u>	<u>\$ 20,794</u>	<u>\$ 19</u>	<u>\$ 642,805</u>

**Condensed Consolidating Statements of Comprehensive Income**

	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries <sup>(1)</sup>
<b>For the year ended December 31, 2017</b>				
Net income	\$ 830,555	\$ 13,611	\$ 19	\$ 816,925
Other comprehensive income	102,876	—	—	102,876
Total comprehensive income	933,431	13,611	19	919,801
Less: Comprehensive income attributable to noncontrolling interest	(166,935)	7,183	—	(174,118)
Comprehensive income attributable to DaVita Inc.	<u>\$ 766,496</u>	<u>\$ 20,794</u>	<u>\$ 19</u>	<u>\$ 745,683</u>

(1) After the elimination of the unrestricted subsidiaries and the physician groups

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Condensed Consolidating Balance Sheets**

	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries <sup>(1)</sup>
<b>As of December 31, 2017</b>				
Cash and cash equivalents	\$ 508,234	\$ —	\$ —	\$ 508,234
Accounts receivable, net	1,714,750	—	—	1,714,750
Other current assets	759,732	3,033	—	756,699
Other current assets held for sale	5,761,642	423,205	2,733	5,335,704
Total current assets	8,744,358	426,238	2,733	8,315,387
Property and equipment, net	3,149,213	—	—	3,149,213
Amortizable intangibles, net	113,827	—	—	113,827
Other long-term assets	330,516	—	—	330,516
Goodwill	6,610,279	—	—	6,610,279
Total assets	<u>\$ 18,948,193</u>	<u>\$ 426,238</u>	<u>\$ 2,733</u>	<u>\$ 18,519,222</u>
Current liabilities	\$ 1,856,107	\$ —	\$ —	\$ 1,856,107
Current liabilities held for sale	1,185,070	308,884	—	876,186
Total current liabilities	3,041,177	308,884	—	2,732,293
Payables to parent	—	—	2,733	(2,733)
Long-term debt and other long-term liabilities	10,009,590	—	—	10,009,590
Noncontrolling interests subject to put provisions	1,011,360	—	—	1,011,360
Total DaVita Inc. shareholders' equity	4,690,029	117,354	—	4,572,675
Noncontrolling interests not subject to put provisions	196,037	—	—	196,037
Shareholders' equity	4,886,066	117,354	—	4,768,712
Total liabilities and shareholders' equity	<u>\$ 18,948,193</u>	<u>\$ 426,238</u>	<u>\$ 2,733</u>	<u>\$ 18,519,222</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Condensed Consolidating Statements of Cash Flow**

	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries <sup>(1)</sup>
<b>For the year ended December 31, 2017</b>				
<b>Cash flows from operating activities:</b>				
Net income	\$ 830,555	\$ 13,611	\$ 19	\$ 816,925
Changes in operating and intercompany assets and liabilities and non-cash items included in net income	1,076,894	27,312	(19)	1,049,601
Net cash provided by operating activities	1,907,449	40,923	—	1,866,526
<b>Cash flows from investing activities:</b>				
Additions of property and equipment	(905,250)	(5,406)	—	(899,844)
Acquisitions and divestitures, net	(803,879)	—	—	(803,879)
Proceeds from asset sales	92,336	—	—	92,336
Investments and other items, net	250,062	(3,800)	—	253,862
Net cash used in investing activities	(1,366,731)	(9,206)	—	(1,357,525)
<b>Cash flows from financing activities:</b>				
Long-term debt and related financing costs, net	154,848	—	—	154,848
Intercompany	—	(36,220)	—	36,220
Other items	(921,105)	—	—	(921,105)
Net cash used in financing activities	(766,257)	(36,220)	—	(730,037)
Effect of exchange rate changes on cash	254	—	—	254
Net decrease in cash and cash equivalents	(225,285)	(4,503)	—	(220,782)
Less: Net decrease in cash and cash equivalents from discontinued operations	(58,743)	(4,503)	—	(54,240)
Net decrease in cash and cash equivalents from continuing operations	(166,542)	—	—	(166,542)
Cash and cash equivalents of continuing operations at beginning of the year	674,776	—	—	674,776
Cash and cash equivalents of continuing operations at end of the year	\$ 508,234	\$ —	\$ —	\$ 508,234

(1) After the elimination of the unrestricted subsidiaries and the physician groups

## EXHIBIT INDEX

- [2.1](#) Agreement and Plan of Merger, dated as of May 20, 2012, by and among DaVita Inc., Seismic Acquisition LLC, HealthCare Partners Holdings, LLC, and the Member Representative.(28)
- [2.2](#) Amendment, dated as of July 6, 2012, to the Agreement and Plan of Merger, dated as of May 20, 2012, by and among DaVita Inc., Seismic Acquisition LLC, HealthCare Partners Holdings, LLC, and the Member Representative.(25)
- [3.1](#) Restated Certificate of Incorporation of DaVita Inc., as filed with the Secretary of State of Delaware on November 1, 2016.(1)
- [3.2](#) Amended and Restated Bylaws for DaVita Inc. dated as of September 7, 2016.(1)
- [4.1](#) Indenture, dated August 28, 2012, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee.(4)
- [4.2](#) Form of 5.750% Senior Notes due 2022 and related Guarantee (included in Exhibit 4.1).(4)
- [4.3](#) Indenture, dated June 13, 2014, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee.(26)
- [4.4](#) Form of 5.125% Senior Notes due 2024 and related Guarantee (included in Exhibit 4.3).(26)
- [4.5](#) Second Supplemental Indenture for the 5.750% Senior Notes due 2022, dated June 13, 2014, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee.(21)
- [4.6](#) Indenture for the 5.000% Senior Notes due 2025, dated April 17, 2015, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee.(22)
- [4.7](#) Form of 5.000% Senior Notes due 2025 and related Guarantee (included in Exhibit 4.6).(22)
- [10.1](#) Employment Agreement, effective September 22, 2005, by and between DaVita Inc. and James Hilger.(8)\*
- [10.2](#) Amendment to Mr. Hilger's Employment Agreement, effective December 12, 2008.(18)\*
- [10.3](#) Second Amendment to Mr. Hilger's Employment Agreement, effective December 27, 2012.(23)\*
- [10.4](#) Employment Agreement, effective July 25, 2008, between DaVita Inc. and Kent J. Thiry.(15)\*
- [10.5](#) Employment Agreement, effective August 1, 2008, between DaVita Inc. and Allen Nissenson.(16)\*
- [10.6](#) Employment Agreement, effective March 17, 2010, by and between DaVita Inc. and Javier Rodriguez.(20)\*
- [10.7](#) Employment Agreement, effective April 27, 2016, by and between DaVita HealthCare Partners Inc. and Kathleen A. Waters.(6)\*
- [10.8](#) Consulting Agreement, effective June 15, 2017, by and between DaVita Inc. and Roger J. Valine.(3)\*
- [10.9](#) Amendment to Stock Appreciation Rights Agreements, effective June 15, 2017, by and between DaVita Inc. and Roger J. Valine.(3)\*
- [10.10](#) Employment Agreement, effective November 1, 2016, by and between DaVita Inc. and Charles G. Berg.(9)\*

- [10.11](#) Amendment to Employment Agreement, effective October 13, 2017, by and among DaVita Inc., Charles G. Berg and DaVita Medical Management, LLC.(3)\*
- [10.12](#) Employment Agreement, effective February 21, 2017, by and between DaVita Inc. and Joel Ackerman.(9)\*
- [10.13](#) Sourcing and Supply Agreement between DaVita Inc. and Amgen USA Inc. effective as of January 6, 2017.(6)\*\*
- [10.14](#) Equity Purchase Agreement, dated as of December 5, 2017, by and among DaVita Inc., Collaborative Care Holdings, LLC, and solely with respect to Section 9.3 and Section 9.18 thereto, UnitedHealth Group Incorporated.(2)
- [10.15](#) Form of Indemnity Agreement.(12)\*
- [10.16](#) Form of Indemnity Agreement.(7)\*
- [10.17](#) DaVita Deferred Compensation Plan.(9)\*
- [10.18](#) Executive Incentive Plan (as Amended and Restated effective January 1, 2009).(19)\*
- [10.19](#) Executive Retirement Plan.(18)\*
- [10.20](#) DaVita Voluntary Deferral Plan.(5)\*
- [10.21](#) Deferred Bonus Plan (Prosperity Plan).(17)\*
- [10.22](#) Amendment No. 1 to Deferred Bonus Plan (Prosperity Plan).(18)\*
- [10.23](#) Amended and Restated Employee Stock Purchase Plan.(13)\*
- [10.24](#) Amended and Restated DaVita Inc. Severance Plan.(23)\*
- [10.25](#) Change in Control Bonus Program.(18)\*
- [10.26](#) DaVita Inc. Non-Employee Director Compensation Policy.(14)\*
- [10.27](#) DaVita Inc. Non-Employee Director Compensation Policy. \* ✓
- [10.28](#) Form of Restricted Stock Units Agreement—Board members (DaVita Inc. 2011 Incentive Award Plan). (24)\*
- [10.29](#) Form of Stock Appreciation Rights Agreement—Executives (DaVita Inc. 2011 Incentive Award Plan).(24)\*
- [10.30](#) Form of Restricted Stock Units Agreement—Executives (DaVita Inc. 2011 Incentive Award Plan).(24)\*
- [10.31](#) Form of Restricted Stock Units Agreement (DaVita Inc. 2011 Incentive Award Plan).(23)\*
- [10.32](#) Form of Stock Appreciation Rights Agreement (DaVita Inc. 2011 Incentive Award Plan).(23)\*
- [10.33](#) Form of Long-Term Incentive Program Award Agreement (For 162(m) designated teammates) (DaVita Inc. 2011 Incentive Award Plan).(23)\*
- [10.34](#) Form of Long-Term Incentive Program Award Agreement (DaVita Inc. 2011 Incentive Award Plan).(23)\*

- [10.35](#) Credit Agreement, dated as of June 24, 2014, by and among DaVita Inc., the guarantors the guarantors party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, Barclays Bank PLC, and Wells Fargo Bank, National Association as Co-Syndication Agents, Bank of America, N.A., Credit Suisse AG, Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., and SunTrust Bank, as Co-Documentation Agents, Barclays Bank PLC, Wells Fargo Securities, LLC, Credit Suisse Securities (USA) LLC, Goldman Sachs Bank USA, J.P. Morgan Securities, LLC, Bank of America, N.A., Morgan Stanley Senior Funding, Inc., and SunTrust Robinson Humphrey, Inc. as Joint Lead Arrangers and Joint Bookrunners, The Bank of Nova Scotia, Credit Agricole Securities (USA) Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Sumitomo Mitsui Banking Corporation, as Senior Managing Agents, HSBC Securities (USA) Inc., Fifth Third Bank, and Compass Bank as Managing Agents. (21)
- [10.36](#) Amended and Restated DaVita Inc. 2011 Incentive Award Plan.(11)\*
- [10.37](#) Form of Non-Competition and Non-Solicitation Agreement, dated as of May 20, 2012, between DaVita Inc. and Dr. Robert Margolis, Dr. William Chin, Dr. Thomas Paulsen, Mr. Zan Calhoun, and Ms. Lori Glisson. (28)
- [10.38](#) Form of Non-Competition and Non-Solicitation Agreement, dated as of May 20, 2012, between DaVita Inc. and Mr. Matthew Mazdyasni, Dr. Sherif Abdou, and Dr. Amir Bacchus.(28)
- [10.39](#) Escrow Agreement, dated as of August 28, 2012, by and among DaVita Inc., The Bank of New York Mellon Trust Company, N.A., as trustee, The Bank of New York Mellon Trust Company, N.A., as escrow agent and The Bank of New York Mellon Trust Company, N.A., as bank and securities intermediary.(4)
- [10.40](#) Form of 2014 Long Term Incentive Program Cash Performance Award Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program (for 162(m) designated teammates).(10) \* \*\*
- [10.41](#) Form of 2014 Long Term Incentive Program Cash Performance Award Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program.(10)\* \*\*
- [10.42](#) Form of 2014 Long Term Incentive Program Performance Stock Units Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program (for 162(m) designated teammates).(10) \* \*\*
- [10.43](#) Form of 2014 Long Term Incentive Program Restricted Stock Units Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program.(10)\*
- [10.44](#) Form of 2014 Long Term Incentive Program Stock Appreciation Rights Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program.(10)\*
- [10.45](#) Corporate Integrity Agreement, dated as of October 22, 2014, by and among the Office of Inspector General of The Department of Health and Human Services and DaVita Inc.(27)
- [12.1](#) Computation of Ratio of Earnings to Fixed Charges. ✓
- [21.1](#) List of our subsidiaries. ✓
- [23.1](#) Consent of KPMG LLP, independent registered public accounting firm. ✓
- [24.1](#) Powers of Attorney with respect to DaVita. (Included on Page S-1).
- [31.1](#) Certification of the Chief Executive Officer, dated February 23, 2018, 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 23, 2018, pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. ✓



<a href="#">32.1</a>	Certification of the Chief Executive Officer, dated February 23, 2018, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ✓
<a href="#">32.2</a>	Certification of the Chief Financial Officer, dated February 23, 2018, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ✓
101.INS	XBRL Instance Document. ✓
101.SCH	XBRL Taxonomy Extension Schema Document. ✓
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. ✓
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. ✓
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. ✓
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. ✓

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✓ 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 November 2, 2016 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016.
- (2) Filed on December 6, 2017 as an exhibit to the Company's Current Report on Form 8-K.
- (3) Filed on November 7, 2017 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017.
- (4) Filed on August 28, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (5) Filed on November 8, 2005 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005.
- (6) Filed on May 2, 2017 as an exhibit to the Company's Quarterly Report on 10-Q for the quarter ended March 31, 2017.
- (7) Filed on March 3, 2005 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2004.
- (8) Filed on August 7, 2006 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ending June 30, 2006.
- (9) Filed on February 24, 2017 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2016.
- (10) Filed on November 6, 2014 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.
- (11) Filed on April 28, 2014 as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A.
- (12) Filed on December 20, 2006 as an exhibit to the Company's Current Report on Form 8-K.
- (13) Filed on June 4, 2007 as an exhibit to the Company's Current Report on Form 8-K.
- (14) Filed on May 8, 2008 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.
- (15) Filed on July 31, 2008 as an exhibit to the Company's Current Report on Form 8-K.
- (16) Filed on November 6, 2008 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.
- (17) Filed on February 29, 2008 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2007.
- (18) Filed on February 27, 2009 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2008.
- (19) Filed on June 18, 2009 as an exhibit to the Company's Current Report on Form 8-K.
- (20) Filed on April 14, 2010 as an exhibit to the Company's Current Report on Form 8-K.

- (21) Filed on August 1, 2014 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.
- (22) Filed on April 17, 2015 as an exhibit to the Company's Current Report on Form 8-K.
- (23) Filed on March 1, 2013 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2012.
- (24) Filed on August 4, 2011 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.
- (25) Filed on July 9, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (26) Filed on June 16, 2014 as an exhibit to the Company's current Report on Form 8-K.
- (27) Filed on October 23, 2014 as an exhibit to the Company's current report on Form 8-K.
- (28) Filed on May 21, 2012 as an exhibit to the Company's Current Report on Form 8-K.

## 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 Denver, State of Colorado, on February 23, 2018.

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, Joel Ackerman, and Kathleen Waters, 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 on behalf of the registrant and 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 23, 2018
/s/ JOEL ACKERMAN Joel Ackerman	Chief Financial Officer (Principal Financial Officer)	February 23, 2018
/s/ JAMES K. HILGER James K. Hilger	Chief Accounting Officer (Principal Accounting Officer)	February 23, 2018
/s/ PAMELA M. ARWAY Pamela M. Arway	Director	February 23, 2018
/s/ CHARLES G. BERG Charles G. Berg	Director	February 23, 2018
/s/ CAROL A. DAVIDSON Carol A. Davidson	Director	February 23, 2018
/s/ BARBARA J. DESOER Barbara J. Desoer	Director	February 23, 2018
/s/ PASCAL DESROCHES Pascal Desroches	Director	February 23, 2018
/s/ PAUL J. DIAZ Paul J. Diaz	Director	February 23, 2018
/s/ PETER T. GRAUER Peter T. Grauer	Director	February 23, 2018
/s/ JOHN M. NEHRA John M. Nehra	Director	February 23, 2018
/s/ WILLIAM L. ROPER William L. Roper	Director	February 23, 2018
/s/ PHYLLIS R. YALE Phyllis R. Yale	Director	February 23, 2018

**DAVITA INC.**  
**SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS**

Description	Balance at beginning of year	Acquisitions	Amounts charged to income	Amounts written off	Balance at end of year
	(in thousands)				
<b>Allowance for uncollectible accounts:</b>					
Year ended December 31, 2017	\$ 238,897	\$ —	\$ 478,365	\$ 498,863	\$ 218,399
Year ended December 31, 2016	\$ 251,734	\$ —	\$ 442,985	\$ 455,822	\$ 238,897
Year ended December 31, 2015	\$ 229,802	\$ —	\$ 422,145	\$ 400,213	\$ 251,734

**DAVITA INC.**  
**NON-EMPLOYEE DIRECTOR COMPENSATION POLICY**

**ARTICLE I**

**PURPOSE**

The primary purposes of the DaVita Inc. (the “Company”) Non-Employee Director Compensation and Reimbursement Policy (this “Policy”) are as follows:

- to pay differentially higher compensation for higher levels of work, responsibility and performance;
- to provide a compensation structure that will attract highly competent candidates; and
- to provide a significant portion of compensation in the form of equity-based awards to align non-employee director compensation with increases in long-term shareholder value.

All references to “Director” in this Policy shall mean a member of the Company’s Board of Directors (the “Board”) who is not employed by the Company.

**ARTICLE II**

**BASE ANNUAL RETAINER**

Each Director shall receive a base annual retainer (the “Base Annual Retainer”) of up to Two Hundred Seventy Thousand Dollars (\$270,000) per fiscal year as follows:

2.1 Cash: Eighty Thousand Dollars (\$80,000) to be paid in quarterly installments made within five business days of the last calendar day of each fiscal quarter;

2.2 Stock Settled Stock Appreciation Rights: Ninety-Five Thousand Dollars (\$95,000) to be paid in the form of stock-settled stock appreciation rights (“SSARs”). The SSARs shall be subject to the following terms and conditions (the “SSAR Grant Terms”):

2.2.1 Grant Date: The SSARs shall be granted on the date of the Company’s annual meeting of stockholders.

2.2.2 Amount: The number of SSARs to be granted shall be the nearest whole number of shares determined by dividing \$95,000 by twenty percent (20%) of the closing market price of the Company’s common stock as listed on the New York Stock Exchange on the Grant Date.

2.2.3 Vesting: The SSARs shall vest one hundred percent (100%) on the one year anniversary following the Grant Date.

2.2.4 Expiration: The SSARs shall expire five years following the Grant Date.

2.3 Direct Stock Issuances: Ninety-Five Thousand Dollars (\$95,000) to be paid in the form of direct stock issuances (“DSIs”) granted quarterly. The DSIs shall be subject to the following terms and conditions (the “DSI Grant Terms”):

2.3.1 Grant Date: The DSIs shall be granted on the last day of each fiscal quarter.

2.3.2 Amount: The number of DSIs to be granted shall be the nearest whole number of shares as determined by dividing \$23,750 by the closing market price of the Company’s common stock as listed on the New York Stock Exchange on the last trading day of each fiscal quarter.

2.4 Proration: The Base Annual Retainer shall be prorated, as applicable, based on the days of service on the Board within a fiscal quarter. SSARs granted on a prorated basis shall be granted and priced as of the close of market on the first day of service on the Board, which date shall be determined by the Board upon such individual’s appointment as a Director.

**ARTICLE III**

## **ANNUAL RETAINER PREMIUM – LEAD INDEPENDENT DIRECTOR**

A Director serving as the Lead Independent Director of the Board shall be paid a premium (the “Lead Director Premium”) of up to One Hundred Twenty-Five Thousand Dollars (\$125,000) per fiscal year as follows:

3.1 **Cash:** Thirty-Seven Thousand Five Hundred Dollars (\$37,500) to be paid in quarterly installments made within five business days of the last calendar day of each fiscal quarter.

3.2 **Stock Settled Stock Appreciation Rights:** Forty-Three Thousand Seven Hundred Fifty Dollars (\$43,750) to be paid in the form of SSARs, subject to the SSAR Grant Terms provided in Section 2.2 above.

3.3 **Direct Share Issuances:** Forty-Three Thousand Seven Hundred Fifty Dollars (\$43,750) to be paid in the form of DSIs to be granted quarterly, subject to the DSI Grant Terms provided in Section 2.3 above.

3.4 **Proration:** The Lead Director Premium shall be prorated, as applicable, based on the days of service on the Board within a fiscal quarter. SSARs granted on a prorated basis shall be granted and priced as of the close of market as listed on the New York Stock Exchange on the first day of service, which date shall be determined by the Board upon such Director’s appointment as the Lead Independent Director.

## **ARTICLE IV**

### **ANNUAL RETAINER PREMIUM – COMMITTEE CHAIRS**

A Director serving as a Chair of a committee (“Committee”) of the Board shall be paid a cash premium (the “Chair Premium”) per fiscal year as follows:

4.1 **Chairs of the Audit, Compensation and Compliance Committees:** Fifty-Thousand Dollars (\$50,000) to be paid each in quarterly installments made within five business days of the last calendar day of each fiscal quarter.

4.2 **Chairs of the Public Policy and Clinical Performance Committees:** Twenty-Five Thousand Dollars (\$25,000) to be paid each in quarterly installments made within five business days of the last calendar day of each fiscal quarter.

4.3 **Chair of the Nominating and Governance Committee:** No Chair Premium will be paid for services provided as Chair of the Nominating and Governance Committee.

4.4 **Proration:** A Chair Premium shall be prorated, as applicable, based on the days of service as a Chair of a Committee within a fiscal quarter.

## **ARTICLE V**

### **MEETING FEES**

A Director shall be paid the following fees for his or her in person or telephonic attendance of Board and Committee meetings as follows:

5.1 **Board:** Two Thousand Five Hundred Dollars (\$2,500) cash for attendance of: (1) special Board meetings held in person, irrespective of length, and (2) special Board meetings held telephonically that last approximately one hour. No additional compensation shall be provided for attendance of regular Board meetings.

5.2 **Committees/Sub-Committees:** Two Thousand Five Hundred Dollars (\$2,500) cash for attendance of the following Committee meetings, provided that the Director is a member of such Committee: (1) regular or special Committee meetings held in person, and (2) regular or special Committee meetings held telephonically that last approximately one hour. Notwithstanding the foregoing, each member of the Audit Committee shall be paid Two Thousand Five Hundred Dollars (\$2,500) in cash for his or her in person or telephonic attendance to each Audit Committee meeting related to quarterly earnings releases, regardless of the duration of such meeting.

5.2.1 Notwithstanding anything herein to the contrary, a Director shall be paid \$2,500 in cash for attendance to a regular or

special meeting of a Committee of which such Director is not a member, provided that such Director's attendance was made at the request of the Committee's chair and provided further that such payment is made in accordance with this Section 5.2.

5.2.2 New Committee Members: A Director attending a Committee meeting held earlier on the same day of his or her appointment by the Board to such Committee, will be eligible to receive Committee meeting fees as described under this Section 5.2.

## ARTICLE VI

### **EXPENSE REIMBURSEMENT AND COMPENSATION FOR ADDITIONAL TIME EXPENDED**

6.1 Expense Reimbursement. Each Director shall be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board or its Committees or in connection with other Board related business.

6.2 Compensation for Additional Time. Each Director shall be compensated in cash on a "per diem," hourly or other basis at a rate that is reasonable and fair to the Company as determined in the discretion of the Lead Independent Director (or, should the matter be referred to them, the Board or the Compensation Committee), for significant time spent outside of Board or Committee meetings for meetings or activities outside the scope of normal Board duties, including director training, meeting with Company management or external auditors, interviewing director candidates or other activities deemed necessary by the Chairman of the Board, the Lead Independent Director, or the entire Board. Any dollar amounts set for a particular unit of time shall be paid on a pro rata basis for time expended that is less than the full unit of time for which a rate was set. The Lead Independent Director shall oversee requests for compensation under this Article VI.



**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 are defined as pretax income from continuing operations adjusted by adding back fixed charges expensed during the period less noncontrolling interests. Fixed charges include debt expense (interest expense and the amortization of deferred financing costs), the estimated interest component of rent expense on operating leases, and capitalized interest.

	Year ended December 31,				
	2017	2016	2015	2014	2013
<b>Earnings adjusted for fixed charges:</b>					
Income from continuing operations before income taxes	\$ 1,399,786	\$ 1,623,105	\$ 688,387	\$ 1,094,322	\$ 692,438
Add:					
Debt expense	430,634	414,116	408,380	410,223	429,938
Interest portion of rent expense	171,842	154,901	143,311	130,640	120,398
Less: Noncontrolling interests	(175,176)	(159,404)	(158,304)	(140,949)	(124,438)
	<u>427,300</u>	<u>409,613</u>	<u>393,387</u>	<u>399,914</u>	<u>425,898</u>
	<u>\$ 1,827,086</u>	<u>\$ 2,032,718</u>	<u>\$ 1,081,774</u>	<u>\$ 1,494,236</u>	<u>\$ 1,118,336</u>
<b>Fixed charges:</b>					
Debt expense	\$ 430,634	\$ 414,116	\$ 408,380	\$ 410,223	\$ 429,938
Interest portion of rent expense	171,842	154,901	143,311	130,640	120,398
Capitalized interest	19,176	12,990	9,723	7,888	6,408
	<u>\$ 621,652</u>	<u>\$ 582,007</u>	<u>\$ 561,414</u>	<u>\$ 548,751</u>	<u>\$ 556,744</u>
Ratio of earnings to fixed charges	<u>2.94</u>	<u>3.49</u>	<u>1.93</u>	<u>2.72</u>	<u>2.01</u>

**SUBSIDIARIES OF THE COMPANY**  
as of December 31, 2017

Name	Jurisdiction of Organization
<b>DaVita Kidney Care:</b>	
Aberdeen Dialysis, LLC	Delaware
Alamosa Dialysis, LLC	Delaware
American Fork Dialysis, LLC	Delaware
American Medical Insurance, Inc.	Arizona
Animas Dialysis, LLC	Delaware
Arcadia Gardens Dialysis, LLC	Delaware
Astro, Hobby, West Mt. Renal Care Limited Partnership	Delaware
Athio Dialysis, LLC	Delaware
Atlantic Dialysis, LLC	Delaware
Austin Dialysis Centers, L.P.	Delaware
Bainbridge Dialysis, LLC	Delaware
Bannon Dialysis, LLC	Delaware
Barnell Dialysis, LLC	Delaware
Barton Dialysis, LLC	Delaware
Basin Dialysis, LLC	Delaware
Bastrop Dialysis, LLC	Delaware
Beachside Dialysis, LLC	Delaware
Beacon Dialysis, LLC	Delaware
Bear Creek Dialysis Center, L.P.	Delaware
Beck Dialysis, LLC	Delaware
Bellevue Dialysis, LLC	Delaware
Beverly Dialysis, LLC	Delaware
Beverly Hills Dialysis Partnership	California
Birch Dialysis, LLC	Ohio
Bladon Dialysis, LLC	Delaware
Blake Dialysis, LLC	Delaware
Blanco Dialysis, LLC	Delaware
Bliss Dialysis, LLC	Delaware
Bluegrass Dialysis, LLC	Delaware
Bogachiel Dialysis, LLC	Delaware
Bohama Dialysis, LLC	Delaware
Borrego Dialysis, LLC	Delaware
Bottle Dialysis, LLC	Delaware
Brache Dialysis, LLC	Delaware
Braden Dialysis, LLC	Delaware
Bridges Dialysis, LLC	Delaware
Brighton Dialysis Center, LLC	Delaware
Brook Dialysis, LLC	Delaware
Brownsville Kidney Center, Ltd.	Texas
Brownwood Dialysis, LLC	Delaware
Bruno Dialysis, LLC	Delaware

Buford Dialysis, LLC	Delaware
Bullards Dialysis, LLC	Delaware
Butano Dialysis, LLC	Delaware
Canyon Springs Dialysis, LLC	Delaware
Capes Dialysis, LLC	Delaware
Capital Dialysis Partnership	California
Carroll County Dialysis Facility Limited Partnership	Maryland
Carroll County Dialysis Facility, Inc.	Maryland
Cascades Dialysis, LLC	Delaware
Caverns Dialysis, LLC	Delaware
Cedar Dialysis, LLC	Delaware
Centennial LV, LLC	Delaware
Central Carolina Dialysis Centers, LLC	Delaware
Central Georgia Dialysis, LLC	Delaware
Central Iowa Dialysis Partners, LLC	Delaware
Central Kentucky Dialysis Centers, LLC	Delaware
Centrum Dializa II Sp. z o.o.	Poland
Chadron Dialysis, LLC	Delaware
Channel Dialysis, LLC	Delaware
Cheraw Dialysis, LLC	Delaware
Chicago Heights Dialysis, LLC	Delaware
Chipeta Dialysis, LLC	Delaware
Chouteau Dialysis, LLC	Delaware
Churchill Dialysis, LLC	Delaware
Cinco Rios Dialysis, LLC	Delaware
Clark Dialysis, LLC	Delaware
Clayton Dialysis, LLC	Delaware
Cleburne Dialysis, LLC	Delaware
Clinica Central do Bonfim S.A.	Portugal
Clinica Medica DaVita Londrina Servicos de Nefrologia Ltda.	Brazil
Clinton Township Dialysis, LLC	Delaware
Clover Dialysis, LLC	Delaware
Clyfee Dialysis, LLC	Delaware
Cobbles Dialysis, LLC	Delaware
Columbus-RNA-DaVita, LLC	Delaware
Conconully Dialysis, LLC	Delaware
Continental Dialysis Center of Springfield-Fairfax, Inc.	Virginia
Continental Dialysis Center, Inc.	Virginia
Coral Dialysis, LLC	Delaware
Couer Dialysis, LLC	Delaware
Cowell Dialysis, LLC	Delaware
Crystals Dialysis, LLC	Delaware
Cuivre Dialysis, LLC	Delaware
Dallas-Fort Worth Nephrology, L.P.	Delaware
Damon Dialysis, LLC	Delaware
DaVita - Riverside II, LLC	Delaware
DaVita - Riverside, LLC	Delaware

DaVita - West, LLC	Delaware
DaVita APAC Holding B.V.	Netherlands
DaVita Brasil Participacoes e Servicos de Gestao Ltda.	Brazil
DaVita Brasil Servicos de Nefrologia Uber Ltda.	Brazil
DaVita Care (Saudi Arabia)	Saudi Arabia
DaVita Dakota Dialysis Center, LLC	Delaware
DaVita Deutschland AG	Germany
DaVita Deutschland Beteiligungs GmbH & Co. KG	Germany
DaVita DPC Holding Co., LLC	Delaware
DaVita EL Paso East, L.P.	Delaware
DaVita Germany GmbH	Germany
DaVita Health Solutions, LLC	Delaware
DaVita of New York, Inc.	New York
DaVita Rx, LLC	Delaware
DaVita S.A.S.	Colombia
DaVita Servicos de Nefrologia Botafogo Ltda.	Brazil
DaVita Servicos de Nefrologia de Araraquara Ltda.	Brazil
DaVita Servicos de Nefrologia Jardim das Imbuias Ltda.	Brazil
DaVita Servicos de Nefrologia Joao Dias Ltda.	Brazil
DaVita Servicos de Nefrologia Penha Ltda.	Brazil
DaVita Servicos de Nefrologia Recife Ltda.	Brazil
DaVita Servicos de Nefrologia Santos Ltda.	Brazil
DaVita Sp. z o.o.	Poland
DaVita Tidewater - Virginia Beach, LLC	Delaware
DaVita VillageHealth, Inc.	Delaware
DC Healthcare International, Inc.	Delaware
Dialysis Holdings, Inc.	Delaware
Dialysis of Des Moines, LLC	Delaware
Dialysis of Northern Illinois, LLC	Delaware
Dialysis Specialists of Dallas, Inc.	Texas
DNP Management Company, LLC	Delaware
Dolores Dialysis, LLC	Delaware
Dome Dialysis, LLC	Delaware
Doves Dialysis, LLC	Delaware
Downriver Centers, Inc.	Michigan
Downtown Houston Dialysis Center, L.P.	Delaware
DV Care Netherlands B.V.	Netherlands
DV Care Netherlands C.V.	Netherlands
DVA Healthcare - Southwest Ohio, LLC	Tennessee
DVA Healthcare of Maryland, LLC	Maryland
DVA Healthcare of Massachusetts, Inc.	Massachusetts
DVA Healthcare of New London, LLC	Tennessee
DVA Healthcare of Norwich, LLC	Tennessee
DVA Healthcare of Pennsylvania, LLC	Pennsylvania
DVA Healthcare of Tuscaloosa, LLC	Tennessee
DVA Healthcare Procurement Services, Inc.	California
DVA Healthcare Renal Care, Inc.	Nevada

DVA Holdings Pte. Ltd.	Singapore
DVA Laboratory Services, Inc.	Florida
DVA of New York, Inc.	New York
DVA Renal Healthcare, Inc.	Tennessee
Dworsher Dialysis, LLC	Delaware
East End Dialysis Center, Inc.	Virginia
East Ft. Lauderdale, LLC	Delaware
East Houston Kidney Center, L.P.	Delaware
Ebrea Dialysis, LLC	Delaware
Edisto Dialysis, LLC	Delaware
Elberton Dialysis Facility, Inc.	Georgia
Eldrist Dialysis, LLC	Delaware
Elgin Dialysis, LLC	Delaware
Elk Grove Dialysis Center, LLC	Delaware
Empire State DC, Inc.	New York
Etowah Dialysis, LLC	Delaware
Eufaula Dialysis, LLC	Delaware
EURODIAL - Centro de Nefrologia e Dialise de Leiria S.A.	Portugal
Falcon, LLC	Delaware
Fanthorp Dialysis, LLC	Delaware
Farragut Dialysis, LLC	Delaware
Federal Way Assurance, Inc.	Colorado
Fields Dialysis, LLC	Delaware
Five Star Dialysis, LLC	Delaware
Flagler Dialysis, LLC	Delaware
Flamingo Park Kidney Center, Inc.	Florida
Flor Dialysis, LLC	Delaware
Forester Dialysis, LLC	Delaware
Fort Dialysis, LLC	Delaware
Freehold Artificial Kidney Center, L.L.C.	New Jersey
Fremont Dialysis, LLC	Delaware
Fullerton Dialysis Center, LLC	Delaware
Ganois Dialysis, LLC	Delaware
Garner Dialysis, LLC	Delaware
Garrett Dialysis, LLC	Delaware
Gaviota Dialysis, LLC	Delaware
GDC International, LLC	Delaware
Genesis KC Development, LLC	Delaware
Geyser Dialysis, LLC	Delaware
GiveLife Dialysis, LLC	Delaware
Glacier Dialysis, LLC	Delaware
Glassland Dialysis, LLC	Delaware
Glosser Dialysis, LLC	Delaware
Golden ASC, LLC	Delaware
Goliad Dialysis, LLC	Delaware
Great Dialysis, LLC	Delaware
Greater Las Vegas Dialysis, LLC	Delaware

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Greater Los Angeles Dialysis Centers, LLC	Delaware
Green Country Dialysis, LLC	Delaware
Green Desert Dialysis, LLC	Delaware
Griffin Dialysis, LLC	Delaware
Harmony Dialysis, LLC	Delaware
Hart Dialysis, LLC	Delaware
Hawn Dialysis, LLC	Delaware
Hazelton Dialysis, LLC	Delaware
Hills Dialysis, LLC	Delaware
Honey Dialysis, LLC	Delaware
Honeyman Dialysis, LLC	Delaware
Houston Kidney Center/Total Renal Care Integrated Service Network Limited Partnership	Delaware
Hunter Dialysis, LLC	Delaware
Huntington Artificial Kidney Center, Ltd.	New York
Huntington Park Dialysis, LLC	Delaware
Hyde Dialysis, LLC	Delaware
IDC -International Dialysis Centers, Lda	Portugal
Indian River Dialysis Center, LLC	Delaware
Iroquois Dialysis, LLC	Delaware
ISD Bartlett, LLC	Delaware
ISD Corpus Christi, LLC	Delaware
ISD I Holding Company, Inc.	Delaware
ISD II Holding Company, Inc.	Delaware
ISD Las Vegas, LLC	Delaware
ISD Lees Summit, LLC	Delaware
ISD Renal, Inc.	Delaware
ISD Schaumburg, LLC	Delaware
ISD Spring Valley, LLC	Delaware
ISD Summit Renal Care, LLC	Ohio
Jacinto Dialysis, LLC	Delaware
Kamiah Dialysis, LLC	Delaware
Kavett Dialysis, LLC	Delaware
Kenai Dialysis, LLC	Delaware
Kidney Care Services, LLC	Delaware
Kidney Center South LLC	Delaware
Kidney HOME Center, LLC	Delaware
Kimball Dialysis, LLC	Delaware
Kingston Dialysis, LLC	Delaware
Knickerbocker Dialysis, Inc.	New York
Lakeshore Dialysis, LLC	Delaware
Landing Dialysis, LLC	Delaware
Lassen Dialysis, LLC	Delaware
Latrobe Dialysis, LLC	Delaware
Leasburg Dialysis, LLC	Delaware
Leawood Dialysis, LLC	Delaware
Lees Dialysis, LLC	Delaware
Liberty RC, Inc.	New York

Lifeline Pensacola, LLC	Delaware
Lifeline Vascular Associates of Allen Park, LLC	Delaware
Lifeline Vascular Center of South Orlando, LLC	Delaware
Lifeline Vascular Center-Albany, LLC	Delaware
Lifeline Vascular Center-Orlando, LLC	Delaware
Limon Dialysis, LLC	Delaware
Lincoln Park Dialysis Services, Inc.	Illinois
Little Rock Dialysis Centers, LLC	Delaware
Livingston Dialysis, LLC	Delaware
Llano Dialysis, LLC	Delaware
Lockhart Dialysis, LLC	Delaware
Lofield Dialysis, LLC	Delaware
Lone Dialysis, LLC	Delaware
Long Beach Dialysis Center, LLC	Delaware
Lord Baltimore Dialysis, LLC	Delaware
Lory Dialysis, LLC	Delaware
Loup Dialysis, LLC	Delaware
Lourdes Dialysis, LLC	Delaware
Magoffin Dialysis, LLC	Delaware
Mammoth Dialysis, LLC	Delaware
Manzano Dialysis, LLC	Delaware
Maple Grove Dialysis, LLC	Delaware
Marlton Dialysis Center, LLC	Delaware
Mason-Dixon Dialysis Facilities, Inc.	Maryland
Mazonia Dialysis, LLC	Delaware
Memorial Dialysis Center, L.P.	Delaware
Meridian Dialysis, LLC	Delaware
Mermet Dialysis, LLC	Delaware
Mesilla Dialysis, LLC	Delaware
Middlesex Dialysis Center, LLC	Delaware
Milo Dialysis, LLC	Delaware
Minam Dialysis, LLC	Delaware
Mountain West Dialysis Services, LLC	Delaware
Mulgee Dialysis, LLC	Delaware
MVZ DaVita Alzey GmbH	Germany
MVZ DaVita Aurich GmbH	Germany
MVZ DaVita Bad Duben GmbH	Germany
MVZ DaVita Cardio Centrum Dusseldorf GmbH	Germany
MVZ DaVita Dormagen GmbH	Germany
MVZ DaVita Dresden GmbH	Germany
MVZ DaVita Duisburg GmbH	Germany
MVZ DaVita Elsterland GmbH	Germany
MVZ DaVita Emden GmbH	Germany
MVZ DaVita Geilenkirchen GmbH	Germany
MVZ DaVita Gera GmbH	Germany
MVZ DaVita Iserlohn GmbH	Germany
MVZ DaVita Monchengladbach GmbH	Germany

MVZ DaVita Neuss GmbH	Germany
MVZ DaVita Niederrhein GmbH	Germany
MVZ DaVita Nierenzentrum Berlin-Britz GmbH	Germany
MVZ DaVita Rhein-Ahr GmbH	Germany
MVZ DaVita Rhein-Ruhr GmbH	Germany
MVZ DaVita Salzgitter-Seesen GmbH	Germany
MVZ DaVita Sud-Niedersachsen GmbH	Germany
MVZ DaVita Viersen GmbH	Germany
Nansen Dialysis, LLC	Delaware
Natomas Dialysis, LLC	Delaware
Navarro Dialysis, LLC	Delaware
Nephrology Medical Associates of Georgia, LLC	Georgia
Nephrology Practice Solutions, LLC	Delaware
Neptune Artificial Kidney Center, L.L.C.	New Jersey
New Bay Dialysis, LLC	Delaware
New Springs Dialysis, LLC	Delaware
Norbert Dialysis, LLC	Delaware
North Atlanta Dialysis Center, LLC	Delaware
North Colorado Springs Dialysis, LLC	Delaware
Ohio River Dialysis, LLC	Delaware
Okanogan Dialysis, LLC	Delaware
Open Access Lifeline, LLC	Delaware
Orange Dialysis, LLC	California
Ordust Dialysis, LLC	Delaware
Owyhee Dialysis, LLC	Delaware
Palo Dialysis, LLC	Delaware
Palomar Dialysis, LLC	Delaware
Panther Dialysis, LLC	Delaware
Parkside Dialysis, LLC	Delaware
Patient Pathways, LLC	Delaware
PDI Holdings, Inc.	Delaware
Pearl Dialysis, LLC	Delaware
Pershing Dialysis, LLC	Delaware
Pfeiffer Dialysis, LLC	Delaware
Philadelphia-Camden Integrated Kidney Care, LLC	Delaware
Physicians Choice Dialysis Of Alabama, LLC	Delaware
Physicians Choice Dialysis, LLC	Delaware
Physicians Dialysis Acquisitions, Inc.	Delaware
Physicians Dialysis of Lancaster, LLC	Pennsylvania
Physicians Dialysis Ventures, LLC	Delaware
Physicians Dialysis, Inc.	Delaware
Physicians Management, LLC	Delaware
Pible Dialysis, LLC	Delaware
Pittsburgh Dialysis Partners, LLC	Delaware
Piute Dialysis, LLC	Delaware
Plaine Dialysis, LLC	Delaware
Platte Dialysis, LLC	Delaware



Pluribus Dialise, S.A.	Portugal
Pokagon Dialysis, LLC	Delaware
Portola Dialysis, LLC	Delaware
Prineville Dialysis, LLC	Delaware
Prings Dialysis, LLC	Delaware
Rayburn Dialysis, LLC	Delaware
Red Willow Dialysis, LLC	Delaware
Redcliff Dialysis, LLC	Delaware
Refuge Dialysis, LLC	Delaware
Renal Center of Beaumont, LLC	Delaware
Renal Center of Hamilton, LLC	Delaware
Renal Center of Lewisville, LLC	Delaware
Renal Center of Morristown, LLC	Delaware
Renal Center of North Denton, L.L.P.	Delaware
Renal Center of Port Arthur, LLC	Delaware
Renal Center of West Beaumont, LLC	Delaware
Renal Clinic of Houston, LLC	Delaware
Renal Life Link, Inc.	Delaware
Renal Treatment Centers - California, Inc.	Delaware
Renal Treatment Centers - Hawaii, Inc.	Delaware
Renal Treatment Centers - Illinois, Inc.	Delaware
Renal Treatment Centers - Mid-Atlantic, Inc.	Delaware
Renal Treatment Centers - Northeast, Inc.	Delaware
Renal Treatment Centers - Southeast, LP	Delaware
Renal Treatment Centers - West, Inc.	Delaware
Renal Treatment Centers, Inc.	Delaware
Renal Ventures Management, LLC	Delaware
RenalServ LLC	Delaware
Riddle Dialysis, LLC	Delaware
Rio Dialysis, LLC	Delaware
River Valley Dialysis, LLC	Delaware
RMS Lifeline Inc.	Delaware
RNA - DaVita Dialysis, LLC	Delaware
Rochester Dialysis Center, LLC	Delaware
Rocky Mountain Dialysis Services, LLC	Delaware
Roose Dialysis, LLC	Delaware
Roushe Dialysis, LLC	Delaware
Royale Dialysis, LLC	Delaware
RTC TN, Inc.	Delaware
Rusk Dialysis, LLC	Delaware
Russell Dialysis, LLC	Delaware
SafeHarbor Dialysis, LLC	Delaware
Sahara Dialysis, LLC	Delaware
SAKDC-DaVita Dialysis Partners, L.P.	Delaware
San Marcos Dialysis, LLC	Delaware
Sands Dialysis, LLC	Delaware
Santa Fe Springs Dialysis, LLC	Delaware

Santiam Dialysis, LLC	Delaware
Sapelo Dialysis, LLC	Delaware
Seabay Dialysis, LLC	Delaware
Seneca Dialysis, LLC	Delaware
Shadow Dialysis, LLC	Delaware
Shayano Dialysis, LLC	Delaware
Shelby Dialysis, LLC	Delaware
Shelling Dialysis, LLC	Delaware
Sherman Dialysis, LLC	Delaware
Shining Star Dialysis, Inc.	New Jersey
Shone Dialysis, LLC	Delaware
Shoshone Dialysis, LLC	Delaware
Siena Dialysis Center, LLC	Delaware
Sierra Rose Dialysis Center, LLC	Delaware
Simeon Dialysis, LLC	Delaware
Skagit Dialysis, LLC	Delaware
Soledad Dialysis Center, LLC	Delaware
Somerville Dialysis Center, LLC	Delaware
South Central Florida Dialysis Partners, LLC	Delaware
South Florida Integrated Kidney Care, LLC	Delaware
South Fork Dialysis, LLC	Delaware
Southcrest Dialysis, LLC	Delaware
Southern Hills Dialysis Center, LLC	Delaware
Southlake Dialysis, LLC	Delaware
Southwest Atlanta Dialysis Centers, LLC	Delaware
Sprague Dialysis, LLC	Delaware
St. Luke's Dialysis, LLC	Delaware
Star Dialysis, LLC	Delaware
Stewart Dialysis, LLC	Delaware
Stines Dialysis, LLC	Delaware
Storrie Dialysis, LLC	Delaware
Sugarloaf Dialysis, LLC	Delaware
Sun City Dialysis Center, L.L.C.	Delaware
Sun City West Dialysis Center, LLC	Delaware
Sunapee Dialysis, LLC	Delaware
Sunset Dialysis, LLC	Delaware
Talimena Dialysis, LLC	Delaware
The DaVita Collection, Inc.	California
The Woodlands Dialysis Center, LP	Delaware
Tortugas Dialysis, LLC	Delaware
Total Acute Kidney Care, Inc.	Florida
Total Renal Care Of North Carolina, LLC	Delaware
Total Renal Care Texas Limited Partnership	Delaware
Total Renal Care, Inc.	California
Total Renal Care/Eaton Canyon Dialysis Center Partnership	California
Total Renal Laboratories, Inc.	Florida
Total Renal Research, Inc.	Delaware

Transmountain Dialysis, L.P.	Delaware
TRC - Indiana, LLC	Indiana
TRC - Petersburg, LLC	Delaware
TRC EL Paso Limited Partnership	Delaware
TRC of New York, Inc.	New York
TRC West, Inc.	Delaware
TRC-Georgetown Regional Dialysis, LLC	District Of Columbia
Tree City Dialysis, LLC	Delaware
Tross Dialysis, LLC	Delaware
Tugman Dialysis, LLC	Delaware
Tunnel Dialysis, LLC	Delaware
Turlock Dialysis Center, LLC	Delaware
Tustin Dialysis Center, LLC	Delaware
Tyler Dialysis, LLC	Delaware
Ukiah Dialysis, LLC	Delaware
Unicoi Dialysis, LLC	Delaware
University Dialysis Center, LLC	Delaware
Upper Valley Dialysis, L.P.	Delaware
USC-DaVita Dialysis Center, LLC	California
Valley Springs Dialysis, LLC	Delaware
Victory Dialysis, LLC	Delaware
VillageHealth DM, LLC	Delaware
Villanueva Dialysis, LLC	Delaware
Vogel Dialysis, LLC	Delaware
Wakoni Dialysis, LLC	Delaware
Walker Dialysis, LLC	Delaware
Walton Dialysis, LLC	Delaware
Weldon Dialysis, LLC	California
West Elk Grove Dialysis, LLC	Delaware
West Sacramento Dialysis, LLC	Delaware
Weston Dialysis Center, LLC	Delaware
Whitney Dialysis, LLC	Delaware
Wilder Dialysis, LLC	Delaware
Willowbrook Dialysis Center, L.P.	Delaware
Winds Dialysis, LLC	Delaware
Wood Dialysis, LLC	Delaware
Woodford Dialysis, LLC	Delaware
Wyandotte Central Dialysis, LLC	Delaware
Yargol Dialysis, LLC	Delaware
Ybor City Dialysis, LLC	Delaware
Zephyrhills Dialysis Center, LLC	Delaware
<b>DaVita Medical Group:</b>	
Colorado Innovative Physician Solutions, Inc.	Colorado
DaVita Clinical Trials, LLC	Delaware
DaVita Health Plan of California, Inc.	Delaware
DaVita Health Plan of Nevada, Inc.	Nevada

DaVita Magan Management, Inc.	California
DaVita Medical ACO California, LLC	California
DaVita Medical ASC Colorado, LLC	Colorado
DaVita Medical ASC-LB California, LLC	California
DaVita Medical Colorado ASC, LLC	Colorado
DaVita Medical Colorado, LLC	Colorado
DaVita Medical Endoscopy Center New Mexico, LLC	New Mexico
DaVita Medical Explorer, LLC	Delaware
DaVita Medical Florida, Inc.	Delaware
DaVita Medical Group Colorado Springs, LLC	Colorado
DaVita Medical Group New Mexico, LLC	Delaware
DaVita Medical Group South Florida, LLC	Florida
DaVita Medical Holding Company, New Mexico, LLC	New Mexico
DaVita Medical Holdings Colorado, LLC	Colorado
DaVita Medical Holdings Florida, Inc.	Delaware
DaVita Medical Holdings, LLC	California
DaVita Medical IPA Nevada, LLC	Nevada
DaVita Medical LV, LLC	Nevada
DaVita Medical Management Services California, LLC	Delaware
DaVita Medical Management Services Nevada, LLC	Nevada
DaVita Medical Management, LLC	California
DaVita Medical Nevada, LLC	Nevada
DaVita Medical RE, LLC	Delaware
DaVita Pharmacy Colorado, LLC	Colorado
Everett MSO, Inc.	Washington
Mountain View Medical Group, LLC	Colorado
North Puget Sound Oncology Equipment Leasing Company, LLC	Washington

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors  
DaVita Inc.:

We consent to the incorporation by reference in the registration statements on Forms S-8 (No. 333-213119, No. 333-190434, No. 333-169467, No. 333-158220, No. 333-144097, No. 333-86550, and No. 333-30736), on Form S-4 (No. 333-182572), and on Forms S-3 (No. 333-203394, No. 333-196630, No. 333-183285, and No. 333-169690) of DaVita Inc. of our reports dated February 23, 2018, with respect to the consolidated balance sheets of DaVita Inc. as of December 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, equity, and cash flow for each of the years in the three-year period ended December 31, 2017, and the related notes and financial statement Schedule II - Valuation and Qualifying Accounts (collectively, the consolidated financial statements), and the effectiveness of internal control over financial reporting as of December 31, 2017, which reports appear in the December 31, 2017 annual report on Form 10-K of DaVita Inc.

/s/ KPMG LLP

Seattle, Washington  
February 23, 2018

## 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

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**Kent J. Thiry**  
**Chief Executive Officer**

Date: February 23, 2018

## SECTION 302 CERTIFICATION

I, Joel Ackerman, 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/ JOEL ACKERMAN

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**Joel Ackerman**  
**Chief Financial Officer**

Date: February 23, 2018

**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, 2017 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

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**Kent J. Thiry**  
**Chief Executive Officer**

February 23, 2018



**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, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Joel Ackerman, 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/ JOEL ACKERMAN

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**Joel Ackerman  
Chief Accounting Officer**

February 23, 2018



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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Fiscal Year Ended December 31, 2018

Commission File Number: 1-14106



(Exact name of registrant as specified in charter)

Delaware  
(State of incorporation)

51-0354549

(I.R.S. Employer Identification No.)

2000 16th Street  
Denver, CO 80202  
Telephone number (720) 631-2100

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

<u>Title of each class:</u>	<u>Name of each exchange on which registered:</u>
Common Stock, \$0.001 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:  
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) 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 (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of June 29, 2018, the aggregate market value of the Registrant's common stock outstanding held by non-affiliates based upon the closing price on the New York Stock Exchange was approximately \$11.9 billion.

As of January 31, 2019, the number of shares of the Registrant's common stock outstanding was approximately 166.4 million shares.

**Documents incorporated by reference**

Portions of the Registrant's proxy statement for its 2019 annual meeting of stockholders are incorporated by reference in Part III of this Form 10-K.

## PART I

### Item 1. Business

*We were incorporated as a Delaware corporation in 1994. Our 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 our website, located at <http://www.davita.com>, as soon as reasonably practicable after the reports are filed with or furnished to the Securities and Exchange Commission (SEC). The SEC also maintains a website at <http://www.sec.gov> where these reports and other information about us can be obtained. The contents of our website are not incorporated by reference into this report.*

#### Overview of DaVita Inc.

The Company consists of two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG). Kidney Care is comprised of our U.S. dialysis and related lab services, our ancillary services and strategic initiatives, including our international operations, and our corporate administrative support. Our U.S. dialysis and related lab services business is our largest line of business and is a leading provider of kidney dialysis services in the U.S. for patients suffering from chronic kidney failure, also known as end stage renal disease (ESRD). DMG is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of providing coordinated, outcomes-based medical care in a cost-effective manner.

In December 2017, we entered into an equity purchase agreement to sell our DMG division to Collaborative Care Holdings, LLC (Optum), a subsidiary of UnitedHealth Group Inc., subject to receipt of required regulatory approvals and other customary closing conditions. As a result, the DMG business has been classified as held for sale and its results of operations are reported as discontinued operations for all periods presented in the consolidated financial statements included in this report.

For financial information about our DMG business see Note 22 to the consolidated financial statements included in this report.

#### Kidney Care Division

##### *U.S. dialysis and related lab services business overview*

Our U.S. dialysis and related lab services business is a leading provider of kidney dialysis services for patients suffering from ESRD. As of December 31, 2018, we provided dialysis and administrative services in the U.S. through a network of 2,664 outpatient dialysis centers in 46 states and the District of Columbia, serving a total of approximately 202,700 patients. We also provide acute inpatient dialysis services in approximately 900 hospitals and related laboratory services throughout the U.S.

The loss of kidney function is normally irreversible. Kidney failure is typically caused by Type I and Type II diabetes, high blood pressure, polycystic kidney disease, long-term autoimmune attack on the kidney and prolonged urinary tract obstruction. ESRD is the stage of advanced kidney impairment that requires continued dialysis treatments or a kidney transplant to sustain life. Dialysis is the removal of toxins, fluids and salt from the blood of patients by artificial means. Patients suffering from ESRD generally require dialysis at least three times a week for the rest of their lives.

According to the United States Renal Data System (USRDS), there were over 511,000 ESRD dialysis patients in the U.S. in 2016. Based on the most recent 2018 annual data report from the USRDS, the underlying ESRD dialysis patient population has grown at an approximate compound rate of 3.8% from 2000 to 2016. However, more recent preliminary data from the USRDS suggest that the rate of growth of the ESRD patient population may be declining. A number of factors may impact ESRD growth rates, including the aging of the U.S. population, increasing transplant rates, incidence rates for diseases that cause kidney failure such as diabetes and hypertension, mortality rates for dialysis patients and growth rates of minority populations with higher than average incidence rates of ESRD.

Since 1972, the federal government has provided healthcare coverage for ESRD patients under the Medicare ESRD program regardless of age or financial circumstances. ESRD is the first and only disease state eligible for Medicare coverage both for dialysis and dialysis-related services and for all benefits available under the Medicare program. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate. See page 6 for further details.

Although Medicare reimbursement limits the allowable charge per treatment, it provides industry participants with a relatively predictable and recurring revenue stream for dialysis services provided to patients without commercial insurance. For the year ended December 31, 2018, approximately 89.6% of our total dialysis patients were covered under some form of

government-based program, with approximately 74.8% of our dialysis patients covered under Medicare and Medicare-assigned plans.

#### *Treatment options for ESRD*

Treatment options for ESRD are dialysis and kidney transplantation.

#### *Dialysis options*

- *Hemodialysis*

Hemodialysis, the most common form of ESRD treatment, is usually performed at a freestanding outpatient dialysis center, at a hospital-based outpatient center, or at the patient's 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 back into the patient's body. Each hemodialysis treatment that occurs in the outpatient dialysis centers typically lasts approximately three and one-half hours and is usually performed three times per week.

Hospital inpatient hemodialysis services are required for patients with acute kidney failure primarily resulting from trauma, patients in early stages of ESRD and ESRD patients who require hospitalization for other reasons. Hospital inpatient hemodialysis is generally performed at the patient's bedside or in a dedicated treatment room in the hospital, as needed.

Some ESRD patients who are healthier and more independent may perform home-based hemodialysis in their home or residence through the use of a hemodialysis machine designed specifically for home therapy that is portable, smaller and easier to use. Patients receive training, support and monitoring from registered nurses, usually in our outpatient dialysis centers, in connection with their home-based hemodialysis treatment. Home-based hemodialysis is typically performed with greater frequency than dialysis treatments performed in outpatient dialysis centers and on varying schedules.

- *Peritoneal dialysis*

Peritoneal dialysis uses the patient's peritoneal or abdominal cavity to eliminate fluid and toxins and is typically performed at home. The most common methods of peritoneal dialysis are continuous ambulatory peritoneal dialysis (CAPD) and continuous cycling peritoneal dialysis (CCPD). Because it does not involve going to an outpatient dialysis center three times a week for treatment, peritoneal dialysis is an alternative to hemodialysis for patients who are healthier, more independent and desire more flexibility in their lifestyle.

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.

#### *Kidney transplantation*

Although kidney 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.

### ***U.S. Dialysis and related lab services we provide***

#### *Outpatient hemodialysis services*

As of December 31, 2018, we operated or provided administrative services through a network of 2,664 outpatient dialysis centers in the U.S. that are designed specifically for outpatient hemodialysis. In 2018, our overall network of U.S. outpatient dialysis centers increased by 154 primarily as a result of the opening of new dialysis centers and acquisitions, net of center closures and divestitures, representing a total increase of approximately 6.1% from 2017.

As a condition of our enrollment in Medicare for the provision of dialysis services, we contract with a nephrologist or a group of associated nephrologists to provide medical director services at each of our dialysis 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.

Under Medicare regulations, we cannot promote, develop or maintain any kind of contractual relationship with our patients that would directly or indirectly obligate a patient to use or continue to use our dialysis services, or that would give us any preferential rights other than those related to collecting payments for our dialysis services. Our total patient turnover, which is based upon all causes, averaged approximately 24% in 2018 and 26% in 2017. However, in 2018, the overall number of patients to whom we provided services in the U.S. increased by approximately 2.5% from 2017, primarily from the opening of new dialysis centers and acquisitions, and continued growth within the industry.

#### *Hospital inpatient hemodialysis services*

As of December 31, 2018, we provided hospital inpatient hemodialysis services, excluding physician services, to patients in approximately 900 hospitals throughout the U.S. We render these services based on a contracted per-treatment fee that is 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, as needed. In 2018, hospital inpatient hemodialysis services accounted for approximately 5.4% of our U.S. dialysis and related lab services revenues and 4.2% of our total U.S. dialysis treatments.

#### *Home-based dialysis services*

Home-based dialysis services includes home hemodialysis and peritoneal dialysis. Many of our outpatient dialysis centers offer certain support services for dialysis patients who prefer and are able to perform either home hemodialysis or peritoneal dialysis in their homes. Home-based hemodialysis support services consist of providing equipment and supplies, training, patient monitoring, on-call support services and follow-up assistance. Registered nurses train patients and their families or other caregivers to perform either home hemodialysis or peritoneal dialysis.

#### *ESRD laboratory services*

Our ESRD laboratory services have consisted of two separately licensed, clinical laboratories which specialize in ESRD patient testing. These specialized laboratories provide routine laboratory tests for dialysis and other physician-prescribed laboratory tests for ESRD patients which are integral components of the overall dialysis services that we provide. Our laboratories provide these tests predominantly for our network of ESRD patients throughout the U.S. These tests are performed to monitor a patient's ESRD condition, including the adequacy of dialysis, as well as other medical conditions of the patient. Our laboratories utilize information systems which provide information to certain members of the dialysis centers' staff and medical directors regarding critical outcome indicators. In 2018, we ceased operations at our prior laboratory locations, and consolidated our laboratory services operations into a single, new geographic location.

#### *Management services*

We currently operate or provide management and administrative services pursuant to management and administrative services agreements to 34 outpatient dialysis centers located in the U.S. in which we either own a noncontrolling interest or which are wholly-owned by third parties. Management fees are established by contract and are recognized as earned typically based on a percentage of revenues or cash collections generated by the outpatient dialysis centers.

#### *Quality care*

Centers for Medicare and Medicaid Services (CMS) promotes high quality services in outpatient dialysis facilities treating patients with ESRD through its Quality Incentive Program (QIP). QIP associates a portion of Medicare reimbursement directly with a facility's performance on quality of care measures. Reductions in Medicare reimbursement result when a facility's overall score on applicable measures does not meet established standards. For the sixth year in a row, we are an industry leader in QIP, including the industry leader for catheter rates and the total number of our patients in home-based hemodialysis services.

In addition, CMS' Five-Star Quality Rating system, is a rating system that assigns one to five stars to rate the quality of outcomes for dialysis facilities. The rating system provides patients reported information about any given dialysis facility and identifies differences in quality between facilities so that patients can make more informed decisions about where to receive treatment. For the last five years, we have been an industry leader under the CMS Five-Star Quality Rating system.

Our facilities employ registered nurses, licensed practical or vocational nurses, patient care technicians, social workers, registered dietitians, biomedical technicians and other administrative and support teammates who aim to achieve superior clinical outcomes at our centers.

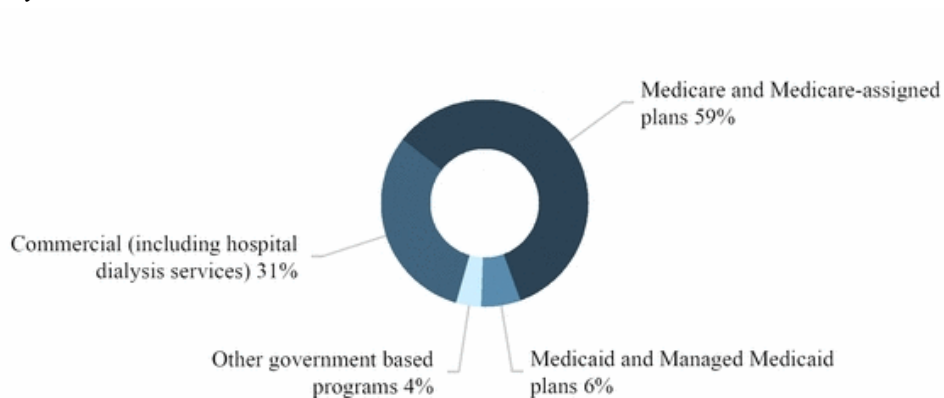
As of December 31, 2018, our physician leadership in the Office of the Chief Medical Officer (OCMO) for our U.S. dialysis and related lab services business included 16 senior nephrologists, led by our Chief Medical Officer, with a variety of academic, clinical practice, and clinical research backgrounds. Our Physician Council is an advisory body to senior management composed of ten physicians with extensive experience in clinical practice. In addition, we also had eight Group Medical Directors as of December 31, 2018.

**Sources of revenue—concentrations and risks**

Our U.S. dialysis and related lab services business net revenues represent approximately 90% of our consolidated net revenues for the year ended December 31, 2018. Our U.S. dialysis and related lab services revenues are derived primarily from our core business of providing dialysis services and related laboratory services and, to a lesser extent, the administration of pharmaceuticals and management fees generated from providing management and administrative services to certain outpatient dialysis centers, as discussed above.

The sources of our U.S. dialysis and related lab services revenues are principally from government-based programs, including Medicare and Medicare-assigned plans, Medicaid and managed Medicaid plans and commercial insurance plans. The following graphs summarize our U.S. dialysis and related lab patient services revenues by source and our U.S dialysis patient services revenues by modality for the year ended December 31, 2018.

**Revenues by source:**



**Revenues by modality:**



**Medicare revenue**

Government dialysis related payment rates in the U.S. are principally determined by federal Medicare and state Medicaid policy. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single

bundled payment rate which provides a fixed payment rate to encompass all goods and services provided during the dialysis treatment that are related to the dialysis treatment, including certain pharmaceuticals, such as Epogen® (EPO), vitamin D analogs and iron supplements, irrespective of the level of pharmaceuticals administered to the patient or additional services performed except for calcimimetics, which are subject to a transitional drug add-on payment adjustment for the Medicare Part B ESRD payment. Most lab services are also included in the bundled payment. Under the ESRD Prospective Payment System (PPS), the bundled payments to a dialysis facility may be reduced by as much as 2% based on the facility's performance in specified quality measures set annually by CMS through QIP, which was established by the Medicare Improvements for Patients and Providers Act of 2008. The bundled payment rate is also adjusted for certain patient characteristics, a geographic usage index and certain other factors.

Uncertainty about future payment rates remains a material risk to our business, as well as the potential implementation of or changes in coverage determinations or other rules or regulations by CMS or Medicare Administrative Contractors (MACs) that may impact reimbursement. An important provision in the Medicare ESRD statute is an annual adjustment, or market basket update, to the ESRD PPS base rate. Absent action by Congress, the ESRD PPS base rate is automatically updated annually by a formulaic inflation adjustment.

In November 2018, CMS issued a final rule to update the Medicare ESRD PPS payment rate and policies. Among other things, the final rule expands the transitional drug add-on payment to certain new renal dialysis drugs and biological products and amends the reporting measures in the ESRD QIP. We estimate that the overall impact of the final rule will increase Medicare reimbursement to our ESRD facilities by 1.2% in 2019.

As a result of the Budget Control Act of 2011 (BCA) and subsequent activity in Congress, a \$1.2 trillion sequester (across-the-board spending cuts) in discretionary programs took effect in 2013 reducing Medicare payments by 2%, which was subsequently extended through fiscal year 2027. These across-the-board spending cuts have affected and will continue to adversely affect our business, results of operations, financial condition and cash flows. Although the Bipartisan Budget Act (BBA) of 2018 passed in February 2018 enacted a two-year federal spending agreement and raised the federal spending cap on non-defense spending for fiscal years 2018 and 2019, the Medicare program is frequently mentioned as a target for spending cuts.

The CMS Innovation Center (Innovation Center) is currently working with various healthcare providers to develop, refine and implement Accountable Care Organizations (ACOs) and other innovative models of care for Medicare and Medicaid beneficiaries. We are uncertain of the extent to which the long-term operation and evolution of these models of care, including ACOs, the Comprehensive ESRD Care (CEC) Model (which includes the development of ESRD Seamless Care Organizations (ESCOs)), the Duals Demonstration, or other models, will impact the healthcare market over time. Our U.S. dialysis business may choose to participate in one or several of these models either as a partner with other providers or independently. We currently participate in the CEC Model with the Innovation Center, including the ESCO organizations in the Phoenix-Tucson, Arizona, South Florida, Philadelphia, Pennsylvania-Camden, and New Jersey markets. In areas where our U.S. dialysis business is not directly participating in this or other Innovation Center models, some of our patients may be assigned to an ACO, another ESRD Care Model, or another program, in which case the quality and cost of care that we furnish will be included in an ACO's, another ESRD Care Model's or other program's calculations. In addition to the aforementioned new models of care, federal bipartisan legislation in the form of the Dialysis Patient Access to Integrated-care, Empowerment, Nephrologists, Treatment and Services Demonstration Act of 2017 (PATIENTS Act) has been proposed. The PATIENTS Act builds on prior coordinated care models, such as the CEC Model, and would establish a demonstration program for the provision of integrated care to Medicare ESRD patients. We have made and continue to make investments in building our integrated care capabilities to prepare for integrated care initiatives such as the PATIENTS Act, but there can be no assurances that the PATIENTS Act or similar legislation will be passed. If such legislation is passed, there can be no assurances that we will be able to successfully provide integrated care on the broader scale contemplated by this legislation, and our costs of care could exceed our associated reimbursement rates. In general, if we are unable to efficiently adjust to these and other new models of care, it may erode our patient base or reimbursement rates, which could have a material adverse impact on our business.

The Department of Health and Human Services (HHS) targeted to tie 40% and 50% of Medicare Fee-for-Service (FFS) payments to quality or alternate payment models by the end of 2017 and 2018, respectively. The Health Care Payment Learning & Action Network reported Medicare FFS had 38.3% of health care dollars tied to alternate payment models for 2017 and results of this target are still pending for 2018. As new models of care emerge and evolve, we may be at risk for losing our Medicare patient base, which would have a material adverse effect on our business, results of operations, financial condition and cash flows. Other initiatives in the government or private sector may also arise, including the development of models similar to ACOs, independent practice associations (IPAs) and integrated delivery systems or evolutions of those concepts which could adversely impact our business.



ESRD patients receiving dialysis services become eligible for primary Medicare coverage at various times, depending on their age or disability status, as well as whether they are covered by a commercial insurance plan. Generally, for a patient not covered by a commercial insurance plan, Medicare becomes the primary payor for ESRD patients receiving dialysis services either immediately or after a three-month waiting period. For a patient covered by a commercial insurance plan, Medicare generally becomes the primary payor after 33 months, which includes the three-month waiting period, or earlier if the patient's commercial insurance plan coverage terminates. When Medicare becomes the primary payor, the payment rates we receive for that patient shift from the commercial insurance plan rates to Medicare payment rates, which are on average significantly lower than commercial insurance rates.

Medicare pays 80% of the amount set by the Medicare system for each covered dialysis treatment. The patient is responsible for the remaining 20%. 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 in the form of a Medicare Supplement Plan, can apply for premium payment assistance from charitable organizations to obtain secondary coverage. If a patient does not have secondary insurance coverage, we are generally unsuccessful in our efforts to collect from the patient the remaining 20% portion of the ESRD composite rate that Medicare does not pay. However, we are able to recover some portion of this unpaid patient balance from Medicare through an established cost reporting process by identifying these Medicare bad debts on each center's Medicare cost report.

The 21st Century Cures Act, enacted in December 2016, includes a provision that will allow Medicare beneficiaries with ESRD to choose to obtain coverage under a Medicare Advantage plan, which could broaden access to certain enhanced benefits offered by Medicare Advantage plans. Until the effective date of this law, this choice is available only to Medicare beneficiaries without ESRD. The ESRD related provisions of the 21st Century Cures Act are scheduled to take effect in 2021.

#### *Medicaid revenue*

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. These programs also serve as supplemental insurance programs for co-insurance payments due from Medicaid-eligible patients with primary coverage under the Medicare program. Some Medicaid programs also pay for additional services, including some oral medications that are not covered by Medicare. We are enrolled in the Medicaid programs in the states in which we conduct our business.

#### *Commercial revenue*

Before a patient becomes eligible to elect to have Medicare as their primary payor for dialysis services, a patient's commercial insurance plan, if any, is generally responsible for payment of such dialysis services for up to the first 33 months, as discussed above. Although commercial payment rates vary, average commercial payment rates established under commercial contracts are generally significantly higher than Medicare rates. The payments we receive from commercial payors generate nearly all of our profits. Payment methods from commercial payors can include a single lump-sum per treatment, referred to as bundled rates, or in other cases separate payments for dialysis treatments and pharmaceuticals, if used as part of the treatment, referred to as FFS rates. Commercial payment rates are the result of negotiations between us and insurers or third-party administrators. Our out-of-network payment rates are on average higher than in-network commercial contract payment rates. Some of our commercial contracts pay us under a single bundled payment rate for all dialysis services provided to covered patients. However, some of our commercial contracts also pay us for certain other services and pharmaceuticals in addition to the bundled payment. Our commercial contracts typically contain annual price escalator provisions. We are continuously in the process of negotiating agreements with our commercial payors and if our negotiations result in overall commercial contract payment rate reductions in excess of our commercial contract payment rate increases, or if commercial payors implement plans that restrict access to coverage or the duration or breadth of benefits or impose restrictions or limitations on patient access to non-contracted or out-of-network providers, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, if there is an increase in job losses in the U.S., or depending upon changes to the healthcare regulatory system by CMS and/or the impact of healthcare insurance exchanges, we could experience a decrease in the number of patients covered under commercial insurance plans and/or an increase in uninsured or underinsured patients. Patients with commercial insurance who cannot otherwise maintain coverage frequently rely on financial assistance from charitable organizations, such as the American Kidney Fund. If these patients are unable to obtain or continue to receive or receive for a limited duration such financial assistance, or if our assumptions about how patients will respond to any change in such financial assistance are incorrect, it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Approximately 25% of our U.S. dialysis and related lab patient services revenues and approximately 10.4% of our U.S. dialysis patients are associated with non-acute commercial payors for the year ended December 31, 2018. Non-acute commercial patients as a percentage of our total U.S. dialysis patients for 2018 were relatively flat as compared to 2017. Less than 1% of our U.S. dialysis and related lab services revenues are due directly from patients. There is no single commercial payor that accounted for more than 10% of total U.S. dialysis and related lab services revenues for the year ended December 31, 2018. See Note 2 to the consolidated financial statements included in this report for disclosure on our concentration related to our commercial payors on a total consolidated net revenue basis.

The healthcare reform legislation enacted in 2010 introduced healthcare insurance exchanges which provide a marketplace for eligible individuals and small employers to purchase healthcare insurance. The business and regulatory environment continues to evolve as the exchanges mature, and statutes and regulations are challenged, changed and enforced. Commercial payor participation in the exchanges has decreased and may continue to decrease. If commercial payor participation in the exchanges continues to decrease, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. Although we cannot predict the short- or long-term effects of these factors, we believe future market changes could result in a reduction in ESRD patients covered by traditional commercial insurance policies and an increase in the number of patients covered through the exchanges under more restrictive commercial plans with lower reimbursement rates or higher deductibles and co-payments that patients may not be able to pay. To the extent that changes in statutes, regulations or related guidance or changes in other market conditions result in a reduction in reimbursement rates for our services from commercial and/or government payors, it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In December 2016, CMS published an interim final rule that questioned the use of charitable premium assistance for ESRD patients and would have established new conditions for coverage standards for dialysis facilities. In January 2017, a federal court issued a preliminary injunction on CMS' interim final rule and in June 2017, at the request of CMS, the court stayed the proceedings while CMS pursues new rulemaking options. CMS has not issued any new rulemaking related to charitable premium assistance yet, but that does not preclude CMS or another regulatory agency or legislative authority from issuing a new rule or guidance that challenges charitable premium assistance. Additionally, any other law, rule, or guidance, proposed or issued by CMS or other federal or state regulatory or legislative authorities, including any ballot or other initiatives, restricting or prohibiting the ability of patients with access to alternative coverage from selecting a marketplace plan on or off exchange, limiting the amount of revenue dialysis providers can retain for caring for patients with commercial insurance by, among other things, requiring rebates to insurers and taking into account only a portion of the costs incurred by dialysis providers, affecting payments made to providers for services provided to patients who receive charitable premium assistance, and/or otherwise restricting or prohibiting the use of charitable premium assistance, could cause us to incur substantial costs to oppose any such proposed measures, impact our dialysis center development plans, and if passed and/or implemented, could adversely impact dialysis centers across the U.S. making certain centers economically unviable, lead to the closure of certain centers, restrict the ability of dialysis patients to obtain and maintain optimal insurance coverage, and in some cases have a material adverse effect on our business, results of operations, financial condition and cash flows. For a discussion of recent state legislative and ballot initiatives and related risks, see our Risk Factor in Item 1A Risk Factors under the heading "Changes in federal and state healthcare legislation or regulations could have a material adverse effect on our business, results of operations, financial condition and cash flows."

#### *Revenue from other pharmaceuticals*

The impact of physician-prescribed pharmaceuticals on our overall revenues that are separately billable has significantly decreased since Medicare's single bundled payment system went into effect beginning in January 2011, and as a result of commercial contracts that pay us a single bundled payment rate. Effective January 1, 2018, both oral and IV forms of calcimimetics, a drug class taken by many patients with ESRD to treat mineral bone disorder, became the financial responsibility of our U.S. dialysis and lab services business for our Medicare patients and are now reimbursed under Medicare Part B. During an initial pass-through period, Medicare payment for calcimimetics will be based on a pass-through rate of the average sales price plus approximately 4%. CMS has stated intentions to enter calcimimetics into the ESRD bundle two years after transitioning to Part B. Previously, calcimimetics were reimbursed for Medicare patients through Part D once dispensed from traditional pharmacies.

Approximately 7% and 2% of our total U.S. dialysis and related lab services net patient services revenues for the years ended December 31, 2018 and 2017, are associated with the administration of separately-billable physician-prescribed pharmaceuticals of which the administration of calcimimetics and EPO accounted for approximately 5% and 1% of our total U.S. dialysis and related lab services net revenues, respectively, for the year ended December 31, 2018. The administration of EPO accounted for approximately 1% of our total U.S. dialysis and related lab services net revenues for the year ended December 31, 2017.

Currently, EPO and both the oral and IV forms of calcimimetics are produced by a single manufacturer, Amgen USA Inc. (Amgen). In 2017, we entered into a Sourcing and Supply Agreement with Amgen for both the oral and IV versions of calcimimetics that expires on December 31, 2022. Our business, results of operations, financial condition and cash flows could be materially impacted by certain factors relating to calcimimetics, including physician prescribing patterns, vendor contracts with Amgen and other suppliers, the availability in the market of a generic oral equivalent, whether the drug becomes part of the ESRD PPS bundled payment and, if so, at what rate, and how commercial payors will treat reimbursement of the drug. If payors do not pay as anticipated, if we are not adequately reimbursed for the cost of the drug, or the processes we have implemented to provide the drug do not perform as anticipated, then we could be subject to both financial and operational risk, among other things. In addition, in 2017, we also entered into a separate Sourcing and Supply Agreement with Amgen for EPO that expires on December 31, 2022. Under the terms of the agreement, we will purchase EPO in amounts necessary to meet no less than 90% of our requirements for erythropoiesis-stimulating agents (ESAs) through the expiration of the contract. The actual amount of EPO that we will purchase from Amgen will depend upon the amount of EPO administered during dialysis treatments as prescribed by physicians and the overall number of patients that we serve. Any interruption in the supply of EPO, calcimimetics, or product cost increases for which we are not appropriately reimbursed or that we are unable to mitigate could materially impact our operations, among other things.

### ***Physician relationships***

#### ***Community Physicians***

An ESRD patient generally seeks treatment at an outpatient dialysis center near his or her home where his or her treating nephrologist has practice privileges. Our relationships with local nephrologists and our ability to provide quality dialysis services and to meet the needs of their patients are key factors in the success of our dialysis operations. Over 5,300 nephrologists currently refer patients to our outpatient dialysis centers. As is typical in the dialysis industry, one or a few physicians, usually account for all or a significant portion of an outpatient dialysis center's patient base. If a significant number of physicians cease referring patients to our outpatient dialysis centers, it would have a material adverse effect on our business, results of operations, financial condition and cash flows.

#### ***Medical Directors***

Participation in the Medicare ESRD program requires that dialysis services at an outpatient dialysis center be under the general supervision of a medical director. Per these requirements, this individual is usually a board certified nephrologist. We have engaged physicians or groups of physicians to serve as medical directors for each of our outpatient dialysis centers. At some outpatient dialysis centers, we also separately contract with one or more other physicians or groups to serve as assistant or associate medical directors over other modalities such as home dialysis. We have over 1,000 individual physicians and physician groups under contract to provide medical director services.

Medical directors for our dialysis centers enter into written contracts with us that specify their duties and fix their compensation generally for periods of 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, responsibilities, professional qualifications and experience.

Our medical director contracts, joint venture operating agreements and dialysis center purchase agreements generally include covenants not to compete or own interests in other competing outpatient dialysis centers within a defined geographic area for various time periods, as applicable. These non-compete agreements do not prohibit the physicians from referring patients to any outpatient dialysis center, including competing centers.

As part of our Corporate Integrity Agreement (CIA), as described below, we have agreed not to enforce investment non-compete restrictions relating to dialysis clinics or programs that were established pursuant to a partial divestiture joint venture transaction. Therefore, to the extent a joint venture partner or medical director has a contract(s) with us covering dialysis clinics or programs that were established pursuant to a partial divestiture, we will not enforce the investment non-compete provision relating to those clinics and/or programs.

### ***Government regulation***

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

If any of our operations are found to violate applicable laws or regulations, we could suffer severe consequences that would have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price, including:

- Suspension or termination of our participation in government payment programs;
- Refunds of amounts received in violation of law or applicable payment program requirements dating back to the applicable statute of limitation periods;
- Loss of required government certifications or exclusion from government payment programs;
- Loss of licenses required to operate healthcare facilities or administer pharmaceuticals in the states in which we operate;
- Reductions in payment rates or coverage for dialysis and ancillary services and pharmaceuticals;
- Civil or criminal liability, fines, damages or monetary penalties for violations of healthcare fraud and abuse laws, including the federal Anti-Kickback Statute contained in the Social Security Act of 1935, as amended (Anti-Kickback Statute), Civil Monetary Penalties Statute, Stark Law and False Claims Act (FCA), or other failures to meet regulatory requirements;
- Enforcement actions by governmental agencies and/or state law claims for monetary damages from patients who believe their protected health information (PHI) has been used, disclosed or not properly safeguarded in violation of federal or state patient privacy laws including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Privacy Act of 1974;
- Mandated changes to our practices or procedures that significantly increase operating expenses;
- Imposition of and compliance with corporate integrity agreements that could subject us to ongoing audits and reporting requirements as well as increased scrutiny of our billing and business practices;
- Termination of various relationships and/or contracts related to our business, including joint venture arrangements, medical director agreements, real estate leases and consulting agreements with physicians; and
- Harm to our reputation which could negatively impact our business relationships, affect our ability to attract and retain patients and physicians, affect our ability to obtain financing and decrease access to new business opportunities, among other things.

We expect that our industry will continue to be subject to substantial regulation, the scope and effect of which are difficult to predict. We are currently subject to ongoing investigations, audits and inquiries by various government and regulatory agencies as further described in Note 17 to the consolidated financial statements. Our activities could be reviewed or challenged by regulatory authorities at any time in the future, as further described in Item 1A. Risk Factors under the heading, "We are, and may in the future be, a party to various lawsuits, demands, claims, qui tam suits, governmental investigations and audits (including investigations or other actions resulting from our obligation to self-report suspected violations of law) and other legal matters, any of which could result in, among other things, substantial financial penalties or awards against us, mandated refunds, substantial payments made by us, required changes to our business practices, exclusion from future participation in Medicare, Medicaid and other healthcare programs and possible criminal penalties, any of which could have a material adverse effect on our business, results of operations, financial condition, cash flows and materially harm our reputation". This regulation and scrutiny could have a material adverse impact on us.

#### *Licensure and certification*

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

We have experienced some delays in obtaining Medicare certifications from CMS. However, recent changes in the prioritizing of dialysis providers as well as recent legislation allowing private entities to perform initial dialysis facilities certifications may help to decrease or limit delays. The number of companies who will enter the market and the cost of surveys they might perform is unclear.

### *Federal Anti-Kickback Statute*

The federal Anti-Kickback Statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration, directly or indirectly, in cash or kind, to induce or reward either the referral of an individual for, or the purchase, or order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid.

Federal criminal penalties for the violation of the federal Anti-Kickback Statute include imprisonment, fines and exclusion of the provider from future participation in the federal healthcare programs, including Medicare and Medicaid. Violations of the federal Anti-Kickback Statute are punishable by imprisonment for up to ten years and fines of up to \$100,000 or both. Larger fines can be imposed upon corporations under the provisions of the U.S. Sentencing Guidelines and the Alternate Fines Statute. Individuals and entities convicted of violating the federal Anti-Kickback Statute are subject to mandatory exclusion from participation in Medicare, Medicaid and other federal healthcare programs for a minimum of five years. Civil penalties for violation of this law include up to \$100,000 in monetary penalties per violation, repayments of up to three times the total payments between the parties to the arrangement and suspension from future participation in Medicare and Medicaid. Court decisions have held that the statute may be violated even if only one purpose of remuneration is to induce referrals. The Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010 (Affordable Care Act (ACA)), amended the federal Anti-Kickback Statute to clarify the intent that is required to prove a violation. Under the statute as amended, the defendant does not need to have actual knowledge of the federal Anti-Kickback Statute or have the specific intent to violate it. In addition, the ACA amended the federal Anti-Kickback Statute to provide that any claims for items or services resulting from a violation of the federal Anti-Kickback Statute are considered false or fraudulent for purposes of the FCA.

The federal Anti-Kickback Statute includes statutory exceptions and regulatory safe harbors that protect certain arrangements. Business transactions and arrangements that are structured to comply fully with an applicable safe harbor do not violate the federal Anti-Kickback Statute. However, transactions and arrangements that do not satisfy all elements of a relevant safe harbor do not necessarily violate the law. When an arrangement does not satisfy a safe harbor, the arrangement must be evaluated on a case-by-case basis in light of the parties' intent and the arrangement's potential for abuse. Arrangements that do not satisfy a safe harbor may be subject to greater scrutiny by enforcement agencies.

We enter into several arrangements with physicians that potentially implicate the Anti-Kickback Statute, such as:

*Medical Director Agreements.* Because our medical directors refer patients to our dialysis centers, our arrangements with these physicians are designed to substantially comply with the safe harbor for personal service arrangements. Although we endeavor to structure the Medical Director Agreements we enter into with physicians to substantially comply with the safe harbor for personal service arrangements, including the requirement that compensation be consistent with fair market value, the safe harbor requires that when services are provided on a part-time basis, the agreement must specify the schedule of intervals of services, and their precise length and the exact charge for such services. Because of the nature of our medical directors' duties, it is impossible to fully satisfy this technical element of the safe harbor. As a result, these arrangements could be subject to scrutiny since they do not expressly describe the schedule of part-time services to be provided under the arrangement.

*Joint Ventures.* We own a controlling interest in numerous U.S. dialysis related joint ventures. For the year ended December 31, 2018, these joint ventures represented approximately 25% of our net U.S. dialysis and related lab services revenues. We expect to continue to enter into new U.S. dialysis related joint ventures in the ordinary course of business while maintaining over time most of our existing joint ventures, which would increase the total number of our Kidney Care joint ventures. Our relationships with physicians and other referral sources relating to these joint ventures do not fully satisfy the safe harbor for investments in small entities. Although failure to comply with a safe harbor does not render an arrangement illegal under the federal Anti-Kickback Statute, an arrangement that does not operate within a safe harbor may be subject to scrutiny and the Department of Health and Human Services' Office of Inspector General (OIG) has warned in the past that certain joint venture relationships have a potential for abuse. Physician joint ventures that fall outside the safe harbors are evaluated on a case-by-case basis under the federal Anti-Kickback Statute.

In this regard, we have endeavored to structure our joint ventures to satisfy as many elements of the safe harbor for investments in small entities as we believe are commercially reasonable. For example, we believe that these investments are offered and made by us on a fair market value basis and provide returns to the investors in proportion to their actual investment in the venture. However, since the arrangements do not satisfy all of the requirements of an applicable safe harbor, these arrangements could be subject to scrutiny on the ground that they are intended to induce patient referrals.

We were subject to investigation by the United States Attorney's Office for the District of Colorado, the Civil Division of the United States Department of Justice (DOJ) and the OIG related to our then-existing relationships with physicians,

including our joint ventures, and whether those relationships and joint ventures comply with the federal Anti-Kickback Statute and the FCA. In October 2014, we entered into a Settlement Agreement with the United States and relator David Barbetta to resolve the then pending 2010 and 2011 U.S. Attorney physician relationship investigations. In connection with the resolution of this matter, and in exchange for the OIG's agreement not to exclude us from participating in the federal healthcare programs, we entered into a five-year CIA with the OIG. The CIA (i) requires that we maintain certain elements of our compliance programs; (ii) imposes certain expanded compliance-related requirements during the term of the CIA; (iii) requires ongoing monitoring and reporting by an independent monitor, imposes certain reporting, certification, records retention and training obligations, allocates certain oversight responsibility to the Board's Compliance Committee, and necessitates the creation of a Management Compliance Committee and the retention of an independent compliance advisor to the Board; and (iv) contains certain business restrictions related to a subset of our joint venture arrangements. For additional information regarding our CIA, see Item 1 Business under the heading "Corporate Compliance Program."

*Lease Arrangements.* We lease space for numerous dialysis centers from entities in which physicians, hospitals or medical groups hold ownership interests, and we sublease space to referring physicians at approximately 240 of our dialysis centers as of December 31, 2018. We endeavor to structure these arrangements to comply with the federal Anti-Kickback Statute safe harbor for space rentals in all material respects.

*Common Stock.* Some medical directors and other referring physicians may own our common stock. We believe that these interests materially satisfy the requirements of the Anti-Kickback Statute safe harbor for investments in large publicly traded companies.

*Discounts.* Our dialysis centers sometimes acquire certain items and services at a discount that may be reimbursed by a federal healthcare program. We endeavor to structure our vendor contracts that include discount or rebate provisions to comply with the federal Anti-Kickback Statute safe harbor for discounts.

If any of our business transactions or arrangements, including those described above, were found to violate the federal Anti-Kickback Statute, we, among other things, could face criminal, civil or administrative sanctions, including possible exclusion from participation in Medicare, Medicaid and other state and federal healthcare programs. Any findings that we have violated these laws could have a material adverse impact on our business, results of operations, financial condition, cash flows, reputation and stock price.

As part of HHS's Regulatory Sprint to Coordinated Care (Regulatory Sprint), OIG issued a request for information (RFI) in August 2018 seeking input on regulatory provisions that may act as barriers to coordinated care or value-based care. Specifically, OIG sought to identify ways in which it might modify or add new safe harbors to the Anti-Kickback Statute (as well as exceptions to the definition of "remuneration" in the beneficiary inducements provision of the Civil Monetary Penalty statute) in order to foster arrangements that promote care coordination and advance the delivery of value-based care, while also protecting against harms caused by fraud and abuse. Comments were due in October 2018, but OIG has yet to issue any proposed rules or take other regulatory action related to the RFI.

#### *Stark Law*

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 providing Designated Health Services (DHS), from referring Medicare and Medicaid patients to such entities for the furnishing of DHS, unless an exception applies. DHS is defined to mean any of the following enumerated items or services; clinical laboratory services; physical therapy services; occupational therapy services; radiology services, including magnetic resonance imaging, computerized axial tomography scans, and ultrasound services; radiation therapy services and supplies; durable medical equipment and supplies; parenteral and enteral nutrients, equipment, and supplies; prosthetics, orthotics and prosthetic devices and supplies; home health services; outpatient prescription drugs; inpatient and outpatient hospital services; and outpatient speech-language pathology services. The types of financial arrangements between a physician and a DHS entity that trigger the self-referral prohibitions of the Stark Law are broad and include direct and indirect ownership and investment interests and compensation arrangements. The Stark Law also prohibits the DHS entity receiving a prohibited referral from presenting, or causing to be presented, 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; unlike the federal Anti-Kickback Statute, intent to induce referrals is not required. If the Stark Law is implicated, the financial relationship must fully satisfy a Stark Law exception. If an exception is not satisfied, then the parties to the arrangement could be subject to sanctions. Sanctions for violation of the Stark Law include denial of payment for claims for services provided in violation of the prohibition, refunds of amounts collected in violation of the prohibition, a civil penalty of up to \$15,000 for each service arising out of the prohibited referral, a civil penalty of up to \$100,000 against parties that enter into a scheme to circumvent the Stark Law prohibition, civil assessment of up to three times the amount claimed, and potential exclusion from the federal healthcare programs, including Medicare and Medicaid. Amounts collected for prohibited claims

must be reported and refunded generally within 60 days after the date on which the overpayment was identified. Furthermore, Stark Law violations and failure to return overpayments timely can form the basis for FCA liability as discussed below.

The definition of DHS under the Stark Law excludes services paid under a composite rate, even if some of the components bundled in the composite rate are DHS. Although the ESRD bundled payment system is no longer titled a composite rate, we believe that the former composite rate payment system and the current bundled system are both composite systems excluded from the Stark Law. Since most services furnished to Medicare beneficiaries provided in our dialysis centers are reimbursed through a bundled rate, the services performed in our facilities generally are not DHS, and the Stark Law referral prohibition does not apply to those services. Certain separately billable drugs (drugs furnished to an ESRD patient that are not for the treatment of ESRD that CMS allows our centers to bill for using the so-called AY modifier) may be considered DHS. However, we have implemented certain billing controls designed to limit DHS being billed out of our dialysis clinics. Likewise, the definition of inpatient hospital services, for purposes of the Stark Law, also excludes inpatient dialysis performed in hospitals that are not certified to provide ESRD services. Consequently, our arrangements with such hospitals for the provision of dialysis services to hospital inpatients do not trigger the Stark Law referral prohibition.

In addition, although prescription drugs are DHS, there is an exception in the Stark Law for calcimimetics, EPO and other specifically enumerated dialysis drugs when furnished in or by an ESRD facility such that the arrangement for the furnishing of the drugs does not violate the Stark Law. The exception is available only for drugs included on a list of Current Procedural Terminology/Healthcare Common Procedure Coding System (CPT/HCPCS) codes published by CMS, and for calcimimetics, EPO, Aranesp® and equivalent drugs dispensed by the ESRD facility for use at home. While we believe that most drugs furnished by our dialysis centers are covered by the exception, dialysis centers may administer drugs that are not on the list of CPT/HCPCS codes and therefore do not meet this exception. In order for a physician who has a financial relationship with a dialysis center to order one of these drugs from the center and for the center to obtain Medicare reimbursement, another exception must apply.

We have entered into several types of financial relationships with referring physicians, including compensation arrangements. If our dialysis centers were to bill for a non-exempted drug and the financial relationships with the referring physician did not satisfy an exception, we could be required to change our practices, face civil penalties, pay substantial fines, return certain payments received from Medicare and beneficiaries or otherwise experience a material adverse effect as a result of a challenge to payments made pursuant to referrals from these physicians under the Stark Law.

*Medical Director Agreements.* We endeavor to structure our medical director agreements to satisfy the personal services arrangement exception to the Stark Law. While we believe that the compensation provisions included in our medical director agreements are the result of arm's length negotiations and result in fair market value payments for medical director services, an enforcement agency could nevertheless challenge the level of compensation that we pay our medical directors.

*Lease Agreements.* 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. The Stark Law provides an exception for lease arrangements if specific requirements are met. We endeavor to structure our leases and subleases with referring physicians to satisfy the requirements for this exception.

*Common Stock.* Some medical directors and other referring physicians may own our common stock. We believe that these interests satisfy the Stark Law exception for investments in large publicly traded companies.

*Joint Ventures.* Some of our referring physicians also own equity interests in entities that operate our dialysis centers. We believe that none of the Stark Law exceptions applicable to physician ownership interests in entities to which they make DHS referrals apply to the kinds of ownership arrangements that referring physicians hold in several of our subsidiaries that operate dialysis centers. Accordingly, these dialysis centers do not bill Medicare for DHS referrals from physician owners. If the dialysis centers bill for DHS referred by physician owners, the dialysis centers would be subject to the Stark Law penalties described above.

*Ancillary Services.* The operations of our ancillary and subsidiary businesses are also subject to compliance with the Stark Law, and any failure to comply with these requirements, particularly in light of the strict liability nature of the Stark Law, could subject these operations to the Stark Law penalties and sanctions described above.

If CMS or other regulatory or enforcement authorities determined that we have submitted claims in violation of the Stark Law, or otherwise violated the Stark Law, we would be subject to the penalties described above. In addition, it might be necessary 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 DHS from these physicians, or take other actions to modify our operations. Any such penalties and restructuring or other required actions could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In June 2018, CMS issued an RFI seeking input on how to address any undue regulatory impact and burden of the Stark Law. CMS placed the RFI in the context of HHS's Regulatory Sprint and stated that it identified aspects of the Stark Law that pose potential barriers to coordinated care. CMS thus sought comments on the impact and burden of the Stark Law, including whether it prevents or inhibits care coordination. Comments closed on August 24, 2018 and CMS has not yet issued proposed or final regulations based on the RFI.

#### *Fraud and abuse under state law*

Some states in which we operate dialysis centers have laws prohibiting physicians from holding financial interests in various types of medical facilities to which they refer patients. Some of these laws could potentially be interpreted broadly as prohibiting physicians who hold shares of our publicly traded stock or are physician owners from referring patients to our dialysis centers if the centers use our laboratory subsidiary to perform laboratory services for their patients or do not otherwise satisfy an exception to the law. States also have laws similar to or stricter than 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 state anti-kickback laws also include civil and criminal penalties. Some of these laws include exemptions that may be applicable to our medical directors and other physician relationships or for financial interests limited to shares of publicly traded stock. Some, however, may include no explicit exemption for certain types of agreements and/or relationships entered into with physicians. If these laws are interpreted to apply to referring physicians with whom we contract for medical director and similar services, to referring physicians with whom we hold joint ownership interests or to referring physicians who hold interests in DaVita Inc. limited solely to our publicly traded stock, and for which no applicable exception exists, we may be required to terminate or restructure our relationships with or refuse referrals from these referring physicians and could be subject to criminal, civil and administrative sanctions, refund requirements and exclusions from government healthcare programs, including Medicare and Medicaid, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price.

#### *Corporate Practice of Medicine and Fee-Splitting*

There are states in which we provide management services to nephrology physician practices that have laws that prohibit business entities, such as our Company and our subsidiaries, from practicing medicine, employing physicians to practice medicine or exercising control over medical decisions by physicians (known collectively as the corporate practice of medicine). These states also prohibit entities from engaging in certain financial arrangements, such as fee-splitting, with physicians. In some states these prohibitions are expressly stated in a statute or regulation, while in other states the prohibition is a matter of judicial or regulatory interpretation. Violations of the corporate practice of medicine vary by state and may result in physicians being subject to disciplinary action, as well as to forfeiture of revenues from payors for services rendered. For lay entities, violations may also bring both civil and, in more extreme cases, criminal liability for engaging in medical practice without a license. Some of the relevant laws, regulations, and agency interpretations in states with corporate practice of medicine restrictions have been subject to limited judicial and regulatory interpretation. Moreover, state laws are subject to change.

#### *The False Claims Act*

The federal FCA is a means of policing false bills or false requests for payment in the healthcare delivery system. In part, the FCA authorizes the imposition of up to three times the government's damages and civil penalties on any person who, among other acts:

- 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 material to a false or fraudulent claim;
- Knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay the government, or knowingly conceals or knowingly and improperly, avoids or decreases an obligation to pay or transmit money or property to the federal government; or
- Conspires to commit the above acts.



In addition, amendments to the FCA impose severe penalties for the knowing and improper retention of overpayments collected from government payors. Under these provisions, within 60 days of identifying and quantifying an overpayment, a provider is required to notify CMS or the Medicare Administrative Contractor of the overpayment and the reason for it and return the overpayment. An overpayment impermissibly retained could subject us to liability under the FCA, exclusion from government healthcare programs, and penalties under the federal Civil Monetary Penalty statute. As a result of these provisions, our procedures for identifying and processing overpayments may be subject to greater scrutiny.

The penalties for a violation of the FCA range from \$5,500 to \$11,000 (adjusted for inflation) for each false claim, plus up to three times the amount of damages caused by each false claim, which can be as much as the amounts received directly or indirectly from the government for each such false claim. On January 29, 2018, the DOJ issued a final rule announcing adjustments to FCA penalties, under which the per claim penalty range increased to a range from \$11,181 to \$22,363 for penalties assessed after January 29, 2018, so long as the underlying conduct occurred after November 2, 2015. The federal government has used the FCA to prosecute a wide variety of alleged false claims and fraud allegedly perpetrated against Medicare and state healthcare programs, including coding errors, billing for services not rendered, the submission of false cost reports, billing for services at a higher payment 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 considered medically necessary. The ACA provides that claims tainted by a violation of the federal Anti-Kickback Statute are false for purposes of the FCA. Some courts have held that filing claims or failing to refund amounts collected in violation of the Stark Law can form the basis for liability under the FCA. In addition to the provisions of the FCA, which provide for civil enforcement, the federal government can use several criminal statutes to prosecute persons who are alleged to have submitted false or fraudulent claims for payment to the federal government.

#### *Civil Monetary Penalties Statute*

The Civil Monetary Penalties Statute, 42 U.S.C. § 1320a-7a, authorizes the imposition of civil money penalties, assessments, and exclusion against an individual or entity based on a variety of prohibited conduct, including, but not limited to:

- Presenting, or causing to be presented, claims for payment to Medicare, Medicaid, or other third-party payors that the individual or entity knows or should know are for an item or service that was not provided as claimed or is false or fraudulent;
- Offering remuneration to a Federal health care program beneficiary that the individual or entity knows or should know is likely to influence the beneficiary to order or receive health care items or services from a particular provider;
- Arranging contracts with an entity or individual excluded from participation in the Federal health care programs;
- Violating the federal Anti-Kickback Statute;
- Making, using, or causing to be made or used, a false record or statement material to a false or fraudulent claim for payment for items and services furnished under a Federal health care program;
- Making, using, or causing to be made any false statement, omission, or misrepresentation of a material fact in any application, bid, or contract to participate or enroll as a provider of services or a supplier under a Federal health care program; and
- Failing to report and return an overpayment owed to the federal government.

Substantial civil monetary penalties may be imposed under the federal Civil Monetary Penalty Statute and vary, depending on the underlying violation. In addition, an assessment of not more than three times the total amount claimed for each item or service may also apply, and a violator may be subject to exclusion from Federal and state health care programs.

#### *Privacy and Security*

The Health Insurance Portability and Accountability Act of 1996 and its implementing privacy and security regulations, as amended by the federal Health Information Technology for Economic and Clinical Health Act (HITECH Act), (collectively referred to as HIPAA), require us to provide certain protections to patients and their health information. The HIPAA privacy and security regulations extensively regulate the use and disclosure of PHI and require covered entities, which include healthcare providers, to implement and maintain administrative, physical and technical safeguards to protect the security of such information. Additional security requirements apply to electronic PHI. These regulations also provide patients with substantive rights with respect to their health information.

The HIPAA privacy and security regulations also require us to enter into written agreements with certain contractors, known as business associates, to whom we disclose PHI. Covered entities may be subject to penalties for, among other activities, failing to enter into a business associate agreement where required by law or as a result of a business associate violating HIPAA if the business associate is found to be an agent of the covered entity and acting within the scope of the agency. Business associates are also directly subject to liability under the HIPAA privacy and security regulations. In instances where we act as a business associate to a covered entity, there is the potential for additional liability beyond our status as a covered entity.

Covered entities must report breaches of unsecured PHI to affected individuals without unreasonable delay but not to exceed 60 days of discovery of the breach by a covered entity or its agents. Notification must also be made to the HHS, and, for breaches of unsecured PHI involving more than 500 residents of a state or jurisdiction, to the media. All non-permitted uses or disclosures of unsecured PHI are presumed to be breaches unless the covered entity or business associate establishes that there is a low probability the information has been compromised. Various state laws and regulations may also require us to notify affected individuals in the event of a data breach involving individually identifiable information without regard to whether there is a low probability of the information being compromised.

Penalties for impermissible use or disclosure of PHI were increased by the HITECH Act by imposing tiered penalties of more than \$50,000 per violation and up to \$1.5 million per year for identical violations. In addition, HIPAA provides for criminal penalties of up to \$250,000 and ten years in prison, with the severest penalties for obtaining and disclosing PHI with the intent to sell, transfer or use such information for commercial advantage, personal gain or malicious harm. Further, state attorneys general may bring civil actions seeking either injunction or damages in response to violations of the HIPAA privacy and security regulations that threaten the privacy of state residents.

Data protection laws are evolving globally, and may add additional compliance costs and legal risks to our international operations. In Europe, the General Data Protection Regulation (GDPR) became effective on May 25, 2018. The GDPR applies to entities that are established in the European Union (EU), as well as extends the scope of EU data protection laws to foreign companies processing data of individuals in the EU. The GDPR imposes a comprehensive data protection regime with the potential for regulatory fines as well as data breach litigation by impacted data subjects. Under GDPR, regulatory penalties may be passed by data protection authorities for up to the greater of 4% of worldwide turnover or €20 million. The costs of compliance with, and other burdens imposed by, the GDPR and other new laws, regulations and policies implementing the GDPR may impact our European operations and/or limit the ways in which we can provide services or use personal data collected while providing services. If we fail to comply with the requirements of GDPR, we could be subject to penalties that would have a material adverse impact on our business, results of operations, financial condition and cash flows.

Data protection laws are also evolving nationally, and may add additional compliance costs and legal risks to our U.S. operations. For example, the California legislature recently passed the California Consumer Protection Act (CCPA), which is scheduled to become effective January 1, 2020. The CCPA is a privacy bill that requires certain companies doing business in California to disclose information regarding the collection and use of a consumer's personal data and to delete a consumer's data upon request. The Act also permits the imposition of civil penalties and expands existing state security laws by providing a private right of action for consumers in certain circumstances where consumer data is subject to a breach. We are still evaluating whether and how this rule will impact our U.S. operations and /or limit the ways in which we can provide services or use personal data collected while providing services.

#### *Healthcare reform*

In March 2010, broad healthcare reform legislation was enacted in the U.S. through the ACA. Although many of the provisions of the ACA did not take effect immediately and continue to be implemented, and some have been and may be modified before or during their implementation, the reforms could continue to have an impact on our business in a number of ways. We cannot predict how employers, private payors or persons buying insurance might react to federal and state healthcare reform legislation or what form many of these regulations will take before implementation.

The ACA introduced healthcare insurance exchanges, which provide a marketplace for eligible individuals and small employers to purchase healthcare insurance. The business and regulatory environment continues to evolve as the exchanges mature, and statutes and regulations are challenged, changed and enforced.

The ACA also requires that all non-grandfathered individual and small group health plans sold in a state, including plans sold through the state-based exchanges created pursuant to the healthcare reform laws, cover essential health benefits (EHBs) in ten general categories. The scope of the benefits is intended to equal the scope of benefits under a typical employer plan.

On February 25, 2013, HHS issued the final rule governing the standards applicable to EHB benchmark plans, including new definitions and actuarial value requirements and methodology, and published a list of plan benchmark options that states can use to develop EHBs. The rule describes specific coverage requirements that (i) prohibit discrimination against individuals because of pre-existing or chronic conditions, (ii) ensure network adequacy of essential health providers, and (iii) prohibit benefit designs that limit enrollment and that prohibit access to care for enrollees. Subsequent regulations relevant to the EHB have continued the benchmark plan approach for 2016 and future years and have implemented clarifications and modifications to the existing EHB regulations, including the prohibition on discrimination, network adequacy standards and other requirements. In recent years, CMS has issued an annual Notice of Benefit and Payment Parameters rulemaking and related guidance setting forth standards for insurance plans provided through the exchanges.

Other aspects of the 2010 healthcare reform laws may affect our business as well, including provisions that impact the Medicare and Medicaid programs. These and other provisions of the ACA remain subject to ongoing uncertainty due to developing regulations and clarifications, including those described above, as well as continuing political and legal challenges at both the federal and state levels. Republicans control the Executive branch and Senate, and since 2016 have implemented both administrative and legislative initiatives that have had adverse impacts on the ACA and its programs. For example, in October 2017, the federal government announced that cost-sharing reduction payments to insurers would end, effective immediately, unless Congress appropriated the funds, and, in December 2017, Congress passed the Tax Cuts and Jobs Act, which includes a provision that eliminates the penalty under the ACA's individual mandate for individuals who fail to obtain a qualifying health insurance plan and could impact the future state of the exchanges. Moreover, in February 2018, Congress passed the BBA which, among other things, repealed the Independent Payment Advisory Board that was established by the ACA and intended to reduce the rate of growth in Medicare spending by extending sequestration cuts to Medicare payments through fiscal year 2027. While certain provisions of the BBA may increase the scope of benefits available for certain chronically ill federal health care program beneficiaries beginning in 2020, the ultimate impact of such changes cannot be predicted. While there may be significant changes to the healthcare environment in the future, the specific changes and their timing are not yet apparent. As a result, there is considerable uncertainty regarding the future with respect to the exchanges, and, indeed, many core aspects of the current health care marketplace. While specific changes and their timing are not yet apparent, such changes could lower our reimbursement rates or increase our expenses. Any failure to successfully implement strategic initiatives that respond to future legislative, regulatory, and executive changes could have a material adverse effect on our business, results of operations, financial condition and cash flows.

#### *Other regulations*

Our U.S. dialysis and related lab services 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.

In addition, a few states in which we do business have certificate of need programs regulating the establishment or expansion of healthcare facilities, including dialysis centers.

#### *Capacity and location of our U.S. dialysis centers*

Typically we are able to increase our capacity by extending hours at our existing dialysis centers, expanding our existing dialysis centers, relocating our dialysis centers, developing new dialysis centers and by acquiring dialysis centers. The development of a typical outpatient dialysis center by us generally requires approximately \$2.2 million for leasehold improvements and other capital expenditures. Based on our experience, a new outpatient dialysis center typically opens within a year after the property lease is signed, normally achieves operating profitability in the second year after Medicare certification and normally reaches maturity within three to five years. Acquiring an existing outpatient dialysis center requires a substantially greater initial investment, but profitability and cash flows are generally accelerated and more predictable. To a limited extent, we enter into agreements to provide management and administrative services to outpatient dialysis centers in which we own a noncontrolling equity investment or which are wholly-owned by third parties in return for management fees, which are typically based on a percentage of revenues or cash collections of the managed center's operations.

The table below shows the growth of our U.S. dialysis operations by number of dialysis centers.

	2018	2017	2016	2015	2014
Number of centers at beginning of year	2,510	2,350	2,251	2,179	2,074
Acquired centers	18	66	8	6	18
Developed centers	152	121	100	72	105
Net change in centers with management and administrative services agreements <sup>(1)</sup>	(5)	(2)	—	2	—
Sold and closed centers <sup>(2)(3)</sup>	(9)	(15)	(4)	(3)	(2)
Closed centers <sup>(4)</sup>	(2)	(10)	(5)	(5)	(16)
Number of centers at end of year	2,664	2,510	2,350	2,251	2,179

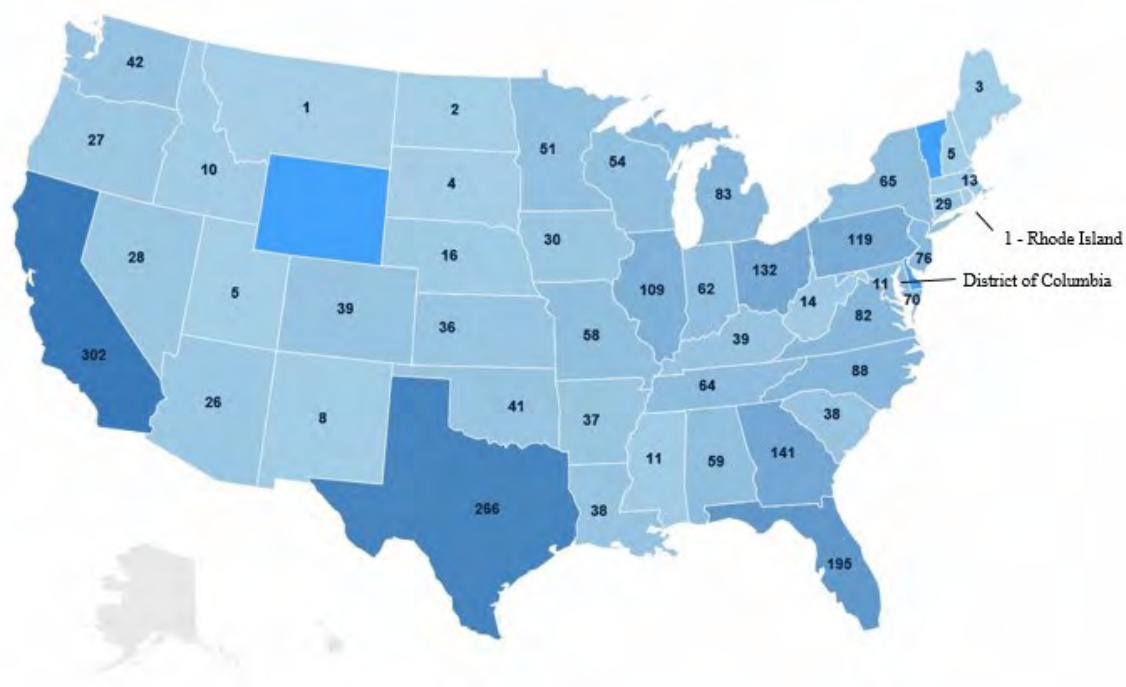
(1) Represents dialysis centers in which we own a noncontrolling equity investment or which are wholly-owned by third parties, and also includes dialysis centers we deconsolidated and transferred to management services agreements.

(2) Includes centers that were divested as a part of our Renal Ventures acquisition in 2017.

(3) Represents dialysis centers that were sold and/or closed for which patients were not retained.

(4) Represents dialysis centers that were closed for which the majority of patients were retained and transferred to one of our other existing outpatient dialysis centers.

As of December 31, 2018, we operated or provided administrative services to a total of 2,664 U.S. outpatient dialysis centers. A total of 2,630 of such centers are consolidated in our financial statements. Of the remaining 34 unconsolidated U.S. outpatient dialysis centers, we own a noncontrolling interest in 30 centers and provide management and administrative services to four centers that are wholly-owned by third parties. The locations of the 2,630 U.S. outpatient dialysis centers consolidated in our financial statements at December 31, 2018 were as follows:



### ***Ancillary services and strategic initiatives businesses, including our international operations***

As of December 31, 2018, our ancillary services and strategic initiatives consisted primarily of disease management services, vascular access services, clinical research programs, physician services, ESRD seamless care organizations, comprehensive care, and our international operations and relate primarily to our core business of providing kidney care services.

Ancillary services and strategic initiatives consist primarily of the following:

- *Disease management services.* VillageHealth DM, LLC doing business as DaVita Integrated Kidney Care (DaVita IKC) provides advanced integrated care management services to health plans and government programs for members/beneficiaries diagnosed with ESRD, chronic kidney failure, and/or poly-comorbid conditions. Through a combination of clinical coordination, innovative interventions, medical claims analysis and information technology, we endeavor to assist our customers and patients in obtaining superior renal healthcare and improved clinical outcomes, as well as helping to reduce overall medical costs. Integrated kidney care management revenues from commercial and Medicare Advantage insurers can be based upon either an established contract fee recognized as earned over the contract period, or related to the operation of value-based programs, including pay for performance, shared savings, and capitation contracts. DaVita IKC also operates Medicare Advantage ESRD Special Needs Plans in partnership with payors that work with CMS to provide ESRD patients full service healthcare. We are at risk for all medical costs of the program in excess of the capitation payments. Furthermore, in October 2015, DaVita IKC entered into management service agreements to support three ESCO joint ventures in which we are an investor through certain wholly- or majority-owned dialysis clinics.
- *Vascular access services.* Lifeline provides management and administrative services to physician-owned vascular access clinics that provide vascular services for dialysis and other patients. Lifeline is also the majority-owner of three vascular access clinics. Management fees generated from providing management and administrative services are recognized as earned typically based on a percentage of revenues or cash collections generated by the clinics. Revenues associated with the vascular access clinics that are majority-owned are recognized in the period when the services are provided.
- *Clinical research programs.* DaVita Clinical Research (DCR) is a provider-based specialty clinical research organization with a full spectrum of services for clinical drug research and device development. DCR uses its extensive, applied database and real-world healthcare experience to assist in the design, recruitment and completion of retrospective and prospective pragmatic and clinical trials. Revenues are based upon an established fee per study, as determined by contract with drug companies and other sponsors and are recognized as earned according to the contract terms.
- *Physician services.* Nephrology Practice Solutions (NPS) is an independent business that partners with physicians committed to providing outstanding clinical and integrated care to patients. NPS provides nephrologist recruitment and staffing services in select markets which are billed on a per search basis. NPS also offers physician practice management services to nephrologists under administrative services agreements. These services include physician practice management, billing and collections, credentialing, coding, and other support services that enable physician practices to increase efficiency and manage their administrative needs. Additionally, NPS owns and operates nephrology practices in multiple states. Fees generated from these services are recognized as earned typically based upon flat fees or cash collections generated by the physician practice.
- *ESRD Seamless Care Organization joint ventures (ESCO JVs).* In October 2015, certain of our dialysis clinics entered into partnerships with various nephrology practices, health systems, and other providers to establish three ESCO JVs in Phoenix-Tucson Arizona, South Florida, and Philadelphia Pennsylvania-Camden, New Jersey. The ESCO JVs were formed under the CMS Innovation Center's Comprehensive ESRD Care (CEC) Model, a demonstration to assess the impact of care coordination for ESRD patients in a dialysis-center oriented ACO setting. Each ESCO JV has a shared risk arrangement with CMS and the programs are evaluated on a performance year basis. The delivery of improved quality outcomes for patients and program savings depend on the contributions of the dialysis center teammates, nephrologists, health system and hospital partners, pharmacy providers, other primary care and specialty care providers and facilities, and integrated care management support from DaVita IKC, which is also the manager of the ESCO JVs. In October 2017, CMS published the results for the first performance year, covering the period from October 2015 to December 2016, and all three ESCO JVs earned shared savings payments. Results for 2017 and 2018 performance years are anticipated to be released in 2019.

- *Comprehensive care.* DaVita Health Solutions was created to provide comprehensive care through house calls and post-acute care programs to help chronically ill patients through use of community based, physician- and nurse practitioner-led care teams to deliver medical, behavioral, social and palliative care within the patient's home or skilled nursing facility.

During 2018, we transitioned the customer service and fulfillment functions of our pharmacy business, DaVita Rx, to third parties and ceased our related distribution operations. DaVita Rx was a pharmacy that specialized in providing oral medications and medication management services to patients with ESRD. In addition, effective June 1, 2018, we sold 100% of the stock of Paladina Health, our direct primary care business. For additional discussion of our ancillary services and strategic initiatives businesses, see Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations.

#### *International dialysis operations*

As of December 31, 2018, we operated or provided administrative services to a total of 241 outpatient dialysis centers, which includes consolidated and nonconsolidated centers located in nine countries outside of the U.S., serving approximately 25,000 patients. Our international dialysis operations have continued to grow steadily and expand as a result of developing and acquiring outpatient dialysis centers in various strategic markets. Our international operations are included as part of our ancillary services and strategic initiatives. The table below summarizes the number of locations of our international outpatient dialysis centers.

	2018	2017	2016	2015	2014
Number of centers at beginning of year	237	154	118	91	73
Acquired centers	28	68	21	21	9
Developed and hospital operated centers	3	8	12	7	11
Managed centers, net	—	—	—	(1)	—
Closed centers	(2)	(1)	—	—	(2)
Net change in Asia Pacific Joint Venture (APAC JV) operated centers <sup>(1)</sup>	(25)	8	3	—	—
Number of centers at end of year	241	237	154	118	91

(1) In 2016 we deconsolidated the APAC JV.

The locations of our international outpatient dialysis centers are as follows:

Germany	56
Poland	51
Malaysia <sup>(1)</sup>	40
Brazil	33
Saudi Arabia	23
Colombia	20
Portugal	9
Taiwan <sup>(1)</sup>	7
China <sup>(1)</sup>	2
	241

(1) Includes centers that are operated or managed by our APAC JV.

#### **Corporate Administrative Support**

Corporate administrative support consists primarily of labor, benefits and long-term incentive compensation costs for departments which provide support to all of our different operating lines of business. These expenses are included in our consolidated general and administrative expenses and are partially offset by the allocation of management fees.

## DaVita Medical Group (DMG) Division

In December 2017, we entered into an agreement to sell our DMG division to Optum, a subsidiary of UnitedHealth Group Inc., subject to receipt of required regulatory approvals and other customary closing conditions. As a result, the DMG business has been classified as held for sale and its results of operations are reported as discontinued operations.

### *DMG business overview*

DMG is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of experience providing coordinated, outcomes-based medical care in a cost-effective manner. As of December 31, 2018, DMG served approximately 753,800 members under its care in southern California, central and south Florida, southern Nevada and central New Mexico through capitation contracts with some of the nation's leading health plans. Of these members, approximately 321,500 individuals were patients enrolled in Medicare and Medicare Advantage, and the remaining approximately 432,300 individuals were managed care members whose health coverage is provided through their employer or who have individually acquired health coverage directly from a health plan or as a result of their eligibility for Medicaid benefits. In addition to its managed care business, during the year ended December 31, 2018, DMG provided care across all markets to approximately 932,700 patients whose health coverage is structured on a FFS basis, including patients enrolled through traditional Medicare and Medicaid programs, preferred provider organizations and other third party payors.

DMG patients as well as the patients of DMG's associated physicians, physician groups and IPAs benefit from an integrated approach to medical care that places the physician at the center of patient care. As of December 31, 2018, DMG delivered services to its members via a network of approximately 750 primary care physicians, over 3,200 associated group and other network primary care physicians, approximately 185 network hospitals, and several thousand associated group and network specialists. Together with hundreds of case managers, registered nurses and other care coordinators, these medical professionals utilize a comprehensive information technology system, sophisticated risk management techniques and clinical protocols to provide high-quality, cost-effective care to DMG's members.

U.S. healthcare spending has increased steadily over the past twenty years. These increases have been driven, in part, by the aging of the baby boomer generation, unhealthy behavioral and lifestyle choices in terms of exercise and diet, rapidly increasing costs in medical technology and pharmaceutical research, and provider reimbursement structures that may promote volume over quality in a FFS environment. These factors, as well as the steady growth of the U.S. population, have made the healthcare industry a growing market. CMS reported that in 2017 healthcare accounted for 17.9% of the U.S. gross domestic product and that healthcare spending increased 3.9% to reach \$3.5 trillion. Medicare spending grew 4.2% to \$706 billion in 2017 or 20% of National Health Expenditures, according to CMS. Medicare's share of the federal budget was approximately 17.1% in 2018 according to the Congressional Budget Office (CBO). Medicare is frequently the focus of discussions on how to moderate the growth of both federal spending and healthcare spending in the U.S.

Growth in Medicare spending is expected to continue due to demographic changes. According to the U.S. Census Bureau, the U.S. population aged 65 and over is expected to be 83.7 million in 2050 — almost double its estimated population of 43.1 million in 2012.

Medicare Advantage is an alternative to the traditional FFS Medicare program, which permits Medicare beneficiaries to receive benefits from a managed care health plan. Medicare Advantage plans contract with CMS to provide benefits that are at least comparable to those offered under the traditional FFS Medicare program in exchange for a fixed per-member monthly premium payment from CMS. The monthly premium varies based on the county in which the member resides, further adjusted to reflect the plan members' expected medical cost risk. Individuals who elect to participate in the Medicare Advantage program typically receive greater benefits than traditional FFS Medicare Part B beneficiaries, including additional preventive services, vision, dental and prescription drug benefits, and often have lower deductibles and co-payments than traditional FFS Medicare.

CMS pays Medicare Advantage health plans under a bidding process. Plans bid against county-level benchmarks. If a plan's bid is higher than the benchmark, enrollees pay the difference in the form of a monthly premium. If the bid is lower than the benchmark, the plan receives the difference between its payment amount and its bid as a rebate, which must be returned to enrollees in the form of additional benefits, reduced premiums, or lower cost sharing.

Managed care health plans were developed, primarily during the 1980s, in an attempt to mitigate the rising cost of providing healthcare benefits to populations covered by traditional health insurance. These managed care health plans often enroll members through their employers. As a result of the prevalence of these health plans, many seniors now becoming eligible for Medicare have been interacting with managed care companies through their employers for the last 30 years. Individuals turning 65 now are likely to be far more familiar with the managed care setting than previous Medicare

populations. According to Kaiser Family Foundation, in 2018, Medicare Advantage represented 34% of total Medicare members, creating a significant opportunity for additional Medicare Advantage penetration of newly eligible seniors.

In an effort to reduce the number of uninsured and to begin to control healthcare expenditures, President Obama signed the ACA into law in March 2010, which was affirmed, in substantial part, by the U.S. Supreme Court in June 2012. As of the end of 2017, the number of uninsured nonelderly Americans was 28.5 million, a decrease of over 13 million since 2013. These previously uninsured Americans and potentially newly eligible Medicaid beneficiaries represent a significant new market opportunity for health plans. We believe that health plans looking to cover these newly eligible individuals under fixed premium arrangements will seek provider arrangements that can effectively manage the cost and quality of the care being provided to these newly eligible individuals, although the 2016 Presidential and Congressional elections and subsequent developments, including recent federal tax reform legislation and legal challenges to the law, have caused the future state of the ACA to become less clear.

One of the primary ways in which the ACA funded expanded health insurance coverage is through cuts in Medicare Advantage reimbursement. County benchmarks have transitioned to a system in which each county's benchmark is a certain percentage (ranging from 95% to 115%) of FFS Medicare. In a March 2018 report to Congress, the Medicare Payment Advisory Commission (MedPAC) estimated that 2018 Medicare Advantage benchmarks (including quality bonuses), bids, and payments would average 107%, 90%, and 101% of FFS spending, respectively.

Despite the fact that the plan bids average less than FFS spending, payments for enrollees in these plans usually exceed FFS spending because the benchmarks are high relative to FFS spending. For example, health maintenance organizations (HMOs) as a group bid an average of 88% of FFS spending, yet 2018 payments for HMO enrollees are estimated to average 100% of FFS spending (including the quality bonuses).

Nonetheless, changes in benchmarks and/or bids that lower payments to Medicare Advantage plans could adversely affect DMG's business, results of operations, financial condition and cash flows.

Many health plans recognize both the opportunity for growth from senior members as well as the potential risks and costs associated with managing additional senior members. In regions operated by DMG and numerous other markets, many health plans subcontract a significant portion of the responsibility for managing patient care to integrated medical networks such as DMG. These integrated healthcare networks, whether medical groups or IPAs, offer a comprehensive medical delivery system and sophisticated care management knowledge and infrastructure to more efficiently provide for the healthcare needs of the population enrolled with that health plan. While reimbursement models for these arrangements vary around the country, health plans in California, Florida, Nevada and New Mexico often prospectively pay the integrated healthcare network a fixed Per Member Per Month (PMPM) amount, or capitation payment, which is often based on a percentage of the amount received by the health plan. The capitation payment is for much-and sometimes virtually all-of the care needs of the applicable membership. Capitation payments to integrated healthcare networks, in aggregate, represent a prospective budget from which the network manages care-related expenses on behalf of the population enrolled with that network. To the extent that these networks manage care-related expenses below the capitated levels, the network realizes an operating profit. On the other hand, if care-related expenses exceed projected levels, the network will realize an operating deficit. Since premiums paid represent a significant amount per person, there is a significant revenue opportunity for an integrated medical network like DMG that is able to effectively manage its costs under a capitated arrangement.

Integrated medical networks, such as DMG, that have scale are positioned to spread an individual member's cost exposure across a wider population and realize the benefits of pooling medical risk among large numbers of patients. In addition, integrated medical networks with years of managed care experience can utilize their sizeable medical experience data to identify specific medical care and quality management strategies and interventions for potential high cost cases and aggressively manage them to improve the health of its population base and, thus, lower cost. Many integrated medical networks, like DMG, also have established physician performance metrics that allow them to monitor quality and service outcomes achieved by participating physicians in order to reward efficient, high quality care delivered to members and initiate improvement efforts for physicians whose results can be enhanced.

### ***Healthcare reform***

The U.S. healthcare system, including the Medicare Advantage program, is subject to a broad array of new laws and regulations as a result of the ACA. This legislation made significant changes to the Medicare program and to the health insurance market overall. The ACA is considered by some to be the most dramatic change to the U.S. healthcare system in decades. The U.S. Supreme Court found that the individual mandate to obtain health insurance coverage under this legislation is constitutional and also found that the expanded Medicaid benefit included in the legislation is constitutional if states can opt out of the expanded Medicaid benefit without losing their funding under the pre-reform Medicaid program. In a separate,



subsequent case, the U.S. Supreme Court also upheld the use of subsidies to individuals in federally-facilitated healthcare exchanges, rejecting an argument that such subsidies would apply only in the state-run healthcare exchanges.

The ACA reflects sweeping legislation that, if fully implemented, may have a significant impact on the U.S. healthcare system generally and the operations of DMG's business. There are numerous steps required to implement the ACA, and implementation remains ongoing and uncertain. Congress also has enacted, and may continue to seek, legislative changes that alter, delay, or eliminate some of the ACA's provisions. For example, under the 2016 omnibus budget agreement, Congress voted to delay certain new taxes that the ACA had enacted, including the excise tax on certain high-cost health plans, the medical device tax, and the tax on health insurers. In addition, the 2016 Presidential and Congressional elections and subsequent developments have caused the future state of the ACA to be unclear. In October 2017, the federal government announced that cost-sharing reduction payments to insurers would end, effective immediately, unless Congress appropriated the funds, and, in December 2017, Congress passed the Tax Cuts and Jobs Act, which includes a provision that eliminates the penalty under the ACA's individual mandate for individuals who fail to obtain a qualifying health insurance plan and could impact the future state of the exchanges. Further, in February 2018, Congress passed the BBA, which, among other things, repealed the Independent Payment Advisory Board that was established by the ACA and intended to reduce the rate of growth in Medicare spending by extending sequestration cuts to Medicare payments through fiscal year 2027. While certain provisions of the BBA may increase the scope of benefits available for certain chronically ill federal health care program beneficiaries beginning in 2020, the ultimate impact of such changes cannot be predicted. While specific changes and their timing are not yet apparent, the enacted reforms as well as future legislative, regulatory, judicial or executive changes could have a material adverse effect on our business, results of operations, financial condition and cash flows, including lowering our reimbursement rates and increasing our expenses.

One provision of the ACA required CMS to establish a Medicare Shared Savings Program (MSSP) that promotes accountability and coordination of care through the creation of ACOs. The program allows certain providers and suppliers (including hospitals, physicians and other designated professionals) to voluntarily form ACOs and work together along with other ACO participants to invest in infrastructure and redesign delivery processes to achieve high quality and efficient delivery of services. In 2017, HCP ACO California, LLC (formerly DaVita Medical ACO California, LLC) doing business as HealthCare Partners ACO participated in its first year of the CMS Innovation Center's Next Generation ACO model and achieved \$11.8 million in savings. HealthCare Partners ACO will continue to participate in the Next Generation program for both 2018 and 2019. Results for 2018 participation will be available in 2019. In December 2018, CMS issued a final rule for the MSSP, which among other things, requires ACOs to accept a two-sided risk model (as opposed to a one-sided model), wherein ACOs need to share in the financial risk of their patients' healthcare spending (i.e., shared losses) in addition to shared savings. This rule could negatively impact the revenue and profitability of DMG's MSSP ACO.

#### ***Payor environment***

##### ***Government programs***

DMG derives a significant portion of its revenues from services rendered to beneficiaries of Medicare (including Medicare Advantage), Medicaid, and other governmental healthcare programs.

*Medicare.* The Medicare program was established in 1965 and became effective in 1967 as a federally funded U.S. health insurance program for persons aged 65 and older, and it was later expanded to include individuals with ESRD and certain disabled persons, regardless of income or age. Since its formation, Medicare has grown to an approximately \$706 billion program in 2017, covering approximately 60 million Americans and, based on the growing number of eligible beneficiaries and increases in the cost of healthcare, CBO projects that net Medicare spending will increase from \$585 billion in 2018 to \$1.2 trillion in 2028.

Initially, Medicare was offered only on a FFS basis. Under the Medicare FFS payment system, an individual can choose any licensed physician enrolled in Medicare and use the services of any hospital, healthcare provider or facility certified by Medicare. CMS reimburses providers for covered services if CMS considers them medically necessary.

FFS Medicare pays for physician services according to a physician fee schedule (PFS) set each year by CMS in accordance with formulas mandated by Congress. Historically, CMS annually adjusted the Medicare Physician Fee Schedule (Medicare PFS) payment rates based on an updated formula that included application of the Sustainable Growth Rate (SGR). On April 16, 2015, President Obama signed and enacted into law H.R. 2, the Medicare Access and CHIP Reauthorization Act of 2015, which, among other things, repealed the SGR and instituted a 0% update to the single conversion factor under the Medicare PFS from January 1 through June 30, 2015, a 0.5% update for July 2015 through the end of 2019, and a 0% update for 2020 through 2025. For 2026 and subsequent years, the update will be either 0.75% or 0.25%, depending on the Alternate Payment Model (APM) in which the physician participates. On October 14, 2016, CMS released a final rule implementing,

among other changes, the Advanced APM incentive applicable to the physician fee schedule, under which physicians may receive bonus payments for participating in an Advanced APM. Among other things, the final rule identifies the criteria an APM must satisfy to be considered an Advanced APM, which could include some MSSP ACOs or providers participating in the CEC Model. Whether DMG's subsidiary ACO or dialysis providers participating in CEC are considered to be Advanced APMs could potentially affect physicians' willingness to participate in such entities, which may indirectly impact the operations of DMG's subsidiary ACO or its providers participating in the CEC Model. In addition, under the final rule, DMG's subsidiary ACO may also be required to submit certain quality data to CMS on behalf of its Merit-Based Incentive Payment System (MIPS) eligible clinicians, which could result in an increase in operational costs. Given that the payment updates for APMs have yet to take effect, we cannot determine the impact of such payment models on our business at this time.

In addition, in recent years, Congress has enacted various laws seeking to reduce the federal debt level and contain healthcare expenditures. For example, the BCA called for the establishment of a Joint Select Committee (the Committee) on Deficit Reduction, tasked with reducing the federal debt level. However, because the Committee did not draft a proposal by the BCA's deadline, President Obama issued an initial sequestration order that imposed automatic spending cuts on various federal programs. In particular, a 2% reduction to Medicare payments took effect on April 1, 2013, which was subsequently extended through 2027.

The instability of the federal budget may lead to legislation that could result in further cuts in Medicare and Medicaid payments to providers. In recent years, the government has enacted a patchwork of appropriations legislation to temporarily suspend the debt ceiling and continue government operations. Although the BBA passed in February 2018 enacted a two-year federal spending agreement and raised the federal spending cap on non-defense spending for fiscal years 2018 and 2019, the Medicare program is frequently mentioned as a target for spending cuts. Spending cuts to the Medicare program could adversely affect our business, results of operations, financial condition and cash flows.

*Medicare Advantage.* Medicare Advantage is a Medicare health plan program developed and administered by CMS as an alternative to the original FFS Medicare program. Under the Medicare Advantage program, Medicare beneficiaries may choose to receive benefits under a managed care health plan that provides benefits at least comparable to those offered under the original Medicare FFS payment system in exchange for which the health plan receives a monthly per patient premium payment from CMS. The Medicare Advantage monthly premium varies based on the county in which the member resides, and is adjusted to reflect the demographics and estimated risk profile of the members that enroll. Once a person is authorized by CMS to participate in Medicare Advantage, health plans compete for enrollment based on benefit design differences such as copayments or deductibles, availability of preventive care, attractiveness of and access to a network of hospitals, physicians and ancillary providers and enrollee premium contribution or, most often in Medicare Advantage plans, the absence of any monthly premium. In certain parts of the country, many health plans that provide Medicare Advantage benefits subcontract with integrated medical networks such as DMG to transfer the responsibility for managing patient care.

In 2004, CMS adopted a risk adjustment payment system for Medicare Advantage health plans in which the participating health plans' premiums are adjusted based on the actual illness burden of the members that enroll. The model bases a portion of the total CMS reimbursement payments on various clinical and demographic factors, including hospital inpatient diagnoses, additional diagnosis data from ambulatory treatment settings, hospital outpatient department and physician visits, gender, age and Medicaid eligibility. CMS requires that all managed care companies capture, collect and submit the necessary diagnosis code information to CMS twice a year for reconciliation with CMS's internal database. Medical providers, such as DMG, provide this diagnosis code information to health plan customers for submission to CMS. Under this system, the risk-adjusted portion of the total CMS payment to the Medicare Advantage plans will equal the local rate set forth in the traditional demographic rate book, adjusted to reflect the plan members' gender, age and morbidity.

Most Medicare beneficiaries have the option to enroll in private health insurance plans that contract with Medicare under the Medicare Advantage program. According to the Kaiser Family Foundation, the share of Medicare beneficiaries in such plans has risen rapidly in recent years; it reached approximately 34% in 2018 from approximately 13% in 2004. Plan costs for the standard benefit package can be significantly lower or higher than the corresponding cost for beneficiaries in the traditional Medicare FFS payment program. Prior to the ACA, private plans were generally paid a higher average amount, and they used the additional payments to reduce enrollee cost-sharing requirements, provide extra benefits, and/or reduce Medicare premiums. These enhancements were valuable to enrollees, but also resulted in higher Medicare costs overall and higher premiums for all Medicare Part B beneficiaries and not just those enrolled in Medicare Advantage plans. The ACA requires that future payments to plans be based on benchmarks in a range of 95% to 115% of local FFS Medicare costs, with bonus amounts payable to plans meeting high quality-of-care standards. In addition, health plans offering Medicare Advantage are required to spend at least 85% of their premium dollars on medical care, the so-called medical loss ratio (MLR). Since DMG is not a health plan, except for DaVita Health Plan of California, Inc. (DHPC), it is not subject to the 85% MLR requirement. See "DaVita Medical Group Division (DMG)—Knox-Keene" below. However, payments that health plans make to DMG will apply in full

towards the health plans' 85% MLR requirement. If a health plan does not meet the 85% MLR requirement, it must provide a rebate to its customers. Any such shortfalls would not impact amounts paid by health plans to DMG.

*Medicaid.* Medicaid is a federal entitlement program administered by the states that provides healthcare and long-term care services and support to low-income Americans. Medicaid is funded jointly by the states and the federal government. The federal government guarantees matching funds to states for qualifying Medicaid expenditures based on each state's federal medical assistance percentage, which is calculated annually and varies inversely with average personal income in the state. Subject to federal rules, each state establishes its own eligibility standards, benefit packages, payment rates and program administration within broad federal statutory and regulatory guidelines. Every state Medicaid program must balance a number of potentially competing demands, including the need for quality care, adequate provider access, and cost-effectiveness. In an effort to improve quality and provide more uniform and cost-effective care, many states have implemented Medicaid managed care programs to improve access to coordinated healthcare services, including preventative care, and to control healthcare costs. Under Medicaid managed care programs, a health plan receives capitation payments from the state. The health plan, in turn, arranges for the provision of healthcare services by contracting with a network of medical providers, such as DMG. DMG has entered into capitation agreements with health plans to manage approximately 90,800 Medicaid managed care members in its southern California market.

#### ***Commercial payors***

According to the 2018 Annual Survey conducted by the Kaiser Family Foundation, approximately 152 million nonelderly people in the U.S. received their health insurance through their employers, which contracted with health plans to administer these healthcare benefits. Patients enrolled in health plans offered through an employment setting are generally referred to as commercial members. According to the survey, the percentage of workers covered was 53% in 2018 and 55% in 2017. Under the ACA, many uninsured individuals and many individuals who receive their health insurance benefits through small employers may purchase their healthcare benefits through insurance exchanges in which health plans compete directly for individual or small group members' enrollment. DMG derives a significant amount of its enrollment from commercial members; however, these members represent a disproportionately small share of DMG's operating profits.

Whether in the Medicare Advantage, commercial or Medicaid market, managed care health plans seek to provide a coordinated and efficient approach to managing the healthcare needs of their enrolled populations. By negotiating with providers, such as pharmacies, hospitals and physicians, and implementing various quality programs, managed care companies attempt to enhance their profitability by limiting their medical costs. These health plans have shown success in mitigating certain components of medical cost, but we believe the plans are limited by their indirect relationship with physicians, who in the aggregate direct most of their patients' healthcare costs. We believe that physician-led and professionally-managed integrated medical networks such as DMG's have a greater opportunity to influence cost and improve quality due to the close coordination of care at the most effective point of contact with the patient—the primary care physician.

#### ***Capitation and FFS revenue***

There are a number of different models under which an integrated medical network receives payment for managing and providing healthcare services to its members.

*Fee-for-service structure.* Under traditional FFS reimbursement, physicians are paid a specified amount for each service or procedure that they provide during a patient visit. Under this structure, physician compensation is based on the volume of patient visits and procedures performed, thus offering limited financial incentive to focus on cost containment and preventative care. FFS revenues are derived primarily from DMG's physician services.

*Capitation structure.* Under capitation, payors pay a fixed amount per enrolled member, thereby subcontracting a significant portion of the responsibility and risks for managing patient care to physicians. Global capitation represents a prospective budget from which the provider network then manages care-related expenses including payments to associated providers outside the group, such as hospitals and specialists. Compared to traditional FFS models, we believe that capitation arrangements better align provider incentives with both quality and efficiency of care. We believe that this approach improves the quality of the experience for patients and the potential profitability for efficient care providers.

Since premiums paid represent a significant amount per person, the revenue and, when costs are effectively managed, profit opportunity available to an integrated medical network under a capitated arrangement can be significant. This is particularly the case for senior members and members with multiple diseases. We believe that the advantages, savings and efficiencies made possible by the capitated model are most pronounced when the care demands of the population are the most severe and require the most coordination, such as for the senior population or patients with chronic, complex and follow-on diseases. While organized coordination of care is central to the capitated model, it is also well suited to the implementation of

preventative care and disease management over the long-term since physicians have a financial incentive to improve the overall health of their patient population.

The inherent risk in assumption of global care risk relates to potential losses if a number of individual patients' medical costs exceed the expected amount. This risk is especially significant to individual practitioners or smaller physician groups who lack the scale required to spread the risk over a broad population. DMG has the scale, comprehensive medical delivery resources, significant infrastructure to support practicing physicians, and demonstrated care management knowledge to spread the risk of losses over a large patient population.

**Global model.** In Florida, DMG may contract directly with health plans under global capitation arrangements that include hospital services, because state law permits DMG to assume financial responsibility for both professional and institutional services. In New Mexico, DMG has assumed financial responsibility for professional services only.

In Nevada, DMG enters into global capitation arrangements to assume financial responsibility for both professional and institutional services. However, the Nevada Division of Insurance (NDI) has not opined on whether it is appropriate for an entity like DMG to enter into global capitation arrangements and assume financial responsibility for the provision of both professional and institutional services to either Medicare Advantage enrollees or enrollees of commercial health plans. In order to avoid an adverse finding by the NDI with respect to DMG's global capitation arrangements in Nevada, DMG applied for an insurance license from the NDI and obtained the license in 2015. DMG is currently evaluating its ability to assign any of its existing contracts to the NDI license holder. Because of the current global capitation to DMG, and DMG's assumption of nearly the entire professional and institutional risk in Nevada and Florida, DMG's health plan customers function primarily to support DMG in undertaking marketing and sales efforts to enroll members and processing claims in these states.

In California, entities that maintain full or restricted licenses under the California Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene) are permitted to assume financial responsibility for both professional and institutional services. As described below, in December 2013, DMG obtained a restricted Knox-Keene license and therefore may enter into global capitation arrangements with health plans through which DMG will assume financial responsibility for both professional and institutional services.

**Risk-sharing model.** In California, DMG currently utilizes a capitation model in several different forms. While there are variations specific to each arrangement, HealthCare Partners Affiliates Medical Group and HealthCare Partners Associates Medical Group, P.C. (collectively AMG), which are medical groups that have entered into management services agreements with DMG, have historically contracted with health plans to receive a PMPM or percentage of premium (POP) capitation payment for professional (such as physician) services and assumed the financial responsibility for professional services. In some cases, the health plans separately enter into capitation contracts with third parties (typically hospitals) who directly receive a capitation payment and assume contractual financial responsibility for institutional (such as hospital) services. In the case of institutional services and as a result of its managed care-related administrative services agreements with hospitals, AMG has recognized a percentage of the surplus of institutional revenues less institutional expense as AMG net revenues and has also been responsible for some percentage of any short-fall in the event that institutional expenses exceed institutional revenues. We refer to these arrangements as "dual risk arrangements." In other cases, the health plan does not pay a capitation payment to the hospital, but rather administers and pays fee-for-service claims for hospital expenses. We refer to these arrangements as "shared risk arrangements." In both cases, AMG has been responsible under its health plan agreements for managing the care dollars associated with both the professional and institutional services provided for in the AMG capitation payment. In total, approximately 29% of DMG's total membership was covered under dual risk arrangements as of December 31, 2018.

In connection with DMG's obtaining a restricted Knox-Keene license in California, substantially all of the California health plan contracts, along with the revenues received under such contracts, have been assigned from AMG to DHPC. In addition, DMG now has the legal authority to transition these health plan contracts to global capitation or "global risk" arrangements in which DMG is responsible for arranging professional and institutional services in exchange for capitation payments directly from the health plan. DMG evaluates its various payor arrangements on an ongoing basis, and based on this evaluation, may work with the California Department of Managed Health Care and certain selected health plans to convert to global risk arrangements. DMG converted two contracts to global risk in 2017 and one additional contract to global risk effective January 2019. In total, approximately 21% of DMG's total membership was covered under global risk arrangements as of December 31, 2018 and approximately 28% of its total membership is now covered under global risk arrangements as of January 2019.

### ***Government regulation***

In addition to the laws and regulations to which our U.S. dialysis and related lab services business are subject to, the internal operations of DMG and its contractual relationships with healthcare providers such as hospitals, other healthcare facilities, and healthcare professionals are subject to extensive and increasing regulation by numerous federal, state, and local government entities. These laws and regulations often are interpreted broadly and enforced aggressively by multiple government agencies, including the OIG, the DOJ, and various state authorities. Many of these laws and regulations are the same as those that impact our U.S. dialysis and related lab services business. For example:

- DMG's financial relationships with healthcare providers including physicians and hospitals could subject DMG to criminal and civil sanctions and penalties under the federal Anti-Kickback Statute;
- The referral of Medicare patients by DMG-associated physicians for the provision of DHS may subject the parties to sanctions and penalties under the Stark Law;
- DMG's financial relationships and those of its associated physicians may subject the parties to penalties and sanctions under state fraud and abuse laws;
- DMG's submission of claims to governmental payors such as the Medicare and Medicaid programs for services provided by its associated physicians and clinical personnel may subject DMG to sanction and penalties under the FCA; and
- DMG's handling of PHI may subject DMG to sanctions and penalties under HIPAA and its implementing privacy and security regulations, as amended by the HITECH Act, and state medical privacy laws which can include penalties and restrictions that are more severe than those which arise under HIPAA.

A finding that claims for services were not covered or not payable because services were not rendered or because claims otherwise were submitted in violation of the applicable healthcare laws and regulations, or the imposition of sanctions associated with a violation of any of these healthcare laws and regulations, could result in criminal and/or civil penalties and exclusion from participation in Medicare, Medicaid and other federal and state healthcare programs and could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows. We cannot guarantee that the arrangements or business practices of DMG will not be subject to government scrutiny or be found to violate certain healthcare laws. Government audits, investigations and prosecutions, even if we are ultimately found to be without fault, can be costly and disruptive to DMG's business. Moreover, changes in healthcare legislation or government regulation may restrict DMG's existing operations, limit their expansion or impose additional compliance requirements and costs, any of which could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

The following includes brief descriptions of some, but not all, of the laws and regulations that, in addition to those described in relation to our U.S. dialysis and related lab services business, affect DMG. DMG is also subject to the laws and regulations that apply to our U.S. dialysis and related lab services business. See "Kidney Care Division—Government regulation" above.

***Licensing, certification, accreditation and related laws and guidelines.*** DMG clinical personnel are subject to numerous federal, state and local laws and regulations, relating to, among other things, licensing, professional credentialing and professional ethics. Since DMG clinical personnel perform services in medical office settings, hospitals and other types of healthcare facilities, DMG may indirectly be subject to laws applicable to those entities as well as ethical guidelines and operating standards of professional trade associations and private accreditation commissions, such as the American Medical Association and the Joint Commission. There are penalties for non-compliance with these laws, including discipline or loss of professional license, civil and/or criminal fines and penalties, loss of hospital admitting privileges, federal healthcare program disenrollment, loss of billing privileges, and exclusion from participation in various governmental and other third-party healthcare programs.

***Professional licensing requirements.*** DMG's clinical personnel, including physicians, must satisfy and maintain their professional licensing in the states where they practice medicine. Activities that qualify as professional misconduct under state law may subject them to sanctions, including the loss of their licenses, and could subject DMG to sanctions as well. Many state boards of medicine impose reciprocal discipline, that is, if a physician is disciplined for having committed professional misconduct in one state where he or she is licensed, another state where he or she is also licensed may impose the same discipline even though the conduct did not occur in that state. Therefore, if a DMG-associated physician is licensed in multiple states, sanctions or loss of licensure in one state may result in sanction or the loss of licensure in other states. Professional

licensing sanctions may also result in exclusion from participation in governmental healthcare programs, such as Medicare and Medicaid, as well as other third-party programs.

***Corporate practice of medicine and fee splitting.*** California, Colorado, Nevada, and Washington are states in which DMG operates that have laws that prohibit business entities, such as our Company and our subsidiaries, from practicing medicine, employing physicians to practice medicine or exercising control over medical decisions by physicians (known collectively as the corporate practice of medicine). These states also prohibit entities from engaging in certain financial arrangements, such as fee-splitting, with physicians. In some states these prohibitions are expressly stated in a statute or regulation, while in other states the prohibition is a matter of judicial or regulatory interpretation.

Violations of the corporate practice of medicine vary by state and may result in physicians being subject to disciplinary action, as well as to forfeiture of revenues from payors for services rendered. For lay entities, violations may also bring both civil and, in more extreme cases, criminal liability for engaging in medical practice without a license.

In California, a violation of the corporate practice of medicine prohibition constitutes the unlawful practice of medicine, which is a public offense punishable by fines and other criminal penalties. In addition, any person who conspires with or aids and abets another in the unlawful practice of medicine is similarly guilty of a public offense and may be subject to comparable fines and criminal penalties. In Nevada, engaging in the corporate practice of medicine where not provided by a specific statute may also constitute the unlawful practice of medicine. This violation is a felony punishable by fines and other civil and criminal penalties. Physicians in Nevada can similarly be punished for aiding or assisting in the unlicensed practice of medicine.

In Colorado, any physician found to have abetted or assisted or conspired to engage in unprofessional conduct with respect to the practice of medicine is subject to disciplinary action, including the loss of licensure. Corporate entities or lay persons who are found to have engaged in the unauthorized practice of medicine may be subject to injunctive action and other criminal penalties. In Washington, the Secretary of Health is responsible for investigating complaints concerning the unlicensed practice of medicine and violations may be subject to a cease and desist order, civil fines, injunctive action, and other criminal penalties.

In our markets where the corporate practice of medicine is prohibited, DMG has historically operated by maintaining long-term management contracts with multiple associated professional organizations which, in turn, employ or contract with physicians to provide those professional medical services required by the enrollees of the payors with which the professional organizations contract. Under these management agreements, DMG performs only non-medical administrative services, does not represent that it offers medical services, and does not exercise influence or control over the practice of medicine by the physicians or the associated physician groups with which it contracts. For example, in California, DMG has full-service management contracts with AMG. The AMG entities are owned by California-licensed physicians and professional medical corporations and contract with physicians to provide professional medical services. In Nevada and Washington, DMG's Nevada and Washington subsidiaries have similar management agreements with Nevada and Washington professional corporations, as applicable, that employ and contract with physicians to provide professional medical services. In Colorado, the physician groups contract through a provider network to include a pharmacy and ambulatory surgery center.

Some of the relevant laws, regulations, and agency interpretations in states with corporate practice of medicine restrictions have been subject to limited judicial and regulatory interpretation. Moreover, state laws are subject to change. Regulatory authorities and other parties, including DMG's associated physicians, may assert that, despite the management agreements and other arrangements through which DMG operates, we are engaged in the prohibited corporate practice of medicine or that DMG's arrangements constitute unlawful fee-splitting. If this were to occur, we could be subject to civil and/or criminal penalties, DMG's agreements could be found legally invalid and unenforceable (in whole or in part), or we could be required to restructure DMG's contractual arrangements.

If we were required to restructure DMG's operating structures in our markets due to determination that a corporate practice of medicine violation existed, such a restructuring might include revisions of the California, Colorado, Nevada or Washington management services agreements, which might include a modification of the management fee, and/or establishing an alternative structure. For example, our subsidiaries in those states might have to obtain the equivalent of a California Knox-Keene license in such state in order to comply with the corporate practice of medicine rules while contracting directly with payors and, in turn, physicians, to provide physician services to the payors' enrollees. In California, DMG's restricted Knox-Keene license has created potential flexibility for DMG in the event regulatory authorities seek to enforce corporate practice of medicine or fee splitting laws based upon current management services relationships with AMG. DMG's restricted Knox-Keene license allows DHPC to contract with or employ physicians as a result of an exemption from California's corporate practice of medicine laws applicable to Knox-Keene licensees.

**Knox-Keene.** The California Department of Managed Health Care (DMHC) licenses and regulates Health Care Service Plans (HCSPs) pursuant to Knox-Keene, as amended. In addition to regulating Knox-Keene's various patient's rights protections for HCSP-enrolled individuals, the DMHC is responsible for ensuring the financial sustainability over time of licensed HCSPs and other regulated entities. As such, the DMHC is charged with continually monitoring the financial health of regulated entities. The DMHC's Division of Financial Oversight monitors and evaluates the financial viability of health plans to ensure continued access to health care services. Financial examination reviews include examinations of financial statements and financial arrangements, both by routine and non-routine examinations. The examination also ensures that there is adequate tangible net equity (TNE), as determined according to calculations included in Knox-Keene. The TNE regulations for organizations holding a Knox-Keene license, like DHPC, vary depending on circumstances, but generally require any licensee to have on hand in cash or cash equivalents a minimum of the greater of (i) \$1 million, (ii) the sum of 2% of the first \$150 million of annualized premium revenues plus 1% of annualized premium revenues in excess of \$150 million, or (iii) the sum of 8% of the first \$150 million of annualized healthcare expenditures (except those paid on a capitated basis or managed hospital payment basis) plus 4% of the annualized healthcare expenditures (except those paid on a capitated basis or managed hospital payment basis) which are in excess of \$150 million; plus 4% of annualized hospital expenditures paid on a managed hospital payment basis. In its sole discretion, the DMHC may require, as a condition to obtaining or maintaining an HCSP license, that a licensee accept certain contractual undertakings such that the licensee is obligated to maintain TNE in amounts greater than the minimum amount described above. Additionally, a licensed HCSP is subject to additional DMHC reporting requirements and financial oversight if the HCSP fails to maintain at least 130% of its required minimum TNE. During the 2016 financial examination, DHPC was required to provide evidence of exclusive fidelity bond coverage in the amount of at least \$2 million, with a deductible amount not in excess of \$100,000 with a requirement to notify the Director of DMHC 30 days prior to cancellation.

The DMHC interprets Knox-Keene HCSP licensing requirements to apply to both full-service HCSPs and downstream restricted HCSP contracting entities, including provider groups that enter into global risk contracts with licensed HCSPs. A global risk contract is a healthcare services contract in which a downstream contracting entity agrees to provide both professional (physician) services and institutional (hospital) services subject to an at-risk or capitated reimbursement methodology. According to the DMHC, entities that accept global risk must obtain a restricted Knox-Keene license. Under a restricted Knox-Keene license, entities may enter into global risk contracts with other licensed HCSPs. Holders of restricted Knox-Keene licenses must comply with the same financial requirements as HCSPs with full licenses, including demonstrating specific levels of TNE, but are not required to meet Knox-Keene requirements for functions they are not delegated such as marketing. The consequences of operating without a license include civil penalties, criminal penalties and the issuance of cease and desist orders.

DHPC holds a restricted Knox-Keene license, which allows DHPC to contract directly with full service HCSPs to simplify DMG's historic contractual and financial structure and to facilitate expansion into new markets in California. However, this also subjects DMG and DHPC to additional regulatory obligations, including (i) regulatory oversight of operations, (ii) the need to seek approval for all material business changes, (iii) significant requirements to maintain certain TNE levels, and (iv) other operating limitations imposed by Knox-Keene and its regulations. Under its restricted Knox-Keene license, DHPC is prohibited from declaring or paying any dividends or making any distribution of cash or property to its parent, affiliates, or shareholders, if such a distribution would cause it to fail to maintain the minimum applicable TNE, have insufficient working capital or cash flow as required by DMHC regulation or otherwise be unable to provide or arrange healthcare services. In addition, DHPC is subject to DMHC oversight and must seek approval before incurring any debt or guaranteeing any debt relating to its parent, affiliates, or shareholders. DHPC must also submit proposed global capitation contracts to the DMHC for approval.

#### ***DMG services***

Approximately 84% of DMG's operating revenues for the year ended December 31, 2018 were derived from capitation contracts with health plans. Under these contracts, DMG's health plan customers delegate full responsibility for member care to physicians and healthcare facilities that are part of DMG's provider network. In return, DMG receives a PMPM fee for each DMG member. As a result, DMG has financial and clinical accountability for a population of members. In California, DMG does not assume direct financial risk for institutional (hospital) services in some cases, but is responsible for managing the care dollars associated with both the professional (physician) and institutional services being provided for the PMPM fee attributable to both professional and institutional services. In those cases and as a result of its managed care-related administrative services agreements with hospitals, DMG recognizes the surplus of institutional revenues less institutional expense as DMG net revenues and is also responsible for any short-fall in the event that institutional expenses exceed institutional revenues.

DMG provides comprehensive and quality medical care through a network of participating physicians and other healthcare professionals. Through its group model, DMG employs, directly (where permitted by state law) and through its associated physician groups, approximately 750 primary care physicians. Through its IPA model, DMG contracts with a network of approximately 3,200 associated groups and other network primary care physicians who provide care for DMG's members in an independent office setting. These physicians are complemented by several thousand network specialists and approximately 185 network hospitals that provide specialty or institutional care to the patients of DMG's associated physicians, physician groups and IPAs.

In order to comply with local regulations prohibiting the corporate practice of medicine, many of DMG's group physicians are employed by associated medical groups with which DMG has entered into long-term management agreements. The largest of these DMG managed medical groups is AMG, which employs, directly or indirectly, approximately 750 primary care physicians, specialists and hospitalists. See "Government Regulation—Corporate practice of medicine and fee splitting" above.

DMG does not own hospitals, although hospitals are an essential part of its provider network. In most cases, DMG contracts or otherwise aligns with hospitals to manage the utilization, readmission and cost of hospital services. Most DMG patients receive specialty care through DMG's network based on referrals made by their primary care physician. These specialists may be reimbursed based on capitation, case rates or on a discounted FFS rate.

DMG group physicians typically see 18 to 22 patients per day, which we believe is an appropriate benchmark to ensure there is sufficient time to understand all of the patients' clinical needs. DMG care teams, including nurses, engage in outreach to patients in order to help monitor fragile and high risk patients, and help improve adherence to physicians' care plans. During these visits, DMG's physicians, nurses and educators use the time to educate patients and manage their healthcare needs. The goal of this preventative care delivery model is to keep patients healthy. Education improves self-management and compliance which allows the patient to recognize early signs of their disease and seek appropriate care. We believe this translates into earlier intervention, which in turn leads to fewer emergency room visits, fewer hospital admissions and fewer hospital bed days (the most expensive location for healthcare). This clinical model seeks to provide early diagnosis of disease or deterioration in a chronic and complex condition and provide preventive care to maintain optimal health and avert unnecessary hospitalization. Clinic-based case managers and hospitalists coordinate with the primary care physicians to ensure that patients are receiving proper care whether they are in the clinic, in the hospital or are not regularly accessing healthcare. Physicians and case managers encourage patients to regularly visit the clinics in order to enhance their day-to-day health and diagnose any illness or deterioration in condition as early as possible.

DMG's information technology system, including DMG's electronic health record and data warehouse, is designed to support the DMG delivery model with data-driven opportunities to improve the quality and cost effectiveness of the care received by its members. Using informatics technology, DMG has created disease registries that track large numbers of patients with defined medical conditions. DMG applies the data from these registries to manage the care for patients with similar medical conditions which we believe leads to a better medical outcome. We believe this approach to using data is effective because the information is communicated by the patient's physician rather than the health plan or disease management companies.

DMG employs a wide variety of other information applications to service IPA and network providers using web connectivity. The HCP Connect! on-line portal provides web-based eligibility, referrals, electronic claims submission and explanation of benefits, and other communication vehicles for individual physician offices. The success of this suite of applications has enhanced DMG's ability to manage its IPA networks, and has resulted in significant back-office efficiencies for DMG and its associated physician groups. DMG has further expanded its ability to share key utilization and clinical data with its internal and contracted physicians and specialists through the Physician Information Portal and the Clinical Viewer. Through these secure web portals, a physician is able to obtain web-based, point of care information regarding a patient, including diagnosis history, quality indicators, historical risk-adjustment coding information, pharmacy medication history, and other key information. In addition to its web-portals geared towards physicians, DMG has recently introduced a patient on-line portal to enable DMG's patients to securely view their own clinical information, schedule physician appointments and interact electronically with their physicians. DMG believes these tools help lead to high quality clinical outcomes, create internal efficiencies, and enhance the satisfaction of its associated physicians and patients.

In addition, DMG uses its data to carefully track high utilizing patients through robust data warehousing and data mining technologies. DMG filters the data warehouse to identify and reach out to patients with high-utilization patterns who are inefficiently using resources, such as visiting an emergency room when either a same-day appointment or urgent care center would be more appropriate and satisfactory for the member. High utilizing patients are identified and tracked as part of DMG's electronic health record by their physician and DMG's care management staff. Specific care plans are attached to each of these patients and tracked carefully for full compliance. The objective is to proactively manage their care at times when these patients



are either not compliant with the care plan or when changing circumstances require care managers to develop new and more suitable care plans. By using these resources, DMG has achieved improvements in quality of care, satisfaction and cost.

We believe DMG is well positioned to effectively leverage marketplace demands for greater provider accountability, measurable quality results and cost efficient medical care. We believe that DMG's business model is likely to continue to be an attractive alternative for health plans looking for high quality, cost effective delivery networks, physicians seeking an attractive practice environment and patients interested in a highly integrated approach to managing their medical care. Additionally, we believe that the scale of DMG's business allows it to spread capitation risk over a large population of members, invest in comprehensive analytic and healthcare information tools as well as clinical and quality measurement infrastructure, and recognize administrative and operating efficiencies. For these reasons, we believe that DMG offers patients, physicians and health plans a proven platform for addressing many of the most pressing challenges facing the U.S. healthcare system, including rising medical costs.

We also believe DMG has the ability to demonstrably improve medical outcomes and patient satisfaction while effectively managing costs through the following unique competitive strategies and internal progress and systems:

- DMG's clinical leadership and associated group and network physicians devote significant efforts to ensure that DMG's members receive the most appropriate care in the most appropriate manner.
- DMG is committed to maximizing its patients' satisfaction levels.
- DMG has the scale which, combined with its strong reputation and high quality patient care, makes it an attractive partner for health plans, compared to smaller provider groups that may have a higher risk of default and may not have the same resources to devote and develop the same level of patient care.
- DMG has over two decades of experience in managing complex disease cases for its population of patients. As a result, DMG has developed a rich dataset of patient care experiences and outcomes which permits DMG to proactively monitor and intervene in improving the care of its members.
- DMG's senior management team possesses substantial experience with the healthcare industry with average experience of approximately 21 years, as of December 31, 2018.

#### *Locations of DMG clinics*

As of December 31, 2018, DMG managed a total of 277 medical clinics, of which 72 clinics were located in California, 25 clinics were located in Colorado, 86 clinics were located in Florida, 56 clinics were located in Nevada, 13 clinics were located in New Mexico, and 25 clinics were located in Washington.

#### **Competition**

##### *U.S. and International dialysis competition*

The U.S. dialysis industry has some consolidation but still remains highly competitive, particularly in terms of acquiring existing outpatient dialysis centers. We continue to face a high degree of competition in the U.S. dialysis industry from large and medium-sized providers, among others, who compete directly with us for the acquisition of dialysis businesses, relationships with physicians to act as medical directors and skilled clinical personnel, as well as for individual patients. In addition, as we continue our international dialysis expansion into various international markets, we face competition from large and medium-sized providers, among others, for acquisition targets as well as physician relationships. Because of the ease of entry into the dialysis business and the ability of physicians to own dialysis centers and/or also be medical directors for their own centers, competition for growth in existing and expanding markets is not limited to large competitors with substantial financial resources. There have also been increasing indications of interest from non-traditional dialysis providers and others to enter the dialysis space and/or develop innovative technologies or business activities that could be disruptive to the industry. Acquisitions, developing new outpatient dialysis centers, patient retention and physician relationships are a critical component of our growth strategy and our business could be adversely affected if we are not able to continue to make dialysis acquisitions on reasonable and acceptable terms, continue to develop new outpatient dialysis centers, maintain or establish new relationships with physicians or if we experience significant patient attrition to our competitors. Competition for qualified physicians to act as medical directors and for inpatient dialysis services agreements with hospitals is also intense. Occasionally, we have also experienced competition from former medical directors or referring physicians who have opened their own outpatient dialysis centers. We also experience competitive pressures from other dialysis providers in connection with negotiating contracts with commercial healthcare payors and in recruiting and retaining qualified skilled clinical personnel.

Together with Fresenius Medical Care (FMC), we account for approximately 74% of outpatient dialysis patients in the U.S. with our Company serving approximately 37% of the total outpatient dialysis patients. Approximately 44% of the centers not owned by us or FMC 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 dialysis centers.

FMC also manufactures a full line of dialysis supplies and equipment in addition to owning and operating outpatient dialysis centers worldwide. This may give FMC cost advantages over us because of its ability to manufacture its own products or prevent us from accessing existing or new technology on a cost-effective basis. Additionally, FMC has been one of our largest suppliers of dialysis products and equipment over the last several years. In 2018, we entered into and subsequently extended an agreement with FMC to purchase a certain amount of dialysis equipment, parts and supplies from FMC through December 31, 2020. The amount of purchases in future years from FMC will depend upon a number of factors, including the operating requirements of our centers, the number of centers we acquire, and growth of our existing centers.

### ***DMG's competition***

DMG's business is highly competitive. DMG competes with managed care organizations, hospitals, medical groups and individual physicians in its markets. DMG competes with other primary care physician groups or physicians who contract with health plans for membership. Health plans contract with care providers on the basis of costs, reputation, scope, efficiency and stability. Individual members select a primary care physician at the time of membership with the health plan. Location, name recognition, quality indicators and other factors go into that decision. For example, in California, DMG's competitors include Permanente Medical Group, which is the exclusive provider for Kaiser, and Heritage Provider Network. However, DMG's principal competitors for members and health plan contracts vary considerably in type and identity by region.

### **Corporate compliance program**

Our businesses are subject to extensive federal, state and local government laws and regulations. Management has designed and implemented a corporate compliance program as part of our commitment to comply fully with applicable criminal, civil and administrative 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 appropriate. The primary purposes of the program include:

- Assessing and identifying risks for existing and new businesses;
- Training and educating our teammates and affiliated professionals to promote awareness of legal and regulatory requirements and the necessity of complying with all these laws;
- Developing and implementing compliance policies and procedures and creating controls to support compliance with these laws and our policies and procedures;
- Auditing and monitoring the activities of our operating units and business support functions on a regular basis to identify risks and potential instances of noncompliance in a timely manner; and
- Ensuring that we promptly take steps to resolve instances of noncompliance and address areas of weakness or potential noncompliance.

We have a code of conduct that each of our teammates, members of our Board of Directors, affiliated professionals and certain third parties must follow, and we have an anonymous compliance hotline for teammates and patients 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, our Chief Executive Officer of Kidney Care and the Chair of the Compliance Committee of our Board of Directors (Board Compliance Committee).

On October 22, 2014, DaVita entered into a Corporate Integrity Agreement (CIA) with HHS and the OIG. The CIA:

- requires that we maintain certain elements of our compliance programs;
- imposes certain expanded compliance-related requirements during the term of the CIA, including increased training for teammates, physician partners and members of our Board of Directors, implementing a series of procedures prior to entering into arrangements with referrals sources, execution of annual certifications by senior executives of compliance with federal healthcare laws and regulations, internal compliance policies and the CIA, imposition of an executive recoupment program and quarterly and annual reports to the OIG;

- requires the formal allocation of certain oversight responsibility to the Board Compliance Committee and a resolution from that committee that it has made reasonable inquiry into the operations of the compliance program, the creation of a Management Compliance Committee and the retention of an independent compliance advisor during years three through five of the CIA;
- contains certain business restrictions related to a subset of our joint venture arrangements, including our agreeing to not enter into certain types of partial divestiture joint venture transactions with nephrologists during the term of the CIA, among other restrictions; and
- requires that we engage an Independent Monitor who will provide additional oversight and reporting to the OIG for the term of the CIA.

The costs associated with compliance with the CIA are substantial. In addition, in the event of a breach of the CIA, we may become liable for payment of certain stipulated penalties, and/or be excluded from participation in federal healthcare programs. In April 2015, the OIG notified us that it considered us to be in breach of the CIA because of three implementation deficiencies. We remediated the deficiencies and paid certain stipulated penalties. If we fail to comply with our CIA or adhere to all of the complex governmental laws and regulations that apply to our business, we could suffer severe consequences, including substantial penalties and exclusion from participation in federal healthcare programs that could have a material adverse effect on our business, results of operations, financial condition and cash flows, reputation and stock price.

**Insurance**

We are predominantly self-insured with respect to professional and general liability and workers' compensation risks through wholly-owned captive insurance companies. We are also predominantly self-insured with respect to employee medical and other health benefits. We also maintain insurance, excess coverage, or reinsurance for property and general liability, professional liability, directors' and officers' liability, workers' compensation, cybersecurity and other coverage in amounts and on terms deemed adequate by management, based on our actual 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 are required to maintain coverage for their individual private medical practices. Our liability policies cover our medical directors for the performance of their duties as medical directors at our outpatient dialysis centers. DMG also maintains general and professional liability insurance through various independent and related parties. DMG has purchased its primary general and professional liability insurance from California Medical Group Insurance (CMGI) in which DMG owns a 67% equity interest.

**Teammates**

As of December 31, 2018, we employed approximately 77,700 teammates, including our international teammates:

• Licensed professional staff (physicians, nurses and other healthcare professionals)	26,500
• Other patient care and center support staff and laboratory personnel	29,200
• Corporate, billing and regional administrative staff	9,400
• DMG	12,600

Our businesses require skilled healthcare professionals with specialized training for treating patients with complex care needs. Recruitment and retention of nurses are continuing concerns for healthcare providers due to short supply. 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 1A. 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 those discussed below. The risks and uncertainties discussed below are not the only ones facing our business. In addition, please read the cautionary notice regarding forward-looking statements in Item 7 of Part II of this Annual Report on Form 10-K under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations."*

### **Risk factors related to our overall business:**

**If we fail to adhere to all of the complex government laws and regulations that apply to our business, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price.**

Our operations are subject to extensive federal, state and local government laws and regulations, such as Medicare and Medicaid reimbursement rules and regulations, federal and state anti-kickback laws, the Stark Law and analogous state self-referral prohibition statutes, the 21<sup>st</sup> Century Cures Act, Federal Acquisition Regulations, the False Claims Act (FCA) and associated regulations, the Civil Monetary Penalty statute and associated regulations, the Foreign Corrupt Practices Act (FCPA), and federal and state laws regarding the collection, use and disclosure of patient health information (e.g., Health Insurance Portability and Accountability Act of 1996 (HIPAA)) and the storage, handling, shipment, disposal and/or dispensing of pharmaceuticals and blood products and other biological materials and many other applicable state and federal laws and requirements. Medicare and Medicaid regulations, manual provisions, local coverage determinations, national coverage determinations and agency guidance impose complex and extensive requirements upon healthcare providers as well. Moreover, the various laws and regulations that apply to our operations are often subject to varying interpretations and additional laws and regulations potentially affecting providers continue to be promulgated that may impact us. A violation or departure from any of the legal requirements implicated by our business may result in, among other things, government audits, lower reimbursements, significant fines and penalties, the potential loss of certification, recoupment efforts or voluntary repayments. These legal requirements are civil, criminal and administrative in nature depending on the law or requirement.

We endeavor to comply with all legal requirements. We further endeavor to structure all of our relationships with physicians and providers to comply with state and federal anti-kickback physician and self-referral laws and other applicable healthcare laws. We utilize considerable resources to monitor laws and regulations and implement necessary changes. However, the laws and regulations in these areas are complex, changing and often subject to varying interpretations. As a result, there is no guarantee that we will be able to adhere to all of the laws and regulations that apply to our business, and any failure to do so could have a material adverse impact on our business, results of operations, financial condition, cash flows and reputation. For example, if an enforcement agency were to challenge the level of compensation that we pay our medical directors or the number of medical directors whom we engage, or otherwise challenge these arrangements, we could be required to change our practices, face criminal or civil penalties, pay substantial fines or otherwise experience a material adverse impact on our business, results of operations, financial condition, cash flows and reputation as a result. Similarly, we may face penalties under the FCA, the federal Civil Monetary Penalty statute or otherwise related to failure to report and return overpayments within 60 days of when the overpayment is identified and quantified. These obligations to report and return overpayments could subject our procedures for identifying and processing overpayments to greater scrutiny. We have made investments in resources to decrease the time it takes to identify, quantify and process overpayments, and may be required to make additional investments in the future.

Additionally, the federal government has used the FCA to prosecute a wide variety of alleged false claims and fraud allegedly perpetrated against Medicare, Medicaid and other federally funded health care programs. Moreover, amendments to the federal Anti-Kickback Statute in the 2010 Affordable Care Act (ACA) make claims tainted by anti-kickback violations potentially subject to liability under the FCA, including *qui tam* or whistleblower suits. The penalties for a violation of the FCA range from \$5,500 to \$11,000 (adjusted for inflation) for each false claim plus three times the amount of damages caused by each such claim which generally means the amount received directly or indirectly from the government. On January 29, 2018, the Department of Justice (DOJ) issued a final rule announcing adjustments to FCA penalties, under which the per claim penalty range increases to a range from \$11,181 to \$22,363 for penalties assessed after January 29, 2018, so long as the underlying conduct occurred after November 2, 2015. Given the high volume of claims processed by our various operating units, the potential is high for substantial penalties in connection with any alleged FCA violations.

In addition to the provisions of the FCA, which provide for civil enforcement, the federal government can use several criminal statutes to prosecute persons who are alleged to have submitted false or fraudulent claims for payment to the federal government.

Certain subpoenas and civil investigative demands received by us or our subsidiaries specifically reference that they are in connection with FCA investigations alleging, among other things, that we or our subsidiaries presented or caused to be presented false claims for payment to the government. See Note 17 to the consolidated financial statements included in this report for further details.

We are subject to a Corporate Integrity Agreement (CIA) which, for our domestic dialysis business, requires us to report probable violations of criminal, civil or administrative laws applicable to any federal health care program for which penalties or exclusions may be authorized under applicable healthcare laws and regulations. See "If we fail to comply with our Corporate Integrity Agreement, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs that could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation."

If any of our operations are found to violate these or other government laws or regulations, we could suffer severe consequences that would have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price, including:

- Suspension or termination of our participation in government payment programs;
- Refunds of amounts received in violation of law or applicable payment program requirements dating back to the applicable statute of limitation periods;
- Loss of required government certifications or exclusion from government payment programs;
- Loss of licenses required to operate healthcare facilities or administer pharmaceuticals in the states in which we operate;
- Reductions in payment rates or coverage for dialysis and ancillary services and pharmaceuticals;
- Criminal or civil liability, fines, damages or monetary penalties for violations of healthcare fraud and abuse laws, including the federal Anti-Kickback Statute, Civil Monetary Penalties Law, Stark Law and FCA, or other failures to meet regulatory requirements;
- Enforcement actions by governmental agencies and/or state law claims for monetary damages by patients who believe their protected health information (PHI) has been used, disclosed or not properly safeguarded in violation of federal or state patient privacy laws, including HIPAA and the Privacy Act of 1974;
- Mandated changes to our practices or procedures that significantly increase operating expenses;
- Imposition of and compliance with corporate integrity agreements that could subject us to ongoing audits and reporting requirements as well as increased scrutiny of our billing and business practices which could lead to potential fines, among other things;
- Termination of various relationships and/or contracts related to our business, including joint venture arrangements, medical director agreements, real estate leases and consulting agreements with physicians; and
- Harm to our reputation which could negatively impact our business relationships, affect our ability to attract and retain patients and physicians, affect our ability to obtain financing and decrease access to new business opportunities, among other things.

**We are, and may in the future be, a party to various lawsuits, demands, claims, *qui tam* suits, governmental investigations and audits (including investigations or other actions resulting from our obligation to self-report suspected violations of law) and other legal matters, any of which could result in, among other things, substantial financial penalties or awards against us, mandated refunds, substantial payments made by us, required changes to our business practices, exclusion from future participation in Medicare, Medicaid and other healthcare programs and possible criminal penalties, any of which could have a material adverse effect on our business, results of operations, financial condition, cash flows and materially harm our reputation.**

We are the subject of a number of investigations and audits by governmental agencies. In addition, we are, and may in the future be, subject to other investigations and audits by state or federal governmental agencies and/or private civil *qui tam* complaints filed by relators and other lawsuits, demands, claims and legal proceedings, including investigations or other actions resulting from our obligation to self-report suspected violations of law.

Responding to subpoenas, investigations and other lawsuits, claims and legal proceedings as well as defending ourselves in such matters will continue to require management's attention and cause us to incur significant legal expense. Negative findings or terms and conditions that we might agree to accept as part of a negotiated resolution of pending or future legal or regulatory matters could result in, among other things, substantial financial penalties or awards against us, substantial payments made by us, harm to our reputation, required changes to our business practices, exclusion from future participation in the Medicare, Medicaid and other healthcare programs and, in certain cases, criminal penalties, any of which could have a material adverse effect on us. It is possible that criminal proceedings may be initiated against us and/or individuals in our business in connection with investigations by the federal government. Other than as described in Note 17 to the consolidated financial statements included in this report, we cannot predict the ultimate outcomes of the various legal proceedings and regulatory matters to which we are or may be subject from time to time, including those described in the aforementioned sections of this report, or the timing of their resolution or the ultimate losses or impact of developments in those matters, which could have a material adverse effect on our business, results of operations, financial condition, cash flows and materially harm our reputation. See Note 17 to the consolidated financial statements included in this report for further details regarding these and other matters.

**Changes in federal and state healthcare legislation or regulations could have a material adverse effect on our business, results of operations, financial condition and cash flows.**

We cannot predict how employers, private payors or persons buying insurance might react to the changes brought on by federal and state healthcare reform, including the ACA and any subsequent legislation, regulation or guidance, or what form many of these regulations will take before implementation.

For example, the ACA introduced healthcare insurance exchanges, which provide a marketplace for eligible individuals and small employers to purchase healthcare insurance. The business and regulatory environment continues to evolve as the exchanges mature, and statutes and regulations are challenged, changed and enforced. If commercial payor participation in the exchanges continues to decrease, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. Although we cannot predict the short- or long-term effects of legislative or regulatory changes, we believe that future market changes could result in more restrictive commercial plans with lower reimbursement rates or higher deductibles and co-payments that patients may not be able to pay. To the extent that changes in statutes, regulations or related guidance or changes in other market conditions result in a reduction in reimbursement rates for our services from commercial and/or government payors, it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The ACA also added several new tax provisions that, among other things, impose various fees and excise taxes, and limit compensation deductions for health insurance providers and their affiliates. These rules could negatively impact our cash flow and tax liabilities. In addition, the ACA broadened the potential for penalties under the FCA for the knowing and improper retention of overpayments collected from government payors and reduced the timeline to file Medicare claims. Failure to timely identify, quantify and return overpayments may result in significant penalties, which could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation. Failure to file a claim within the one year window could result in payment denials, adversely affecting our business, results of operations, financial condition and cash flows.

New models of care emerge and evolve and other initiatives in the government or private sector may arise, and any failure on our part to adequately implement strategic initiatives to adjust to these marketplace developments could have a material adverse impact on our business. For example, the Centers for Medicare and Medicaid Services (CMS Innovation Center (Innovation Center) is currently working with various healthcare providers to develop, refine and implement Accountable Care Organizations (ACOs) and other innovative models of care for Medicare and Medicaid beneficiaries, including the Comprehensive ESRD Care Model (CEC Model) (which includes the development of end stage renal disease (ESRD) Seamless Care Organizations), the Duals Demonstration, and other models. We are currently participating in the CEC Model with the Innovation Center, including with organizations in Arizona, Florida, and adjacent markets in New Jersey and Pennsylvania. Our U.S. dialysis business may choose to participate in additional models either as a partner with other providers or independently. Even in areas where we are not directly participating in these or other Innovation Center models, some of our patients may be assigned to an ACO, another ESRD Care Model, or another program, in which case the quality and cost of care that we furnish will be included in an ACO's, another ESRD Care Model's, or other program's calculations. In addition to the aforementioned new models of care, federal bipartisan legislation in the form of the Dialysis Patient Access to Integrated-care, Empowerment, Nephrologists, Treatment and Services Demonstration Act of 2017 (PATIENTS Act) has been proposed. The PATIENTS Act builds on prior coordinated care models, such as the CEC Model, and would establish a demonstration program for the provision of integrated care to Medicare ESRD patients. We have made and continue to make investments in building our integrated care capabilities, but there can be no assurances that initiatives such as the PATIENTS Act or similar legislation

will be passed. If such legislation is passed, there can be no assurances that we will be able to successfully provide integrated care on the broader scale contemplated by this legislation, and our costs of care could exceed our associated reimbursement rates. In general, if we are unable to efficiently adjust to these and other new models of care, it may erode our patient base or reimbursement rates, which could have a material adverse impact on our business.

There is also a considerable amount of uncertainty as to the continued implementation of the ACA and what similar measures or other changes might be enacted at the federal and/or state level. There have been multiple attempts through legislative action and legal challenges to repeal or amend the ACA. In December 2017, the Tax Cuts and Jobs Act of 2017 was signed into law which, among other things, repealed the penalty under ACA's individual mandate, which had required individuals to pay a fee if they failed to obtain a qualifying health insurance plan. In December 2018, a federal district court in Texas ruled the individual mandate was unconstitutional and inseverable from the ACA. As a result, the court ruled the remaining provisions of the ACA were also invalid, though the court declined to issue a preliminary injunction with respect to the ACA. However, it remains unclear whether the court's ruling will be upheld by appellate courts. In addition, the 2016 Presidential and Congressional elections and subsequent developments in 2017 and 2018 have caused the future state of the exchanges and other ACA reforms to be unclear. However, legislative attempts to completely repeal the ACA have been unsuccessful to date. While there may be significant changes to the healthcare environment in the future, including as a result of potential changes to the political environment, the specific changes and their timing are not yet apparent. Previously enacted reforms and future changes could have a material adverse effect on our business, results of operations, financial condition and cash flows, including, for example, by limiting the scope of coverage or the number of patients who are able to obtain coverage through the exchanges and other health insurance programs, lowering or eliminating the cost-sharing reduction subsidies under the ACA, lowering our reimbursement rates, and/or increasing our expenses.

There have also been several state initiatives to limit payments to dialysis providers. For example, Proposition 8, a California statewide ballot initiative, was proposed by the Service Employees International Union - United Healthcare Workers West and sought to limit the amount of revenue dialysis providers can retain from caring for patients with commercial insurance by requiring rebates to insurers and taking into account only a portion of the costs incurred by dialysis providers. While Proposition 8 was not approved in the November 2018 election, we incurred substantial costs in our efforts to oppose Proposition 8. Ballot initiatives similar to Proposition 8 were also proposed in Ohio and Arizona; however, neither of these initiatives met the applicable requirements for inclusion on the state ballot for the November 2018 elections. Although Proposition 8 and the Ohio and Arizona initiatives did not pass, we expect that similar ballot initiatives or other legislation might be proposed in the future in these or other states.

There has also been potential rule making and/or legislative efforts concerning charitable premium assistance. In December 2016, CMS published an interim final rule that questioned the use of charitable premium assistance for ESRD patients and would have established new conditions for coverage standards for dialysis facilities. In January 2017, a federal district court in Texas issued a preliminary injunction on CMS' interim final rule and in June 2017, at the request of CMS, the court stayed the proceedings while CMS pursues new rulemaking options. CMS has not issued any new rulemaking related to charitable premium assistance yet, but that does not preclude CMS or another regulatory agency or legislative authority from issuing a new rule or guidance that challenges charitable premium assistance. In addition, during the third quarter of 2018, a bill (SB 1156) was passed by the California legislature that would have imposed restrictions and obligations related to the use by patients on commercial plans of charitable premium assistance in the state of California and would have limited the amounts paid to a provider for services provided to those patients, if that provider has a financial relationship with the organization providing charitable premium assistance. SB 1156 was subsequently vetoed by the Governor of California, and the California legislature did not subsequently vote to overturn the Governor's veto. However, we expect that similar legislative or other initiatives might be proposed in the future in these and other states. For example, in January 2019, a bill (AB 290) was introduced in the California legislature that is similar to SB 1156 and would, among other things, limit the amount of reimbursement paid to certain providers for services provided to patients with commercial insurance who receive charitable premium assistance. If passed and implemented, we expect that this bill would have an adverse impact on our business, results of operations, financial condition and cash flows.

Any law, rule or guidance proposed or issued by CMS or other federal or state regulatory or legislative authorities, including any initiatives similar to Proposition 8, SB 1156 or AB 290, described above, or other future ballot or other initiatives restricting or prohibiting the ability of patients with access to alternative coverage from selecting a marketplace plan on or off exchange, limiting the amount of revenue that a dialysis provider can retain for caring for patients with commercial insurance by, among other things, requiring rebates to insurers and taking into account only a portion of the costs incurred by dialysis providers, affecting payments made to providers for services provided to patients who receive charitable premium assistance and/or otherwise restricting or prohibiting the use of charitable premium assistance, could cause us to incur substantial costs to oppose any such proposed measures, impact our dialysis center development plans, and if passed and/or implemented, could adversely impact dialysis centers across the U.S. making certain centers economically unviable, lead to the closure of certain

centers, restrict the ability of dialysis patients to obtain and maintain optimal insurance coverage, and in some cases, have a material adverse effect on our business, results of operations, financial condition and cash flows.

**Privacy and information security laws are complex, and if we fail to comply with applicable laws, regulations and standards, including with respect to third-party service providers that utilize sensitive personal information on our behalf, or if we fail to properly maintain the integrity of our data, protect our proprietary rights to our systems or defend against cybersecurity attacks, we may be subject to government or private actions due to privacy and security breaches, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows or materially harm our reputation.**

We must comply with numerous federal and state laws and regulations in both the U.S. and the foreign jurisdictions in which we operate governing the collection, dissemination, access, use, security and privacy of PHI, including HIPAA and its implementing privacy, security, and related regulations, as amended by the federal Health Information Technology for Economic and Clinical Health Act (HITECH) and collectively referred to as HIPAA. We are also required to report known breaches of PHI consistent with applicable breach reporting requirements set forth in applicable laws and regulations. From time to time, we may be subject to both federal and state inquiries or audits related to HIPAA, HITECH and related state laws associated with complaints, desk audits, and self-reported breaches. If we fail to comply with applicable privacy and security laws, regulations and standards, including with respect to third-party service providers that utilize sensitive personal information, including PHI, on our behalf, properly maintain the integrity of our data, protect our proprietary rights, or defend against cybersecurity attacks, it could materially harm our reputation or have a material adverse effect on our business, results of operations, financial condition and cash flows. These risks may be intensified to the extent that the laws change or to the extent that we increase our use of third-party service providers that utilize sensitive personal information, including PHI, on our behalf.

Data protection laws are evolving globally, and may add additional compliance costs and legal risks to our international operations. In Europe, the General Data Protection Regulation (GDPR) became effective on May 25, 2018. The GDPR applies to entities that are established in the European Union (EU), as well as extends the scope of EU data protection laws to foreign companies processing data of individuals in the EU. The GDPR imposes a comprehensive data protection regime with the potential for regulatory fines as well as data breach litigation by impacted data subjects. Under the GDPR, regulatory penalties may be assessed by data protection authorities for up to the greater of 4% of worldwide turnover or €20 million. The costs of compliance with, and other burdens imposed by, the GDPR and other new laws, regulations and policies implementing the GDPR may impact our European operations and/or limit the ways in which we can provide services or use personal data collected while providing services. If we fail to comply with the requirements of GDPR, we could be subject to penalties that would have a material adverse impact on our business, results of operations, financial condition and cash flows.

Data protection laws are also evolving nationally, and may add additional compliance costs and legal risks to our U.S. operations. For example, the California legislature recently passed the California Consumer Protection Act (CCPA), which is scheduled to become effective January 1, 2020. The CCPA is a privacy bill that requires certain companies doing business in California to disclose information regarding the collection and use of a consumer's personal data and to delete a consumer's data upon request. The Act also permits the imposition of civil penalties and expands existing state security laws by providing a private right of action for consumers in certain circumstances where consumer data is subject to a breach. We are still evaluating whether and how this rule will impact our U.S. operations and /or limit the ways in which we can provide services or use personal data collected while providing services. In addition, in December 2018, the U.S. Department of Health and Human Services Office for Civil Rights (OCR) published a request for information (RFI) seeking public input on a broad range of potential reforms to HIPAA regulations with a focus on enhancing care coordination. Though only a preliminary step toward potential regulatory reform, the RFI's scope is significant as OCR seeks potential modifications to the HIPAA regulations that would facilitate efficient care coordination while preserving the privacy and security of PHI.

Information security risks have significantly increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct our operations, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign state agents. Our business and operations rely on the secure processing, transmission and storage of confidential, proprietary and other information in our computer systems and networks, including sensitive personal information, including PHI, social security numbers, and credit card information of our patients, teammates, physicians, business partners and others.

We continuously are implementing multiple layers of security measures through technology, processes and our people. We utilize security technologies designed to protect and maintain the integrity of our information systems and data, and our defenses are monitored and routinely tested internally and by external parties. Despite these efforts, our facilities and systems and those of our third-party service providers may be vulnerable to privacy and security incidents; security attacks and breaches; acts of vandalism or theft; computer viruses and other malicious code; coordinated attacks by a variety of actors,



including activist entities or state sponsored cyberattacks; emerging cybersecurity risks; cyber risk related to connected devices; misplaced or lost data; programming and/or human errors; or other similar events that could impact the security, reliability and availability of our systems. Internal or external parties may attempt to circumvent our security systems, and we have in the past, and expect that we will in the future, experience external attacks on our network including reconnaissance probes, denial of service attempts, malicious software attacks including ransomware or other attacks intended to render our internal operating systems or data unavailable, and phishing attacks or business email compromise. Cybersecurity requires ongoing investment and diligence against evolving threats. Emerging and advanced security threats, including coordinated attacks, require additional layers of security which may disrupt or impact efficiency of operations. As with any security program, there always exists the risk that employees will violate our policies despite our compliance efforts or that certain attacks may be beyond the ability of our security and other systems to detect. There can be no assurance that investments, diligence and/or our internal controls will be sufficient to prevent or timely discover an attack.

Any security breach involving the misappropriation, loss or other unauthorized disclosure or use of confidential information, including PHI, financial data, competitively sensitive information, or other proprietary data, whether by us or a third party, could have a material adverse effect on our business, results of operations, financial condition, cash flows and materially harm our reputation. We may be required to expend significant additional resources to modify our protective measures, to investigate and remediate vulnerabilities or other exposures, or to make required notifications. The occurrence of any of these events could, among other things, result in interruptions, delays, the loss or corruption of data, cessations in the availability of systems and liability under privacy and security laws, all of which could have a material adverse effect on our business, results of operations, financial condition and cash flows, or materially harm our reputation and trigger regulatory actions and private party litigation. If we are unable to protect the physical and electronic security and privacy of our databases and transactions, we could be subject to potential liability and regulatory action, our reputation and relationships with our patients, physicians, vendors and other business partners would be harmed, and our business, results of operations, financial condition and cash flows could be materially and adversely affected. Failure to adequately protect and maintain the integrity of our information systems (including our networks) and data, or to defend against cybersecurity attacks, could subject us to monetary fines, civil suits, civil penalties or criminal sanctions and requirements to disclose the breach publicly, and could further result in a material adverse effect on our business, results of operations, financial condition and cash flows or harm our reputation. As malicious cyber activity escalates, including activity that originates outside of the U.S., the risks we face relating to transmission of data and our use of service providers outside of our network, as well as the storing or processing of data within our network, intensify. There have been increased international, federal and state and other privacy, data protection and security enforcement efforts and we expect this trend to continue. While we maintain cyber liability insurance, this insurance may not cover us for all types of losses and may not be sufficient to protect us against the amount of all losses.

**We may engage in acquisitions, mergers, joint ventures or dispositions, which may affect our results of operations, debt-to-capital ratio, capital expenditures or other aspects of our business, and if businesses we acquire have liabilities we are not aware of or are not adequately addressed, we could suffer severe consequences that would have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation.**

Our business strategy includes growth through acquisitions of dialysis centers and other businesses, as well as entry into joint ventures. We may engage in acquisitions, mergers, joint ventures or dispositions or expand into new business lines or models, which may affect our results of operations, debt-to-capital ratio, capital expenditures or other aspects of our business. There can be no assurance that we will be able to identify suitable acquisition targets or merger partners or buyers for dispositions or that, if identified, we will be able to agree to terms with merger partners, acquire these targets or make these dispositions on acceptable terms or on the desired timetable. There can also be no assurance that we will be successful in completing any acquisitions, mergers or dispositions that we announce, executing new business lines or models or integrating any acquired business into our overall operations. There is no guarantee that we will be able to operate acquired businesses successfully as stand-alone businesses, or that any such acquired business will operate profitably or will not otherwise have a material adverse effect on our business, results of operations, financial condition and cash flows or materially harm our reputation. Further, we cannot be certain that key talented individuals at the business being acquired will continue to work for us after the acquisition or that they will be able to continue to successfully manage or have adequate resources to successfully operate any acquired business. In addition, certain of our newly and previously acquired dialysis centers and facilities have been in service for many years, which may result in a higher level of maintenance costs. Further, our facilities, equipment and information technology may need to be improved or renovated to maintain or increase operational efficiency, compete for patients and medical directors, or meet changing regulatory requirements. Increases in maintenance costs and capital expenditures could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Businesses we acquire may have unknown or contingent liabilities or liabilities that are in excess of the amounts that we originally estimated, and may have other issues, including those related to internal controls over financial reporting or issues

that could affect our ability to comply with healthcare laws and regulations and other laws applicable to our expanded business, which could harm our reputation. As a result, we cannot make any assurances that the acquisitions we consummate will be successful. 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, the amounts held in escrow for our benefit (if any), 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 or alternative remedies that might be available to us, or any applicable insurance, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Additionally, joint ventures, including our Asia Pacific joint venture, and minority investments inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational and/or compliance risks associated with the joint venture or minority investment. In addition, we may be dependent on joint venture partners, controlling shareholders or management who may have business interests, strategies or goals that are inconsistent with ours. Business decisions or other actions or omissions of the joint venture partner, controlling shareholders or management may require us to make capital contributions or necessitate other payments, result in litigation or regulatory action against us, result in reputational harm to us or adversely affect the value of our investment or partnership. There can be no assurances that these joint ventures and/or minority investments, including our Asia Pacific joint venture, ultimately will be successful.

**If we are unable to compete successfully, including implementing our growth strategy and/or retaining our physicians and patients, it could materially adversely affect our business, results of operations, financial condition and cash flows.**

Acquisitions, patient retention and medical director and physician retention are important parts of our growth strategy. We face intense competition from other companies for acquisition targets. In our U.S. dialysis business, we continue to face increased competition from large and medium-sized providers, among others, which compete directly with us for the limited acquisition targets as well as for individual patients and medical directors. In addition, we compete for individual patients, physicians and medical directors based in part on the quality of our facilities. Moreover, as we continue our international expansion into various international markets, we will continue to face competition from large and medium-sized providers, among others, for these acquisition targets as well. As we and our competitors continue to grow and open new dialysis centers, each center in the U.S. is required by applicable regulations to have a medical director, and we may not be able to retain an adequate number of nephrologists to serve as medical directors. Because of the ease of entry into the dialysis business and the ability of physicians to be medical directors for their own centers, competition in existing and expanding markets is not limited to large competitors with substantial financial resources. Individual nephrologists have opened their own dialysis units or facilities. There also has been increasing indications of interest from non-traditional dialysis providers and others to enter the dialysis space and/or develop innovative technologies or business activities that could be disruptive to the industry. Although these potential new competitors and others may face operational and/or financial challenges, if their efforts to offer dialysis services and/or develop innovative technology or business activities in the dialysis or pre-dialysis space are successful and we are unable to effectively compete, it could have a material adverse impact on our business, results of operations, financial condition and cash flows. Further, competitive pressures and the related risks may be impacted by a continued decline in the rate of growth of the ESRD patient population or other reductions in demand for dialysis treatments.

In addition, Fresenius USA, our largest competitor, manufactures a full line of dialysis supplies and equipment in addition to owning and operating dialysis centers. This may give it cost advantages over us because of its ability to manufacture its own products or prevent us from accessing existing or new technology on a cost-effective basis. See further discussion regarding risks associated with our suppliers under the heading below, "If certain of our suppliers do not meet our needs, if there are material price increases on supplies, if we are not reimbursed or adequately reimbursed for drugs we purchase or if we are unable to effectively access new technology or superior products, it could negatively impact our ability to effectively provide the services we offer and could have a material adverse effect on our business, results of operations, financial condition and cash flows."

If we are not able to effectively implement our growth strategy, including by making acquisitions at the desired pace or at all; if we are not able to continue to maintain the expected or desired level of non-acquired growth; if we experience significant patient attrition as a result of new business activities, new technology or other forms of competition, reduced prevalence of ESRD or other reductions in demand for dialysis treatments; or if physicians choose not to refer to our clinics, it could materially adversely affect our business, results of operations, financial condition and cash flows.

**If certain of our suppliers do not meet our needs, if there are material price increases on supplies, if we are not reimbursed or adequately reimbursed for drugs we purchase or if we are unable to effectively access new technology or superior products, it could negatively impact our ability to effectively provide the services we offer and could have a material adverse effect on our business, results of operations, financial condition and cash flows.**

We have significant suppliers that may be the sole or primary source of products critical to the services we provide, or to which we have committed obligations to make purchases, sometimes at particular prices. If any of these suppliers do not meet our needs for the products they supply, including in the event of a product recall, shortage or dispute, and we are not able to find adequate alternative sources, if we experience material price increases from these suppliers that we are unable to mitigate, or if some of the drugs that we purchase are not reimbursed or not adequately reimbursed by commercial or government payors, it could have a material adverse impact on our business, results of operations, financial condition and cash flows. In addition, the technology related to the products critical to the services we provide is subject to new developments which may result in superior products. If we are not able to access superior products on a cost-effective basis or if suppliers are not able to fulfill our requirements for such products, we could face patient attrition and other negative consequences which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

**DMG operates in a different line of business from our historical business, and we may not realize anticipated benefits from DMG.**

DaVita Medical Group (DMG) operates in a different line of business from our historical business. We may not have the expertise, experience and resources to profitably pursue all of our businesses at once, and we may be unable to successfully and profitably operate all businesses in the combined company. The administration of DMG requires implementation of appropriate operations, management, forecasting, and financial reporting systems and controls, all of which pose challenges. The management of DMG requires and will continue to require the focused attention of our management team, including a significant commitment of its time and resources. The need for management to focus on these matters could have a material adverse effect on our business, results of operations, financial condition and cash flows. If the DMG operations continue to be less profitable than we currently anticipate or we do not have the experience, the appropriate expertise or the resources to profitably pursue all businesses in the combined company, our results of operations, financial condition and cash flows may be materially and adversely affected.

**Laws regulating the corporate practice of medicine could restrict the manner in which DMG and our other subsidiaries are permitted to conduct their respective business, and the failure to comply with such laws could subject these entities to penalties or require a restructuring of these businesses.**

Some states have laws that prohibit business entities, such as DMG and our other subsidiaries, including but not limited to, Nephrology Practice Solutions, DaVita Health Solutions, DaVita IKC, and Lifeline, from practicing medicine, employing physicians to practice medicine, exercising control over medical decisions by physicians (also known collectively as the corporate practice of medicine) or engaging in certain arrangements, such as fee-splitting, with physicians. In some states these prohibitions are expressly stated in a statute or regulation, while in other states the prohibition is a matter of judicial or regulatory interpretation. Of the states in which DMG currently operates, California, Colorado, Nevada and Washington generally prohibit the corporate practice of medicine, and other states may as well.

DMG and other DaVita entities operate in those states by maintaining long-term contracts with their associated physician groups which are each owned and operated by physicians and which employ or contract with additional physicians to provide physician services. Under these arrangements, DMG and such other DaVita entities provide non-medical management services and receive a management fee for providing these services; however, DMG and such other DaVita entities do not represent that they offer medical services, and do not exercise influence or control over the practice of medicine by the physicians or the associated physician groups.

In addition to the above management arrangements, DMG has certain contractual rights relating to the orderly transfer of equity interests in certain of its associated physician groups through succession agreements and other arrangements with their physician equity holders. However, such equity interests cannot be transferred to or held by DMG or by any non-professional organization. Accordingly, neither DMG nor DMG's subsidiaries directly own any equity interests in any physician groups in California, Colorado, Nevada and Washington. The other DaVita entities operating in these and multiple other states have similar agreements and arrangements. In the event that any of these associated physician groups fail to comply with the management arrangement or any management arrangement is terminated and/or DMG or any of the other DaVita entities is unable to enforce its contractual rights over the orderly transfer of equity interests in its associated physician groups, such events could have a material adverse effect on the business, results of operations, financial condition and cash flows of DMG or such other DaVita entities.

It is possible that a state regulatory agency or a court could determine that DMG's agreements with physician equity holders of certain managed California, Colorado, Nevada and Washington associated physician groups and the way DMG carries out these arrangements as described above, either independently or coupled with the management services agreements with such associated physician groups, are in violation of the corporate practice of medicine doctrine. As a result, these arrangements could be deemed invalid, potentially resulting in a loss of revenues and an adverse effect on results of operations derived from such associated physician groups. Such a determination could force a restructuring of DMG's management arrangements with associated physician groups in California, Colorado, Nevada and/or Washington, which might include revisions of the management services agreements, including a modification of the management fee and/or establishing an alternative structure that would permit DMG to contract with a physician network without violating the corporate practice of medicine prohibition. There can be no assurance that such a restructuring would be feasible, or that it could be accomplished within a reasonable time frame without a material adverse effect on DMG's business, results of operations, financial condition and cash flows. These same risks exist for the other DaVita entities utilizing similar structures.

In December 2013, DaVita Health Plan of California, Inc. (DHPC) obtained a restricted Knox-Keene license in California, which, among other things, permits DHPC to contract with health plans in California and to arrange health care services through a network of employed or contracting physicians and other providers without violating the corporate practice of medicine prohibition. However, DHPC continues to subcontract with DMG associated physician groups in California to arrange physician services. DMG and DMG's California, Colorado, Nevada and Washington associated physician groups, as well as those physician equity holders of associated physician groups who are subject to succession agreements with DMG, could be subject to criminal or civil penalties or an injunction if, for non-physicians, they are found to be practicing medicine without a license or, for licensed physicians, they are found to be aiding and abetting the unlicensed practice of medicine.

**The level of our current and future debt could have an adverse impact on our business and our ability to generate cash to service our indebtedness and for other intended purposes depends on many factors beyond our control.**

We have substantial debt outstanding, we incurred a substantial amount of additional debt in connection with our entry into the Increase Joinder Agreement in March 2018, and we may continue to incur additional indebtedness in the future. If we are unable to generate sufficient cash to service our substantial indebtedness and for other intended purposes, it could, for example:

- 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 flows from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and investments, repurchases of stock at the levels intended or announced, or at all, and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate;
- expose us to interest rate volatility that could adversely affect our business, results of operations, financial condition and cash flows, and our ability to service our indebtedness;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds, or to refinance existing debt on favorable terms when otherwise available.

In addition, we may continue to incur additional indebtedness in the future, and the amount of that additional indebtedness may be substantial. Although the indentures governing our senior notes and the agreement governing our senior secured credit facilities include covenants that could limit our indebtedness, we currently have the ability to incur substantial additional debt. The related risks described in this risk factor could intensify, in particular, if there is a delay in closing the sale of DMG or the sale of DMG does not close, or if new debt is added to current debt levels. Further, the variable interest rates payable under our senior secured credit facilities are linked to LIBOR as the benchmark for establishing the rates. LIBOR is the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms may cause LIBOR to disappear entirely or to perform differently than in the past. The consequences of these developments with respect to LIBOR cannot be entirely predicted, but could adversely affect the variable interest rates payable under our senior secured credit facilities.

Our ability to make payments on our indebtedness, to fund planned capital expenditures and expansion efforts, including any strategic acquisitions we may make in the future, to repurchase our stock at the levels intended or announced and to meet our other liquidity needs, will depend on our ability to generate cash. This depends not only on the success of our business but, to a certain extent, is also subject to general economic, financial, competitive, regulatory and other factors that are beyond our control.

If the pending sale of DMG closes, our cash flows will be reduced accordingly. We cannot provide assurances that our business will generate sufficient cash flows from operations in the future or that future borrowings will be available to us in an amount sufficient to enable us to service our indebtedness or to fund other liquidity needs, including those described above. In that regard, approximately \$1.845 billion of indebtedness under secured credit facilities will become due and payable in June 2019 at its stated maturity. Although we plan to seek replacement secured credit facilities to refinance that indebtedness as it becomes due, there can be no assurance that we will be able to do so on terms we consider acceptable or at all. If we are unable to generate sufficient funds to service our outstanding indebtedness or to meet our other liquidity needs, including the intended purposes described above, we would be required to refinance, restructure, or otherwise amend some or all of such indebtedness, sell assets, change or reduce our intended or announced uses or strategy for capital deployment, including for stock repurchases, reduce capital expenditures or planned expansions or raise additional cash through the sale of our equity. In addition, if we are unable to refinance or repay our indebtedness as it becomes due and payable from time to time (including the approximate \$1.845 billion of secured credit facilities indebtedness that becomes due in June 2019), we may seek waivers or extensions from the applicable lenders but there can be no assurance that those would be granted, in which case we would have to seek other sources of financing to repay that indebtedness, which might include sales of assets or equity securities or some of the other strategies discussed above. We cannot make any assurances that any such refinancing, restructurings, sales of assets, or issuances of equity can be accomplished, that any such waivers or extensions from lenders can be obtained or, if accomplished or obtained, will be on favorable terms or would raise sufficient funds to meet these obligations or our other liquidity needs. Any failure to pay any of our indebtedness when due, including if we are unable to refinance the approximately \$1.845 billion of indebtedness under our senior secured credit facilities that becomes due in June 2019, could have a material adverse effect on our business, results of operations, financial condition and cash flows, and could trigger cross default or cross acceleration provisions in our other debt instruments, thereby permitting the holders of that other indebtedness to demand immediate repayment, and, in the case of secured indebtedness, would generally permit the holders of that indebtedness to possess and sell the collateral to satisfy our obligations.

The borrowings under our senior secured credit facilities and senior indentures are guaranteed by a substantial portion of our direct and indirect wholly owned domestic subsidiaries, including certain of DMG's subsidiaries, and borrowings under our senior secured credit facilities are secured by a substantial portion of our and our subsidiaries' assets, including those of certain of DMG's subsidiaries. If the pending sale of DMG closes, we will have fewer subsidiary guarantors of, and fewer assets with which to secure existing and future debt or refinance or restructure existing debt. This will likely reduce the total amount of secured debt that we will be able to incur and may increase the interest rate we are required to pay on our existing secured debt and any secured debt we issue in the future. In addition, by reducing the amount of assets available to meet the claims of our secured and other creditors and the number of subsidiary guarantors, it may also adversely affect the interest rates on our existing unsecured debt and any unsecured debt we issue in the future and may adversely affect our ability to incur additional unsecured debt.

For additional details regarding specific risks we face regarding the pending sale of DMG, see the discussion in the risk factors under the heading "Risk factors related to the sale of DMG."

**We may be subject to liability claims for damages and other expenses that are not covered by insurance or exceed our existing insurance coverage that could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation.**

Our operations and how we manage our business may subject us, as well as our officers and directors to whom we owe certain defense and indemnity obligations, 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 or limits of coverage of any applicable insurance coverage, including claims related to adverse patient events, cybersecurity incidents, contractual disputes, professional and general liability and directors' and officers' duties. In addition, we have received notices of claims from commercial payors and other third parties, as well as subpoenas and CIDs from the federal government, related to our business practices, including our historical billing practices and the historical billing practices of acquired businesses. Although the ultimate outcome of these claims cannot be predicted, an adverse result with respect to one or more of these claims could have a material adverse effect on our business, results of operations, financial condition and cash flows. We maintain insurance coverage for those risks we deem are appropriate to insure against and make determinations about whether to self-insure as to other risks or layers of coverage. However, a successful claim, including a

professional liability, malpractice or negligence claim or a claim related to a cybersecurity incident, which is in excess of any applicable insurance coverage, or that is subject to our self-insurance retentions, could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation. Additionally, as a result of the broad scope of our DMG division's medical practice, we are exposed to medical malpractice claims, as well as claims for damages and other expenses, that may not be covered by insurance or for which adequate limits of insurance coverage may not be available.

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 business, results of operations, financial condition and cash flows could be materially and adversely affected by any of the following:

- the collapse or insolvency of our insurance carriers;
- 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; or
- an inability to obtain one or more types of insurance on acceptable terms, if at all.

**If we fail to successfully maintain an effective internal control over financial reporting, the integrity of our financial reporting could be compromised, which could have a material adverse effect on our ability to accurately report our financial results, our stock price and the market's perception of our business.**

The integration of acquisitions and addition of new business lines into our internal control over financial reporting has required and will continue to require significant time and resources from our management and other personnel and has increased and will continue to, increase our compliance costs. Failure to maintain an effective internal control environment could have a material adverse effect on our ability to accurately report our financial results, our stock price and the market's perception of our business. In addition, we could be required to restate our financial results in the event of a significant failure of our internal control over financial reporting or in the event of inappropriate application of accounting principles.

**Deterioration in economic conditions, disruptions in the financial markets or the effects of natural or other disasters or adverse weather events such as hurricanes, earthquakes, fires or flooding could have a material adverse effect on our business, results of operations, financial condition and cash flows.**

Deterioration in economic conditions could have a material adverse effect on our business, results of operations, financial condition and cash flows. Among other things, the potential decline in federal and state revenues that may result from such conditions may create additional pressures to contain or reduce reimbursements for our services from Medicare, Medicaid and other government sponsored programs. Increases in job losses in the U.S. as a result of adverse economic conditions has and may continue to result in a smaller percentage of our patients being covered by an employer group health plan and a larger percentage being covered by lower paying Medicare and Medicaid programs. Employers may also select more restrictive commercial plans with lower reimbursement rates. To the extent that payors are negatively impacted by a decline in the economy, we may experience further pressure on commercial rates, a further slowdown in collections and a reduction in the amounts we expect to collect. In addition, uncertainty in the financial markets could adversely affect the variable interest rates payable under our credit facilities or could make it more difficult to obtain or renew such facilities or to obtain other forms of financing in the future, if at all. For additional information regarding the risks related to our indebtedness, see the discussion in the risk factor above under the heading "The level of our current and future debt could have an adverse impact on our business and our ability to generate cash to service our indebtedness and for other intended purposes depends on many factors beyond our control."

Further, some of our operations, including our clinical laboratory, dialysis centers and other facilities, may be adversely impacted by the effects of natural or other disasters or adverse weather events such as hurricanes, earthquakes, fires or flooding. For example, our clinical laboratory is located in Florida, a state that has in the past experienced and may in the future experience hurricanes. Natural or other disasters or adverse weather events could significantly damage or destroy our facilities, disrupt operations, increase our costs to maintain operations and require substantial expenditures and recovery time to fully resume operations.

Any or all of these factors, as well as other consequences of these events, none of which we can currently predict, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

**Disruptions in federal government operations and funding create uncertainty in our industry and could have a material adverse effect on our business, results of operations, financial condition and cash flows.**

A substantial portion of our revenues is dependent on federal healthcare program reimbursement, and any disruptions in federal government operations could have a material adverse effect on our business, results of operations, financial condition and cash flows. If the U.S. government defaults on its debt, there could be broad macroeconomic effects that could raise our cost of borrowing funds, and delay or prevent our future growth and expansion. Any future federal government shutdown, U.S. government default on its debt and/or failure of the U.S. government to enact annual appropriations could have a material adverse effect on our business, results of operations, financial condition and cash flows. Additionally, disruptions in federal government operations may negatively impact regulatory approvals and guidance that are important to our operations, and create uncertainty about the pace of upcoming regulatory developments.

**We could be subject to adverse changes in tax laws, regulations and interpretations or challenges to our tax positions.**

We are subject to tax laws and regulations of the U.S. federal, state and local governments as well as various foreign jurisdictions. We compute our income tax provision based on enacted tax rates in the jurisdictions in which we operate. As the tax rates vary among jurisdictions, a change in earnings attributable to the various jurisdictions in which we operate could result in an unfavorable or favorable change in our overall tax provision.

From time to time, changes in tax laws or regulations may be proposed or enacted that could adversely affect our overall tax liability. For example, the recent U.S. tax legislation enacted on December 22, 2017, represented a significant overhaul of the U.S. federal tax code. We have completed our analysis of the initial impact of the 2017 federal tax law changes. However, it is possible that future guidance in connection with the law and/or the issuance of detailed regulations could impact our tax provision and cash taxes in future periods. Additionally, the legislation made significant changes to the tax rules applicable to insurance companies and other entities with which we do business. There can be no assurance that changes in tax laws or regulations, both within the U.S. and the other jurisdictions in which we operate, will not materially and adversely affect our effective tax rate, tax payments, results of operations, financial condition and cash flows. Similarly, changes in tax laws and regulations that impact our patients, business partners and counterparties or the economy generally may also impact our results of operations, financial condition and cash flows.

In addition, tax laws and regulations are complex and subject to varying interpretations, and any significant failure to comply with applicable tax laws and regulations in all relevant jurisdictions could give rise to substantial penalties and liabilities. We are regularly subject to audits by tax authorities. For example, we are currently under audit by the Internal Revenue Service for the years 2014-2016. Although we believe our tax estimates and related reporting are appropriate, the final determination of this and other tax audits and any related litigation could be materially different from our historical income tax provisions and accruals. Any changes in enacted tax laws (such as the recent U.S. tax legislation), rules or regulatory or judicial interpretations; any adverse development or outcome in connection with tax audits in any jurisdiction; or any change in the pronouncements relating to accounting for income taxes could materially and adversely impact our effective tax rate, tax payments, results of operations, financial condition and cash flows.

**Expansion of our operations to and offering our services in markets outside of the U.S. subjects us to political, economic, legal, operational and other risks that could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation.**

We are continuing to expand our operations by offering our services and entering new lines of business in certain markets outside of the U.S., which increases our exposure to the inherent risks of doing business in international markets. Depending on the market, these risks include those relating to:

- changes in the local economic environment;
- political instability, armed conflicts or terrorism;
- social changes;
- intellectual property legal protections and remedies;
- trade regulations;
- procedures and actions affecting approval, production, pricing, reimbursement and marketing of products and services;

- foreign currency;
- repatriating or moving to other countries cash generated or held abroad, including considerations relating to tax-efficiencies and changes in tax laws;
- export controls;
- lack of reliable legal systems which may affect our ability to enforce contractual rights;
- changes in local laws or regulations, or interpretation or enforcement thereof;
- potentially longer ramp-up times for starting up new operations and for payment and collection cycles;
- financial and operational, and information technology systems integration;
- failure to comply with U.S. laws, such as the FCPA, or local laws that prohibit us, our partners, or our partners' or our agents or intermediaries from making improper payments to foreign officials or any third party for the purpose of obtaining or retaining business; and
- data and privacy restrictions.

Issues relating to the failure to comply with applicable non-U.S. laws, requirements or restrictions may also impact our domestic business and/or raise scrutiny on our domestic practices.

Additionally, some factors that will be critical to the success of our international business and operations will be different than those affecting our domestic business and operations. For example, conducting international operations requires us to devote significant management resources to implement our controls and systems in new markets, to comply with local laws and regulations, including to fulfill financial reporting requirements, and to overcome the numerous new challenges inherent in managing international operations, including those based on differing languages, cultures and regulatory environments, and those related to the timely hiring, integration and retention of a sufficient number of skilled personnel to carry out operations in an environment with which we are not familiar.

Any expansion of our international operations through acquisitions or through organic growth could increase these risks. Additionally, while we may invest material amounts of capital and incur significant costs in connection with the growth and development of our international operations, including to start up or acquire new operations, we may not be able to operate them profitably on the anticipated timeline, or at all.

These risks could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation.

**Risk factors related to the sale of DMG:**

**The announcement and pendency of the sale of DMG may continue to adversely affect our business, results of operations, financial condition and cash flows.**

The announcement and pending sale of DMG may continue to be disruptive to our business and may continue to adversely affect our relationships with current and prospective teammates, patients, physicians, payors, suppliers and other business partners. Uncertainties related to the pending sale of DMG may continue to impair our ability to attract, retain and motivate key personnel and could continue to cause suppliers and other business partners to defer entering into contracts with us or seek to change existing business relationships with us. The loss or deterioration of significant business and operational relationships could have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, activities relating to the pending sale and related uncertainties could continue to divert the attention of our management and other teammates from our day-to-day business or disrupt our operations in preparation for and during the post-closing separation of DMG. Following the closing of the DMG sale, we will enter into a transition services agreement with Optum, whereby we and Optum will provide various transition services to one another for specified periods beginning on the closing date. In the course of performing our obligations under the transition services agreement, we will allocate certain of our resources, including assets, facilities, equipment and the time and attention of our management and other teammates, for the benefit of the DMG business and not ours, which may negatively impact our business, results of operations, financial condition and cash flows. In addition, it is possible that we could have stranded costs following the closing of the pending sale, which could be material. If we are unable to effectively manage these risks, our business, results of operations, financial condition and cash flows may be adversely affected.



**Any continued delay in completing the sale of DMG or any additional modifications to the terms of the sale under the equity purchase agreement may materially adversely affect our business, results of operations, financial condition, cash flows and stock price.**

The completion of the proposed sale of DMG is subject to customary closing conditions, including the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”). On March 12, 2018, we received a request for additional information and documentary materials (commonly referred to as a “second request”) from the U.S. Federal Trade Commission (“FTC”) under the HSR Act in connection with the FTC’s review of the proposed sale of DMG. In connection with its approval of the proposed sale of DMG, the FTC may impose material conditions, terms and obligations, including making its approval subject to the disposition of certain assets, which could further delay completion of the transaction, or the FTC may impose conditions that would require an adverse modification to the equity purchase agreement. If further delays continue in completing the sale of DMG, or if the terms set forth in the equity purchase agreement are further amended, our business, results of operations, financial condition, cash flows and stock price may be materially adversely affected.

**If we fail to complete the proposed sale of DMG, our business, results of operations, financial condition, cash flows and stock price may be materially adversely affected.**

The completion of the proposed sale of DMG is subject to customary closing conditions, including FTC approval, and if any condition to the closing of the sale of DMG is neither satisfied nor, where permissible, waived, we may be unable to complete the disposition or complete the disposition on the terms set forth in the equity purchase agreement. In addition, either we or Optum may terminate the equity purchase agreement if, among other things, the sale has not been consummated prior to June 30, 2019. If the equity purchase agreement is terminated and our Board of Directors seeks an alternative transaction or another acquiror for the sale of the DMG business, we may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the equity purchase agreement with Optum, or at all. In the third and fourth quarters of 2018, we recognized valuation adjustments with respect to the DMG business based on an updated assessment of fair value, which includes inputs such as the transaction itself, risks and timing, and performance of the business, and we recorded associated goodwill impairment charges in the fourth quarter of 2018. We may recognize additional valuation adjustments related to DMG in the future.

If the sale of DMG is not completed for any reason, investor confidence could decline. A failed transaction may result in negative publicity, protracted litigation, and may affect our relationships with teammates, patients, physicians, payors, suppliers, regulators and other business partners. In addition, in the event of a failed transaction, we will have expended significant management resources in an effort to complete the sale, and we will have incurred significant transaction costs, including legal fees, financial advisor fees and other related costs, without any commensurate benefit. Furthermore, we have incurred additional debt in anticipation of receiving the sale proceeds but there can be no assurances that we will receive the anticipated sale proceeds to repay such debt. Accordingly, if the proposed sale of DMG is not completed on the terms set forth in the equity purchase agreement or at all, our business, results of operations, financial condition, cash flows and stock price may be materially adversely affected.

**Our liquidity following the close of our pending sale of DMG and our planned subsequent entry into new external financing arrangements may be less than we anticipate, and we may use the proceeds from the pending sale of DMG and other available funds, including external financing and cash flow from operations, in ways that may not improve our results of operations, financial condition, cash flows or enhance the value of our common stock.**

The purchase price for the sale of the DMG business is subject to customary adjustments, both upward and downward, which could be significant. Following the closing of the pending DMG sale, we plan to use sale proceeds and other available funds, including from external financing and cash flow from operations, to repay debt, make significant stock repurchases and for general corporate purposes, which may include growth investments. A number of factors may impact our ability to repurchase stock and the timing of any such stock repurchases, including market conditions, the price of our common stock, our results of operations, financial condition, cash flows, available financing, leverage ratios, and legal, regulatory and contractual requirements and restrictions. Accordingly, the actual amount of common stock we repurchase may be less, perhaps substantially, and the period of time over which we make any stock repurchases may be substantially longer, than we currently anticipate. In addition, we may identify investments or other uses for our available funds (other than the DMG sale proceeds that we plan to use to repay debt) that we believe are more attractive than our current intended uses. Further, there can be no assurance that any investment will yield a favorable return.

**Under the terms of the equity purchase agreement, we are subject to certain contractual restrictions while the sale of DMG is pending that, in some cases, could have a material adverse effect on our business, results of operations, financial condition and cash flows.**

Under the terms of the equity purchase agreement, we are subject to certain restrictions on the conduct of the DMG business prior to completing the sale of DMG, which have adversely affected and may continue to adversely affect our ability to execute certain of our business strategies, including the ability in certain cases to enter into or amend contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. Such limitations have negatively affected and could continue to negatively affect our business and operations prior to the completion of the sale of DMG. Each of these risks may be exacerbated by delays or other adverse developments with respect to the completion of the sale of DMG.

**Risk factors related to our U.S. dialysis and related lab services, ancillary services and strategic initiatives:**

**If patients in commercial plans are subject to restriction in plan designs or the average rates that commercial payors pay us decline significantly, it would have a material adverse effect on our business, results of operations, financial condition and cash flows.**

Approximately 31% of our U.S. dialysis and related lab services net revenues for the year ended December 31, 2018, were generated from patients who have commercial payors (including hospital dialysis services) as their primary payor. The majority of these patients have insurance policies that pay us on terms and at rates that are generally significantly higher than Medicare rates. The payments we receive from commercial payors generate nearly all of our profit and all of our nonacute dialysis profits come from commercial payors. We continue to experience downward pressure on some of our commercial payment rates as a result of general conditions in the market, including as employers shift to less expensive options for medical services, recent and future consolidations among commercial payors, increased focus on dialysis services and other factors. In addition, many commercial payors that sell individual plans both on and off exchange have publicly announced losses in the marketplace. These payors may seek discounts on rates for marketplace plans on and off exchange. Commercial payment rates could be materially lower in the future.

We continuously are in the process of negotiating existing and potential new agreements with commercial payors who aggressively negotiate terms with us. Sometimes many significant agreements are being renegotiated at the same time. In the event that our continual negotiations result in overall commercial rate reductions in excess of overall commercial rate increases, the cumulative effect could have a material adverse effect on our business, results of operations, financial condition and cash flows. Consolidations have significantly increased the negotiating leverage of commercial payors. Our negotiations with payors are also influenced by competitive pressures, and we may experience decreased contracted rates with commercial payors or experience decreases in patient volume as our negotiations with commercial payors continue. In addition to downward pressure on contracted commercial payor rates, payors have been attempting to design and implement plans to restrict access to coverage, and the duration and/or the breadth of benefits, which may result in decreased payments. In addition, payors have been attempting to impose restrictions and limitations on patient access to commercial exchange plans and non-contracted or out-of-network providers, and in some circumstances designate our centers as out-of-network providers. Rates for commercial exchange products and out-of-network providers are on average higher than rates for government products and in-network providers, respectively.

A number of commercial payors have incorporated policies into their provider manuals limiting or refusing to accept charitable premium assistance from non-profit organizations, such as the American Kidney Fund, which may impact the number of patients who are able to afford commercial plans. Paying for coverage is a significant financial burden for many patients, and ESRD disproportionately affects the low-income population. Charitable premium assistance supports continuity of coverage and access to care for patients, many of whom are unable to continue working full-time as a result of their severe condition. A material restriction in patients' ability to access charitable premium assistance may restrict the ability of dialysis patients to obtain and maintain optimal insurance coverage, and may adversely impact a large number of dialysis centers across the U.S. by making certain centers economically unviable, and may have a material adverse effect on our business, results of operations, financial condition and cash flows.

We also believe commercial payors have or will begin to restructure their benefits to create disincentives for patients to stay with commercial insurance or to select or remain with out-of-network providers. In addition, payors may seek to decrease payment rates for out-of-network providers. Decreases in the number of patients with commercial plans, decreases in out-of-network rates and restrictions on out-of-network access, our turning away new patients in instances where we are unable to come to agreement with commercial payors on rates, new business activities of commercial payors, or decreases in contracted rates could result in a significant decrease in our overall revenues derived from commercial payors. If the average rates that commercial payors pay us decline significantly, or if we see a decline in commercial patients, it would have a material adverse effect on our business, results of operations, financial condition and cash flows. For additional details regarding specific risks

we face regarding regulatory changes that could result in fewer patients covered under commercial plans or an increase of patients covered under more restrictive commercial plans with lower reimbursement rates, see the discussion in the risk factor under the heading "Changes in federal and state healthcare regulations could have a material adverse effect on our business, results of operations, financial condition and cash flows."

**If the number of patients with higher-paying commercial insurance declines, it could have a material adverse effect on our business, results of operations, financial condition and cash flows.**

Our revenue levels are sensitive to the percentage of our patients with higher-paying commercial insurance coverage. A patient's insurance coverage may change for a number of reasons, including changes in the patient's or a family member's employment status. Any changes impacting our highest paying commercial payors will have a disproportionate impact on us. In addition, many patients with commercial and government insurance rely on financial assistance from charitable organizations, such as the American Kidney Fund. Certain payors have challenged our patients' and other providers' patients' ability to utilize assistance from charitable organizations for the payment of premiums, including through litigation and other legal proceedings. Regulators have also questioned the use of charitable premium assistance for ESRD patients. CMS or another regulatory agency or legislative authority may issue a new rule or guidance that challenges or restricts charitable premium assistance. If any of these challenges to kidney patients' use of premium assistance are successful or restrictions are imposed on the use of financial assistance from such charitable organizations such that kidney patients are unable to obtain, or continue to receive or receive for a limited duration, such financial assistance, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, if our assumptions about how kidney patients will respond to any change in financial assistance from charitable organizations are incorrect, it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

When Medicare becomes the primary payor, the payment rate we receive for that patient decreases from the employer group health plan or commercial plan rate to the lower Medicare payment rate. The number of our patients who have government-based programs as their primary payors could increase and the percentage of our patients covered under commercial insurance plans could be negatively impacted as a result of improved mortality or declining macroeconomic conditions. To the extent there are sustained or increased job losses in the U.S., independent of whether general economic conditions improve, we could experience a decrease in the number of patients covered under commercial plans and/or an increase in uninsured and underinsured patients. The percentage of our patients covered under commercial insurance plans could also be negatively impacted by a decline in the rate of growth of the ESRD patient population. We could also experience a further decrease in the payments we receive for services if changes to the healthcare regulatory system result in fewer patients covered under commercial plans or an increase of patients covered under more restrictive commercial plans with lower reimbursement rates. In addition, our continual negotiations with commercial payors under existing and potential new agreements could result in a decrease in the number of our patients covered by commercial plans to the extent that we cannot reach agreement with commercial payors on rates and other terms, resulting in termination or non-renewals of existing agreements and our inability to enter into new agreements. Commercial payors have taken and may continue to take steps to control the cost of and/or the eligibility for access to healthcare services, including relative to products on and off the healthcare exchanges. These efforts could impact the number of our patients who are eligible to enroll in commercial insurance plans, and remain on the plans, including plans offered through healthcare exchanges. Additionally, we continue to experience higher amounts of write-offs due to uninsured and underinsured patients, which has resulted in an increase in uncollectible accounts. Commercial payors could also cease paying in the primary position after providing 30 months of coverage resulting in a material reduction in payment as the patient moves to Medicare primary. 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 or a significant increase in the number of patients that are uninsured and underinsured, it would have a material adverse effect on our business, results of operations, financial condition and cash flows.

**Changes in the structure of and payment rates under the Medicare ESRD program could have a material adverse effect on our business, results of operations, financial condition and cash flows.**

Approximately 44% of our U.S. dialysis and related lab services net revenues for the year ended December 31, 2018, were generated from patients who have Medicare as their primary payor. For patients with Medicare coverage, all ESRD payments for dialysis treatments are made under a single bundled payment rate which provides a fixed payment rate to encompass all goods and services provided during the dialysis treatment that are related to the treatment of dialysis, including pharmaceuticals that were historically separately reimbursed to the dialysis providers, such as erythropoietin (EPO), vitamin D analogs and iron supplements, irrespective of the level of pharmaceuticals administered or additional services performed, except in the case of calcimimetics, which are subject to a transitional drug add-on payment adjustment for the Medicare Part B ESRD payment. Most lab services are also included in the bundled payment. Under the ESRD PPS, the bundled payments to a dialysis facility may be reduced by as much as 2% based on the facility's performance in specified quality measures set

annually by CMS through the ESRD Quality Incentive Program, which was established by the Medicare Improvements for Patients and Providers Act of 2008. The bundled payment rate is also adjusted for certain patient characteristics, a geographic usage index and certain other factors. In addition, the ESRD PPS is subject to rebasing, which can have a positive financial effect, or a negative one if the government fails to rebase in a manner that adequately addresses the costs borne by dialysis facilities. Similarly, as new drugs, services or labs are added to the ESRD bundle, CMS' failure to adequately calculate the costs associated with the drugs, services or labs could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The current bundled payment system presents certain operating, clinical and financial risks, which include:

- Risk that our rates are reduced by CMS. Uncertainty about future payment rates remains a material risk to our business.
- Risk that CMS, through its contracted Medicare Administrative Contractors (MACs) or otherwise, implements Local Coverage Determinations (LCDs) or other decisions that limit our ability to bill for treatments or other drugs and services or other rules that may impact reimbursement. Such coverage determinations could have an adverse impact on our revenue. There is also risk commercial insurers could seek to incorporate the requirements or limitations associated with such LCDs into their contracted terms with dialysis providers, which could have an adverse impact on our revenue.
- Risk that a MAC, or multiple MACs, change their interpretations of existing regulations, manual provisions and/or guidance; or seek to implement or enforce new interpretations that are inconsistent with how we have interpreted existing regulations, manual provisions and/or guidance.
- Risk that increases in our operating costs will outpace the Medicare rate increases we receive. We expect operating costs to continue to increase due to inflationary factors, such as increases in labor and supply costs, including increases in maintenance costs and capital expenditures to improve, renovate and maintain our facilities, equipment and information technology to meet changing regulatory requirements and business needs, regardless of whether there is a compensating inflation-based increase in Medicare payment rates or in payments under the bundled payment rate system.
- Risk of federal budget sequestration cuts. As a result of the Budget Control Act of 2011 and the BBA, an annual 2% reduction to Medicare payments took effect on April 1, 2013, and has been extended through 2027. These across-the-board spending cuts have affected and will continue to adversely affect our business, results of operations, financial condition and cash flows.
- Risk that failure to adequately develop and maintain our clinical systems or failure of our clinical systems to operate effectively could have a material adverse effect on our business, results of operations, financial condition and cash flows. For example, in connection with claims for which at least part of the government's payments to us is based on clinical performance or patient outcomes or co-morbidities, if our clinical systems fail to accurately capture the data we report to CMS or we otherwise have data integrity issues with respect to the reported information, we might be over-reimbursed by the government, which could subject us to liability. For example, CMS published a final rule that implemented a provision of the ACA, requiring providers to report and return Medicare and Medicaid overpayments within the later of (a) 60 days after the overpayment is identified and quantified, or (b) the date any corresponding cost report is due, if applicable. An overpayment impermissibly retained under this statute could, among other things, subject us to liability under the FCA, exclusion from participation in the federal healthcare programs, and penalties under the federal Civil Monetary Penalty statute and could adversely impact our reputation.

We are subject to similar risks for services billed separately from the ESRD bundled payment, including the risk that a MAC, or multiple MACs, change their interpretations of existing regulations, manual provisions and/or guidance; or seek to implement or enforce new interpretations that are inconsistent with how we have interpreted existing regulations, manual provisions and/or guidance. For additional details regarding the risks we face for failing to adhere to our Medicare and Medicaid regulatory compliance obligations, see the risk factor above under the heading "If we fail to adhere to all of the complex government laws and regulations that apply to our business, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price."

**Changes in state Medicaid or other non-Medicare government-based programs or payment rates could have a material adverse effect on our business, results of operations, financial condition and cash flows.**

Approximately 25% of our U.S. dialysis and related lab services net revenues for the year ended December 31, 2018, were generated from patients who have state Medicaid or other non-Medicare government-based programs, such as coverage through the Department of Veterans Affairs (VA), as their primary coverage. As state governments and other governmental organizations face increasing budgetary pressure, we may in turn face reductions in payment rates, delays in the receipt of payments, limitations on enrollee eligibility or other changes to the applicable programs. For example, certain state Medicaid programs and the VA have recently considered, proposed or implemented payment rate reductions.

The VA adopted Medicare's bundled PPS pricing methodology for any veterans receiving treatment from non-VA providers under a national contracting initiative. Since we are a non-VA provider, these reimbursements are tied to a percentage of Medicare reimbursement, and we have exposure to any dialysis reimbursement changes made by CMS. Approximately 3% of our dialysis services revenues for the year ended December 31, 2018 were generated by the VA.

In 2013, we entered into a five-year Nationwide Dialysis Services contract with the VA which is subject to one-year renewal periods, consistent with all provider agreements with the VA under this contract. During the length of the contract, the VA has elected not to make adjustments to reimbursement percentages that are tied to a percentage of Medicare reimbursement rates. These agreements provide the VA with the right to terminate the agreements without cause on short notice. Should the VA renegotiate, or not renew or cancel these agreements for any reason, we may cease accepting patients under this program and may be forced to close centers or experience lower reimbursement rates, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

State Medicaid programs are increasingly adopting Medicare-like bundled payment systems, but sometimes these payment systems are poorly defined and are implemented without any claims processing infrastructure, or patient or facility adjusters. If these payment systems are implemented without any adjusters and claims processing infrastructure, Medicaid payments will be substantially reduced and the costs to submit such claims may increase, which will have a negative impact on our business, results of operations, financial condition and cash flows. In addition, some state Medicaid program eligibility requirements mandate that citizen enrollees in such programs provide documented proof of citizenship. If our patients cannot meet these proof of citizenship documentation requirements, they may be denied coverage under these programs, resulting in decreased patient volumes and revenue. These Medicaid payment and enrollment changes, along with similar changes to other non-Medicare government programs could reduce the rates paid by these programs for dialysis and related services, delay the receipt of payment for services provided and further limit eligibility for coverage which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

**Changes in clinical practices, payment rates or regulations impacting pharmaceuticals could have a material adverse effect on our business, results of operations, financial condition, cash flows and negatively impact our ability to care for patients.**

Medicare bundles certain pharmaceuticals into the PPS at industry average doses and prices. Any variation above the industry average may be subject to partial reimbursement through the PPS outlier reimbursement policy.

Commercial payors have increasingly examined their administration policies for pharmaceuticals and, in some cases, have modified those policies. Changes in labeling of pharmaceuticals in a manner that alters physician practice patterns, including their independent determinations as to appropriate dosing, or accepted clinical practices, and/or changes in private and governmental payment criteria, including the introduction of administration policies could have a material adverse effect on our business, results of operations, financial condition and cash flows. Further increased utilization of certain pharmaceuticals for patients for whom the cost of which is included in a bundled reimbursement rate, or further decreases in reimbursement for pharmaceuticals that are not included in a bundled reimbursement rate, could also have a material adverse effect on our business, results of operations, financial condition and cash flows.

Additionally, as of January 1, 2018, calcimimetics became part of the Medicare Part B ESRD payment, but subject to a transitional drug add-on payment adjustment. We implemented processes designed to provide the drug as required under the applicable regulations and prescribed by physicians and have entered into agreements to provide for access to and distribution of the drug. If payors do not pay as anticipated, if we are not adequately reimbursed for the cost of the drug, or the processes we have implemented to provide the drug do not perform as anticipated, then we could be subject to both financial and operational risk, among other things.

We may be subject to increased inquiries or audits from a variety of governmental bodies or claims by third parties related to pharmaceuticals, which would require management's attention and could result in significant legal expense. Any

negative findings could result in substantial financial penalties or repayment obligations, the imposition of certain obligations on and changes to our practices and procedures as well as the attendant financial burden on us to comply with the obligations, or exclusion from future participation in the Medicare and Medicaid programs, and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

**If we fail to comply with our Corporate Integrity Agreement, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs that could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation.**

In October 2014, we entered into a Settlement Agreement with the U.S. and relator David Barbetta to resolve the then pending 2010 and 2011 U.S. Attorney physician relationship investigations and paid \$406 million in settlement amounts, civil forfeiture, and interest to the U.S. and certain states. In connection with the resolution of these matters, and in exchange for the OIG's agreement not to exclude us from participating in the federal healthcare programs, we have entered into a five-year CIA with the OIG. The CIA (i) requires that we maintain certain elements of our compliance programs; (ii) imposes certain expanded compliance-related requirements during the term of the CIA; (iii) requires ongoing monitoring and reporting by an independent monitor, imposes certain reporting, certification, records retention and training obligations, allocates certain oversight responsibility to the Board's Compliance Committee, and necessitates the creation of a Management Compliance Committee and the retention of an independent compliance advisor to the Board; and (iv) contains certain business restrictions related to a subset of our joint venture arrangements, including our agreeing to (1) unwind 11 joint venture transactions that were created through partial divestitures to, or partial acquisitions from, nephrologists, and that cover 26 of our 2,119 clinics that existed at the time we entered into the Settlement Agreement, all of which have been completed, (2) not enter into certain types of partial divestiture joint venture transactions with nephrologists during the term of the CIA, (3) non-enforcement of certain patient-related non-solicitation restrictions, and (4) certain other restrictions. The costs associated with compliance with the CIA are substantial and may be greater than we currently anticipate. In addition, in the event of a breach of the CIA, we could become liable for payment of certain stipulated penalties, and could be excluded from participation in federal healthcare programs. The OIG has notified us in the past that it considered us to be in breach of the CIA, and we cannot provide any assurances that we may not be found in breach of the CIA in the future. In general, the costs associated with compliance with the CIA, or any liability or consequences associated with a breach, could have a material adverse effect on our business, results of operations, financial condition and cash flows. For our domestic dialysis business, we are required under the CIA to report to the OIG (i) probable violations of criminal, civil or administrative laws applicable to any federal health care program for which penalties or exclusions may be authorized under applicable laws and regulations; (ii) substantial overpayments of amounts of money we have received in excess of the amounts due and payable under the federal healthcare program requirements; and (iii) employment of or contracting with individuals ineligible from participating in the federal healthcare programs (we refer to these collectively as Reportable Events). We have provided the OIG notice of Reportable Events, and we may identify and report additional events in the future. If any of our operations are found to violate government laws and regulations, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price, including those consequences described under the risk factor "If we fail to adhere to all of the complex government laws and regulations that apply to our business, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price."

**Delays in state Medicare and Medicaid certification or other licensing and/or anything impacting the licensing of our dialysis centers could adversely affect our business, results of operations, financial condition and cash flows.**

Before we can begin billing for patients treated in our outpatient dialysis centers who are enrolled in government-based programs, we are required to obtain state and federal certification for participation in the Medicare and Medicaid programs. As state agencies responsible for surveying dialysis centers on behalf of the state and Medicare program face increasing budgetary pressure, certain states are having difficulty keeping up with certifying dialysis centers in the normal course resulting in significant delays in certification. If state governments continue to have difficulty keeping up with certifying new centers in the normal course and we continue to experience significant delays in our ability to treat and bill for services provided to patients covered under government programs, it could cause us to incur write-offs of investments or accelerate the recognition of lease obligations in the event we have to close centers or our centers' operating performance deteriorates, and it could have an adverse effect on our business, results of operations, financial condition and cash flows. Although the BBA passed in February 2018 allows organizations approved by the Department of Health and Human Services (HHS) to accredit dialysis facilities and imposes certain timing requirements regarding the initiation of initial surveys to determine if certain conditions and requirements for payment have been satisfied, we cannot predict the ultimate impact of these changes. In addition to certifications for Medicare and Medicaid, some states have licensing requirements for ESRD facilities. Delays in licensure, denials of licensure, or withdrawal of licensure could also adversely affect our business, results of operations, financial condition and cash flows.

**If our joint ventures were found to violate the law, we could suffer severe consequences that would have a material adverse effect on our business, results of operations, financial condition and cash flows.**

As of December 31, 2018, we owned a controlling interest in numerous dialysis-related joint ventures, which represented approximately 25% of our net U.S. dialysis and related lab services net revenues for the year ended December 31, 2018. In addition, we also owned noncontrolling equity investments in several other dialysis related joint ventures. We expect to continue to increase the number of our joint ventures. Many of our joint ventures with physicians or physician groups also have certain physician owners providing medical director services to centers we own and operate. Because our relationships with physicians are governed by the federal and state anti-kickback statutes, we have sought to structure our joint venture arrangements to satisfy as many federal safe harbor requirements as we believe are commercially reasonable. Our joint venture arrangements do not satisfy all of the elements of any safe harbor under the federal Anti-Kickback Statute, however, and therefore are susceptible to government scrutiny. For example, in October 2014, we entered into a settlement agreement to resolve the then pending 2010 and 2011 U.S. Attorney physician relationship investigations regarding certain of our joint ventures and paid \$406 million in settlement amounts, civil forfeiture, and interest to the U.S. and certain states. For further details on the settlement agreement, see "If we fail to comply with our Corporate Integrity Agreement, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs that could have a material adverse effect on our business, results of operations, financial condition, cash flows, and reputation".

**There are significant risks associated with estimating the amount of dialysis revenues and related refund liabilities that we recognize, and if our estimates of revenues and related refund liabilities are materially inaccurate, it could impact the timing and the amount of our revenues recognition or have a material adverse effect on our business, results of operations, financial condition and cash flows.**

There are significant risks associated with estimating the amount of U.S. dialysis and related lab services revenues and related refund liabilities that we recognize in a reporting period. The billing and collection process is complex due to ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage and other payor issues, such as ensuring appropriate documentation. Determining applicable primary and secondary coverage for approximately 202,700 U.S. patients at any point in time, together with the changes in patient coverage that occur each month, requires complex, resource-intensive processes. Errors in determining the correct coordination of benefits may result in refunds to payors. Revenues associated with Medicare and Medicaid programs are also subject to estimating risk related to the amounts not paid by the primary government payor that will ultimately be collectible from other government programs paying secondary coverage, the patient's commercial health plan secondary coverage or the patient. Collections, refunds and payor retractions typically continue to occur for up to three years and longer after services are provided. We generally expect our range of U.S. dialysis and related lab services revenues estimating risk to be within 1% of net revenues for the segment. If our estimates of U.S. dialysis and related lab services revenues and related refund liabilities are materially inaccurate, it could impact the timing and the amount of our revenues recognition and have a material adverse impact on our business, results of operations, financial condition and cash flows.

**Our ancillary services and strategic initiatives, including our international operations, that we operate or invest in now or in the future may generate losses and may ultimately be unsuccessful. In the event that one or more of these activities is unsuccessful, our business, results of operations, financial condition and cash flows may be negatively impacted and we may have to write off our investment and incur other exit costs.**

Our ancillary services and strategic initiatives are subject to many of the same risks, regulations and laws, as described in the risk factors related to our dialysis business set forth in this Part I, Item 1A, and are also subject to additional risks, regulations and laws specific to the nature of the particular strategic initiative. We expect to add additional service offerings to our business and pursue additional strategic initiatives in the future as circumstances warrant, which could include healthcare services not related to dialysis. Many of these initiatives require or would require investments of both management and financial resources and can generate significant losses for a substantial period of time and may not become profitable in the expected timeframe or at all. There can be no assurance that any such strategic initiative will ultimately be successful. Any significant change in market conditions, or business performance, or in the political, legislative or regulatory environment, may impact the economic viability of any of these strategic initiatives. For example, changes in the oral pharmacy space, including reimbursement rate pressures, negatively impacted the economics of our pharmacy services business. As a result, in the second half of 2018 we transitioned the customer service and fulfillment functions of this business to third parties and wound down our distribution operation, which resulted in a decrease in revenues and costs. In the year ended December 31, 2018, we recognized restructuring charges of \$11 million and incurred asset impairment charges of \$17 million related to the restructuring of our pharmacy business.

If any of our ancillary services or strategic initiatives, including our international operations, are unsuccessful, it would have a negative impact on our business, results of operations, financial condition and cash flows, and we may determine to exit

that line of business. We could incur significant termination costs if we were to exit certain of these lines of business. In addition, we may incur a material write-off or an impairment of our investment, including goodwill, in one or more of our ancillary services or strategic initiatives. In that regard, we have taken, and may in the future take, impairment and restructuring charges in addition to those described above related to our ancillary services and strategic initiatives, including in our international and pharmacy businesses.

**If a significant number of physicians were to cease referring patients to our dialysis centers, whether due to regulatory or other reasons, it would have a material adverse effect on our business, results of operations, financial condition and cash flows.**

Physicians, including medical directors, choose where they refer their patients. Some 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 director of the center. As a result, referral sources for many of our centers include the physician or physician group providing medical director services to the center.

Our medical director contracts are for fixed periods, generally ten years, and at any given time a large number of them could be up for renewal at the same time. Medical directors have no obligation to extend their agreements with us and, under certain circumstances, our former medical directors may choose to provide medical director services for competing providers or establish their own dialysis centers in competition with ours. Neither our current nor former medical directors have an obligation to refer their patients to our centers.

The aging of the nephrologist population and opportunities presented by our competitors may negatively impact a medical director's decision to enter into or extend his or her agreement with us. Moreover, different affiliation models in the changing healthcare environment that limit a nephrologist's choice in where he or she can refer patients, such as an increase in the number of physicians becoming employed by hospitals or a perceived decrease in the quality of service levels at our centers, may limit a nephrologist's ability or desire to refer patients to our centers or otherwise negatively impact treatment volumes.

In addition, if the terms of any existing agreement are found to violate applicable laws, we may not be successful in restructuring the relationship, which would lead to the early termination of the agreement. If we are unable to obtain qualified medical directors to provide supervision of the operations and care provided at our dialysis centers, it could affect physicians' desire to refer patients to our dialysis centers. If a significant number of physicians were to cease referring patients to our dialysis centers, it would have a material adverse effect on our business, results of operations, financial condition and cash flows.

**If our labor costs continue to rise, including due to shortages, changes in certification requirements and higher than normal turnover rates in skilled clinical personnel; or currently pending or future rules, regulations or initiatives impose additional requirements or limitations on our operations or profitability; or, if we are unable to attract and retain key leadership talent, we may experience disruptions in our business operations and increases in operating expenses, among other things, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.**

We face increasing labor costs generally, and in particular, we face 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 healthcare providers. This nursing shortage may limit our ability to expand our operations. Furthermore, changes in certification requirements can impact our ability to maintain sufficient staff levels, including to the extent our teammates are not able to meet new requirements, among other things. In addition, if we experience a higher than normal turnover rate for our skilled clinical personnel, our operations and treatment growth may be negatively impacted, which could adversely affect our business, results of operations, financial condition and cash flows. We also face competition in attracting and retaining talent for key leadership positions. If we are unable to attract and retain qualified individuals, we may experience disruptions in our business operations, including our ability to achieve strategic goals, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, proposed ballot initiatives or referendums, legislation, regulations or policy changes could cause us to incur substantial costs to challenge and prepare for and, if implemented, impose additional requirements on our operations, including increases in the required staffing levels or staffing ratios for clinical personnel, minimum transition times between treatments, limits on how much patients may be charged for care, limitations as to the amount that can be spent on certain medical costs, and limitations on the amount of revenue that providers can retain. Changes such as those mandated by proposed ballot initiatives or referendums, legislation, regulations or policy changes could materially reduce our revenues and increase our operating expense and impact our ability to staff our clinics to any new, elevated staffing levels, in particular given the ongoing



nationwide shortage of healthcare workers, especially nurses. Any of these events or circumstances could materially reduce our revenues and increase our operating and other costs, require us to close or consolidate existing dialysis centers, postpone or not build new dialysis centers, reduce shifts or negatively impact employee relations, treatment growth and productivity, and could have a material adverse effect on our business, results of operations, financial condition and cash flows. For additional information on these risks, see "Changes in federal and state health regulations could have a material adverse effect on our business, results of operations, financial condition and cash flows."

**Our business is labor intensive and could be materially adversely affected if we are unable to attract and retain employees or if union organizing activities or legislative or other changes result in significant increases in our operating costs or decreases in productivity.**

Our business is labor intensive, and our financial and operating results have been and continue to be subject to variations in labor-related costs, productivity and the number of pending or potential claims against us related to labor and employment practices. Political or other efforts at the national or local level could result in actions or proposals that increase the likelihood or success of union organizing activities at our facilities and ongoing union organizing activities at our facilities could continue or increase for other reasons. We could experience an upward trend in wages and benefits and labor and employment claims, including the filing of class action suits, or adverse outcomes of such claims, or face work stoppages. In addition, we are and may continue to be subject to targeted corporate campaigns by union organizers in response to which we have been and may continue to be required to expend substantial resources, both time and financial. Any of these events or circumstances could have a material adverse effect on our employee relations, treatment growth, productivity, business, results of operations, financial condition and cash flows.

**Complications associated with our billing and collections system could materially adversely affect our business, results of operations, financial condition and cash flows.**

Our billing system is critical to our billing operations. If there are defects in the billing system, we may experience difficulties in our ability to successfully bill and collect for services rendered, including a delay in collections, a reduction in the amounts collected, increased risk of retractions from and refunds to commercial and government payors, an increase in our provision for uncollectible accounts receivable and noncompliance with reimbursement regulations, any or all of which could materially adversely affect our results of operations.

**Risk factors primarily related to DMG:**

**DMG is subject to many of the same risks to which our dialysis business is subject.**

As a participant in the healthcare industry, DMG is subject to many of the same risks as our dialysis business is, as described in the risk factors set forth above in this Part I, Item 1A, many of which could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

**Under most of DMG's agreements with health plans, DMG assumes some or all of the risk that the cost of providing services will exceed its compensation.**

Approximately 84% of DMG's revenue for the year ended December 31, 2018, is derived from fixed per member per month (PMPM) fees paid by health plans under capitation agreements with DMG or its associated physician groups. While there are variations specific to each arrangement, DMG, through DHPC, a subsidiary of HealthCare Partners Holdings, LLC and a restricted Knox-Keene licensed entity, and, in certain instances, DMG's associated physician groups, generally contract with health plans to receive a PMPM fee for professional services and assume the financial responsibility for professional services only. In some cases, the health plans separately enter into capitation contracts with third parties (typically hospitals) who receive directly a PMPM fee and assume contractual financial responsibility for hospital services. In other cases, the health plan does not pay any portion of the PMPM fee to the hospital, but rather administers claims for hospital expenses itself. In both scenarios, DMG enters into managed care-related administrative services agreements or similar arrangements with those third parties (typically hospitals) under which DMG agrees to be responsible for utilization review, quality assurance, and other managed care-related administrative functions. As compensation for such administrative services, DMG is entitled to receive a percentage of the amount by which the institutional capitation revenue received from health plans exceeds institutional expenses; any such risk-share amount to which DMG is entitled is recorded as medical revenues, and DMG is also responsible for a percentage of any short-fall in the event that institutional expenses exceed institutional revenues. To the extent that members require more care than is anticipated and/or the cost of care increases, aggregate fixed PMPM amounts, or capitation payments, may be insufficient to cover the costs associated with treatment. If medical costs and expenses exceed estimates, except in very limited circumstances, DMG will not be able to increase the PMPM fee received under these risk

agreements during their then-current terms and could, directly or indirectly through its contracts with its associated physician groups, suffer losses with respect to such agreements.

Changes in DMG's or its associated physician groups' anticipated ratio of medical expense to revenue can significantly impact DMG's financial results. Accordingly, the failure to adequately predict and control medical costs and expenses and to make reasonable estimates and maintain adequate accruals for incurred but not reported claims, could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

Historically, DMG's and its associated physician groups' medical costs and expenses as a percentage of revenue have fluctuated. Factors that may cause medical expenses to exceed estimates include:

- the health status of members;
- higher than expected utilization of new or existing healthcare services or technologies;
- an increase in the cost of healthcare services and supplies, including pharmaceuticals, whether as a result of inflation or otherwise;
- changes to mandated benefits or other changes in healthcare laws, regulations and practices;
- periodic renegotiation of provider contracts with specialist physicians, hospitals and ancillary providers;
- periodic renegotiation of contracts with DMG's affiliated primary care physicians and specialists;
- changes in the demographics of the participating members and medical trends;
- contractual or claims disputes with providers, hospitals or other service providers within and outside of a health plan's network;
- the occurrence of catastrophes, major epidemics or acts of terrorism; and
- the reduction of health plan premiums.

**Risk-sharing arrangements that DMG and its associated physician groups have with health plans and hospitals could result in their costs exceeding the corresponding revenues, which could reduce or eliminate any shared risk profitability.**

Most of the agreements between health plans and DMG and its associated physician groups contain risk-sharing arrangements under which the physician groups can earn additional compensation from the health plans by coordinating the provision of quality, cost-effective healthcare to members. However, such arrangements may require the physician group to assume a portion of any loss sustained from these arrangements, thereby reducing DMG's net income. Under these risk-sharing arrangements, DMG and its associated physician groups are responsible for a portion of the cost of hospital services or other services that are not capitated. The terms of the particular risk-sharing arrangement allocate responsibility to the respective parties when the cost of services exceeds the related revenue, which results in a deficit, or permit the parties to share in any surplus amounts when actual costs are less than the related revenue. The amount of non-capitated medical and hospital costs in any period could be affected by factors beyond the control of DMG, such as changes in treatment protocols, new technologies, longer lengths of stay by the patient and inflation. Certain of DMG's agreements with health plans stipulate that risk-sharing pool deficit amounts are carried forward to offset any future years' surplus amounts DMG would otherwise be entitled to receive. DMG accrues for any such risk-sharing deficits. To the extent that such non-capitated medical and hospital costs are higher than anticipated, revenue may not be sufficient to cover the risk-sharing deficits DMG and its associated physician groups are responsible for, which could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

**Renegotiation, renewal or termination of capitation agreements with health plans could have a material adverse effect on DMG's business, results operations, financial condition and cash flows.**

Under most of DMG's and its associated physician groups' capitation agreements with health plans, the health plan is generally permitted to modify the benefit and risk obligations and compensation rights from time to time during the terms of the agreements. If a health plan exercises its right to amend its benefit and risk obligations and compensation rights, DMG and its associated physician groups are generally allowed a period of time to object to such amendment. If DMG or its associated physician group so objects, under some of the risk agreements, the relevant health plan may terminate the applicable agreement upon 90 to 180 days written notice. If DMG or its associated physician groups enter into capitation contracts or other risk

sharing arrangements with unfavorable economic terms, or a capitation contract is amended to include unfavorable terms, DMG could, directly or indirectly through its contracts with its associated physician groups, suffer losses with respect to such contract. Since DMG does not negotiate with CMS or any health plan regarding the benefits to be provided under their Medicare Advantage plans, DMG often has just a few months to familiarize itself with each new annual package of benefits it is expected to offer. Depending on the health plan at issue and the amount of revenue associated with the health plan's risk agreement, the renegotiated terms or termination could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

**If DMG's agreements or arrangements with any physician equity holder(s) of associated physicians, physician groups or independent practice associations (IPAs) are deemed invalid under state law, including laws against the corporate practice of medicine, or federal law, or are terminated as a result of changes in state law, or if there is a change in accounting standards by the Financial Accounting Standards Board (FASB) or the interpretation thereof affecting consolidation of entities, it could have a material adverse effect on DMG's consolidation of total revenues derived from such associated physician groups.**

DMG's financial statements are consolidated in accordance with applicable accounting standards and include the accounts of its majority-owned subsidiaries and certain non-owned DMG-associated and managed physician groups. Such consolidation for accounting and/or tax purposes does not, is not intended to, and should not be deemed to, imply or provide to DMG any control over the medical or clinical affairs of such physician groups. In the event of a change in accounting standards promulgated by FASB or in interpretation of its standards, or if there is an adverse determination by a regulatory agency or a court, or a change in state or federal law relating to the ability to maintain present agreements or arrangements with such physician groups, DMG may not be permitted to continue to consolidate the total revenues of such organizations. A change in accounting for consolidation with respect to DMG's present agreements or arrangements would diminish DMG's reported revenues but would not be expected to materially and adversely affect its reported results of operations, while regulatory or legal rulings or changes in law interfering with DMG's ability to maintain its present agreements or arrangements could materially diminish both revenues and results of operations.

**If DHPC is not able to satisfy financial solvency or other regulatory requirements, we could become subject to sanctions and its license to do business in California could be limited, suspended or terminated, which could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.**

Knox-Keene requires healthcare service plans operating in California to comply with financial solvency and other requirements overseen by the California Department of Managed HealthCare (DMHC). Under Knox-Keene, DHPC is required to, among other things:

- Maintain, at all times, a minimum tangible net equity (TNE);
- Submit periodic financial solvency reports to the DMHC containing various data regarding performance and financial solvency;
- Comply with extensive regulatory requirements; and
- Submit to periodic regulatory audits and reviews concerning DHPC operations and compliance with Knox-Keene.

In the event that DHPC is not in compliance with the provisions of Knox-Keene, we could be subject to sanctions, or limitations on, or suspension of its license to do business in California, which could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

**If DMG's associated physician group is not able to satisfy the California DMHC's financial solvency requirements, DMG's associated physician group could become subject to sanctions and DMG's ability to do business in California could be limited or terminated, which could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.**

The California DMHC has instituted financial solvency regulations to monitor the financial solvency of capitated physician groups. Under these regulations, DMG's associated physician group is required to, among other things:

- Maintain, at all times, a minimum cash-to-claims ratio (where cash-to-claims ratio means the organization's cash, marketable securities and certain qualified receivables, divided by the organization's total unpaid claims liability). The regulation currently requires a cash-to-claims ratio of 0.75.

- Submit periodic reports to the California DMHC containing various data and attestations regarding performance and financial solvency, including incurred but not reported calculations and documentation, and attestations as to whether or not the organization was in compliance with Knox-Keene requirements related to claims payment timeliness, had maintained positive TNE (i.e., at least \$1.00) and had maintained positive working capital (i.e., at least \$1.00).

In the event that DMG's associated physician group is not in compliance with any of the above criteria, DMG's associated physician group could be subject to sanctions, or limitations on, or termination of, its ability to do business in California, which could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

**Reductions in Medicare Advantage health plan reimbursement rates stemming from healthcare reforms and any future related regulations could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.**

A significant portion of DMG's revenue is directly or indirectly derived from the monthly premium payments paid by CMS to health plans for medical services provided to Medicare Advantage enrollees. As a result, DMG's results of operations are, in part, dependent on government funding levels for Medicare Advantage programs. Any changes that limit or reduce Medicare Advantage reimbursement levels, such as reductions in or limitations of reimbursement amounts or rates under programs, reductions in funding of programs, expansion of benefits without adequate funding, elimination of coverage for certain benefits, or elimination of coverage for certain individuals or treatments under programs, could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

Each year, CMS issues a final rule to establish the Medicare Advantage benchmark payment rates for the following calendar year. Any reduction to Medicare Advantage rates impacting DMG that is greater compared to the industry average rate may have a material adverse effect on DMG's business, results of operations, financial condition and cash flows. The final impact of the Medicare Advantage rates can vary from any estimate we may have and may be further impacted by the relative growth of DMG's Medicare Advantage patient volumes across markets as well as by the benefit plan designs submitted. It is possible that we may underestimate the impact of the Medicare Advantage rates on our business, which could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

Before DMG was reclassified as held for sale, we took impairment charges against the goodwill of several of our DMG reporting units based on continuing developments in our DMG business, including recent annual updates to Medicare Advantage benchmark reimbursement rates, changes in our expectations concerning future government reimbursement rates and our expected ability to mitigate them, medical cost and utilization trends, commercial pricing pressures, commercial membership rates, underperformance of certain at-risk reporting units and other market factors. Depending on the impact of continuing developments on the value of our DMG business, for example if DMG's fair value less the costs incurred in the sale of DMG falls below its carrying amount, we may need to recognize additional impairment charges on this business, and the amount of such charges, if any, could be significant. Our estimates of the fair value of this business rely on certain estimates and assumptions, including the terms and pricing agreed for the sale of this business, as well as applicable market multiples, discount and long-term growth rates, market data and future reimbursement rates, as applicable. Our estimates of the fair value of the DMG business could differ from the actual value that a market participant would pay for this business, and as a result, we may recognize valuation adjustments or record other related charges on our DMG business in the future. For example, in the third and fourth quarters of 2018, we recognized valuation adjustments with respect to DMG based on an updated assessment of fair value, which includes inputs such as the transaction itself, risks and timing, and performance of the business, and we recorded associated goodwill impairment charges in the fourth quarter of 2018. For additional information regarding the risks we face related to the pending sale of DMG, see the discussion in the risk factors under the heading "Risk factors related to the sale of DMG."

DMG's Medicare Advantage revenues may continue to be volatile in the future, which could have a material adverse impact on DMG's business, results of operations, financial condition and cash flows.

The ACA contains a number of provisions that negatively impact Medicare Advantage plans, each of which could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows. These provisions include the following:

- Medicare Advantage benchmarks for 2011 were frozen at 2010 levels. From 2012 through 2016, Medicare Advantage benchmark rates were phased down from prior levels. The new benchmarks were fully phased-in in 2017 and range between 95% and 115% of the Medicare Fee-for-Service (Medicare FFS) costs, depending on a plan's geographic area. If our costs escalate faster than can be absorbed by the level of revenues implied by these benchmark rates, then it could have a material adverse effect on DMG's business and results of operations.
- Rebates received by Medicare Advantage plans that were reduced, with larger reductions for plans failing to receive certain quality ratings.
- The Secretary of the HHS has been granted the explicit authority to deny Medicare Advantage plan bids that propose significant increases in cost sharing or decreases in benefits. If the bids submitted by plans contracted with DMG are denied, this could have a material adverse effect on DMG's business and results of operations.
- Medicare Advantage plans with medical loss ratios below 85% are required to pay a rebate to the Secretary of HHS. The rebate amount is the total revenue under the contract year multiplied by the difference between 85% and the plan's actual medical loss ratio. The Secretary of HHS will halt enrollment in any plan failing to meet this ratio for three consecutive years, and terminate any plan failing to meet the ratio for five consecutive years. If a DMG-contracting Medicare Advantage plan experiences a limitation on enrollment or is otherwise terminated from the Medicare Advantage program, it could have a material adverse effect on DMG's business and results of operations.
- Prescription drug plans are required to provide coverage of certain drug categories on a list developed by the Secretary of HHS, which could increase the cost of providing care to Medicare Advantage enrollees, and thereby reduce DMG's revenues and earnings. The Medicare Part D premium amount subsidized for high-income beneficiaries has been reduced, which could lower the number of Medicare Advantage enrollees, which would have a negative impact on DMG's business and results of operations.
- CMS increased coding intensity adjustments for Medicare Advantage plans beginning in 2014 and continuing through 2019, which reduces CMS payments to Medicare Advantage plans, which in turn will likely reduce the amounts payable to DMG and its associated physicians, physician groups, and IPAs under its capitation agreements.

Recent legislative, judicial and executive efforts to enact further healthcare reform legislation have caused the future state of the exchanges, other ACA reforms, and many core aspects of the current U.S. health care system to be unclear. While specific changes and their timing are not yet apparent, enacted reforms and future legislative, regulatory, judicial, or executive changes could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

There is also uncertainty regarding both Medicare Advantage payment rates and beneficiary enrollment, which, if reduced, would reduce DMG's overall revenues and net income. For example, although the Congressional Budget Office (CBO) predicted in 2010 that Medicare Advantage participation would drop substantially by 2020, the CBO has more recently predicted, without taking into account potential future reforms, that enrollment in Medicare Advantage (and other contracts covering Medicare Parts A and B) could reach 31 million by 2027. Although Medicare Advantage enrollment increased by approximately 5.6 million, or by 50%, between the enactment of the ACA in 2010 and 2015, there can be no assurance that this trend will continue. Further, fluctuation in Medicare Advantage payment rates are evidenced by CMS's annual announcement of the expected average change in revenue from the prior year: for 2018, CMS announced an average increase of 0.45%; and for 2019, 3.4%. Uncertainty over Medicare Advantage enrollment and payment rates present a continuing risk to DMG's business.

According to the Kaiser Family Foundation (KFF), Medicare Advantage enrollment continues to be highly concentrated among a few payors, both nationally and in local regions. In 2018, the KFF reported that three payors together accounted for more than half of Medicare Advantage enrollment and seven firms accounted for approximately 75% of the lives. Consolidation among Medicare Advantage plans in certain regions, or the Medicare program's failure to attract additional plans to participate in the Medicare Advantage program, could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

**DMG's operations are dependent on competing health plans and, at times, a health plan's and DMG's economic interests may diverge.**

For the year ended December 31, 2018, 69% of DMG's consolidated capitated medical revenues were earned through contracts with three health plans.

DMG expects that, going forward, substantially all of its revenue will continue to be derived from its contracts with health plans. Each health plan may immediately terminate any of DMG's contracts and/or any individual credentialed physician upon the occurrence of certain events. They may also amend the material terms of the contracts under certain circumstances. Failure to maintain the contracts on favorable terms, for any reason, would materially and adversely affect DMG's results of operations, financial condition and cash flows. A material decline in the number of members could also have a material adverse effect on DMG's results of operations.

Notwithstanding each health plan's and DMG's current shared interest in providing service to DMG's members who are enrolled in the subject health plans, the health plans may have different and, at times, opposing economic interests from those of DMG. The health plans provide a wide range of health insurance services across a wide range of geographic regions, utilizing a vast network of providers. As a result, they and DMG may have different views regarding the proper pricing of services and/or the proper pricing of the various service providers in their provider networks, the cost of which DMG bears to the extent that the services of such service providers are utilized. These health plans may also have different views than DMG regarding the efforts and expenditures that they, DMG, and/or other service providers should make to achieve and/or maintain various quality ratings. In addition, several health plans have acquired or announced their intent to acquire provider organizations. If health plans with which DMG contracts acquire a significant number of provider organizations, they may not continue to contract with DMG or contract on less favorable terms or seek to prevent DMG from acquiring or entering into arrangements with certain providers. Similarly, as a result of changes in laws, regulations, consumer preferences, or other factors, the health plans may find it in their best interest to provide health insurance services pursuant to another payment or reimbursement structure. In the event DMG's interests diverge from the interests of the health plans, DMG may have limited recourse or alternative options in light of its dependence on these health plans. There can be no assurances that DMG will continue to find it mutually beneficial to work with these health plans. As a result of various restrictive provisions that appear in some of the managed care agreements with health plans, DMG may at times have limitations on its ability to cancel an agreement with a particular health plan and immediately thereafter contract with a competing health plan with respect to the same service area.

**DMG and its associated physicians, physician groups and IPAs and other physicians may be required to continue providing services following termination of certain agreements with health plans.**

There are circumstances under federal and state law pursuant to which DMG and its associated physician groups, IPAs and other physicians could be obligated to continue to provide medical services to DMG members in their care following a termination of their applicable risk agreement with health plans and termination of the receipt of payments thereunder. In certain cases, this obligation could require the physician group or IPA to provide care to such member following the bankruptcy or insolvency of a health plan. Accordingly, the obligations to provide medical services to DMG members (and the associated costs) may not terminate at the time the applicable agreement with the health plan terminates, and DMG may not be able to recover its cost of providing those services from the health plan, which could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

**DMG operates primarily in California, Florida, Nevada, New Mexico, Washington and Colorado and may not be able to successfully establish a presence in new geographic regions.**

DMG derives substantially all of its revenue from operations in California, Florida, Nevada, New Mexico, Washington and Colorado (which we refer to as the Existing Geographic Regions). As a result, DMG's exposure to many of the risks described herein is not mitigated by a greater diversification of geographic focus. Furthermore, due to the concentration of DMG's operations in the Existing Geographic Regions, it may be adversely affected by economic conditions, natural disasters (such as earthquakes or hurricanes), or acts of war or terrorism that disproportionately affect the Existing Geographic Regions as compared to other states and geographic markets.

To expand the operations of its network outside of the Existing Geographic Regions, DMG must devote resources to identify and explore perceived opportunities. Thereafter, DMG must, among other things, recruit and retain qualified personnel, develop new offices, establish potential new relationships with one or more health plans, and establish new relationships with physicians and other healthcare providers. The ability to establish such new relationships may be significantly inhibited by competition for such relationships and personnel in the healthcare marketplace in the targeted new geographic regions. Additionally, DMG may face the risk that a substantial portion of the patients served in a new geographic area may be enrolled

in a Medicare FFS program and will not desire to transition to a Medicare Advantage program, such as those offered through the health plans that DMG serves, or they may enroll with other health plans with which DMG does not contract to receive services, which could reduce substantially DMG's perceived opportunity in such geographic area. In addition, if DMG were to seek to expand outside of the Existing Geographic Regions, DMG would be required to comply with laws and regulations of states that may differ from the ones in which it currently operates, and could face competitors with greater knowledge of such local markets. DMG anticipates that any geographic expansion may require it to make a substantial investment of management time, capital and/or other resources. There can be no assurance that DMG will be able to establish profitable operations or relationships in any new geographic markets.

**Reductions in the quality ratings of the health plans DMG serves could have a material adverse effect on its business, results of operations, financial condition and cash flows.**

As a result of the ACA, the level of reimbursement each health plan receives from CMS is dependent, in part, upon the quality rating of the Medicare plan. Such ratings impact the percentage of any cost savings rebate and any bonuses earned by such health plan. Since a significant portion of DMG's revenue is expected to be calculated as a percentage of CMS reimbursements received by these health plans with respect to DMG members, reductions in the quality ratings of a health plan that DMG serves could have a material adverse effect on its business, results of operations, financial condition and cash flows.

Given each health plan's control of its plans and the many other providers that serve such plans, DMG believes that it will have limited ability to influence the overall quality rating of any such plan. The BBA passed in February 2018 implements certain changes to prevent artificial inflation of star ratings for Medicare Advantage plans offered by the same organization. In addition, CMS has terminated plans that have had a rating of less than three stars for three consecutive years, whereas Medicare Advantage plans with five stars are permitted to conduct enrollment throughout almost the entire year. Because low quality ratings can potentially lead to the termination of a plan that DMG serves, DMG may not be able to prevent the potential termination of a contracting plan or a shift of patients to other plans based upon quality issues which could, in turn, have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

**DMG's records and submissions to a health plan may contain inaccurate or unsupported information regarding risk adjustment scores of members, which could cause DMG to overstate or understate its revenue and subject it to various penalties.**

DMG, on behalf of itself and its associated physicians, physician groups and IPAs, submits to health plans claims and encounter data that support the Medicare Risk Adjustment Factor (RAF) scores attributable to members. These RAF scores determine, in part, the revenue to which the health plans and, in turn, DMG is entitled for the provision of medical care to such members. The data submitted to CMS by each health plan is based, in part, on medical charts and diagnosis codes prepared and submitted by DMG. Each health plan generally relies on DMG and its employed or affiliated physicians to appropriately document and support such RAF data in DMG's medical records. Each health plan also relies on DMG and its employed or affiliated physicians to appropriately code claims for medical services provided to members. Erroneous claims and erroneous encounter records and submissions could result in inaccurate PMPM fee revenue and risk adjustment payments, which may be subject to correction or retroactive adjustment in later periods. This corrected or adjusted information may be reflected in financial statements for periods subsequent to the period in which the revenue was recorded. DMG might also need to refund a portion of the revenue that it received, which refund, depending on its magnitude, could damage its relationship with the applicable health plan and could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

In September 2018, we entered into a settlement agreement with the DOJ and OIG to resolve matters related to our and our subsidiaries' (including DMG and its subsidiary JSA) provision of services to Medicare Advantage plans and related patient diagnosis coding and risk adjustment submissions and payments. See Note 17 to the consolidated financial statements included in this report for further details and discussions of legal proceedings elsewhere in these Risk Factors.

Additionally, CMS audits Medicare Advantage plans for documentation to support RAF-related payments for members chosen at random. The Medicare Advantage plans ask providers to submit the underlying documentation for members that they serve. It is possible that claims associated with members with higher RAF scores could be subject to more scrutiny in a CMS or plan audit. There is a possibility that a Medicare Advantage plan may seek repayment from DMG should CMS make any payment adjustments to the Medicare Advantage plan as a result of its audits. The plans also may hold DMG liable for any penalties owed to CMS for inaccurate or unsupported RAF scores provided by DMG. In addition, DMG could be liable for penalties to the government under the FCA that range from \$5,500 to \$11,000 (adjusted for inflation) for each false claim, plus up to three times the amount of damages caused by each false claim, which can be as much as the amounts received directly or indirectly from the government for each such false claim. On January 29, 2018, the DOJ issued a final rule announcing

adjustments to FCA penalties, under which the per claim penalty range increases to a range from \$11,181 to \$22,363 for penalties assessed after January 29, 2018, so long as the underlying conduct occurred after November 2, 2015.

CMS has indicated that payment adjustments will not be limited to RAF scores for the specific Medicare Advantage enrollees for which errors are found but may also be extrapolated to the entire Medicare Advantage plan subject to a particular CMS contract. CMS has described its audit process as plan-year specific and stated that it will not extrapolate audit results for plan years prior to 2011. Because CMS has not stated otherwise, there is a risk that payment adjustments made as a result of one plan year's audit would be extrapolated to prior plan years after 2011.

There can be no assurance that a health plan will not be randomly selected or targeted for review by CMS or that the outcome of such a review will not result in a material adjustment in DMG's revenue and profitability, even if the information DMG submitted to the plan is accurate and supportable.

**A failure to accurately estimate incurred but not reported medical expense could adversely affect DMG's results of operations.**

Patient care costs include estimates of future medical claims that have been incurred by the patient but for which the provider has not yet billed DMG. These claim estimates are made utilizing actuarial methods and are continually evaluated and adjusted by management, based upon DMG's historical claims experience and other factors, including an independent assessment by a nationally recognized actuarial firm. Adjustments, if necessary, are made to medical claims expense and capitated revenues when the assumptions used to determine DMG's claims liability change and when actual claim costs are ultimately determined.

Due to the inherent uncertainties associated with the factors used in these estimates and changes in the patterns and rates of medical utilization, materially different amounts could be reported in DMG's financial statements for a particular period under different conditions or using different, but still reasonable, assumptions. It is possible that DMG's estimates of this type of claim may be inadequate in the future. In such event, DMG's results of operations could be adversely impacted. Further, the inability to estimate these claims accurately may also affect DMG's ability to take timely corrective actions, further exacerbating the extent of any adverse effect on DMG's results of operations.

**DMG faces certain competitive threats which could reduce DMG's profitability and increase competition for patients.**

DMG faces certain competitive threats based on certain features of the Medicare programs, including the following:

- As a result of the direct and indirect impacts of the ACA, many Medicare beneficiaries may decide that an original Medicare FFS program is more attractive than a Medicare Advantage plan. As a result, enrollment in the health plans DMG serves may decrease.
- Managed care companies offer alternative products such as regional preferred provider organizations (PPOs) and private FFS plans. Medicare PPOs and private FFS plans allow their patients more flexibility in selecting physicians than Medicare Advantage health plans, which typically require patients to coordinate care with a primary care physician. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 has encouraged the creation of regional PPOs through various incentives, including certain risk corridors, or cost reimbursement provisions, a stabilization fund for incentive payments, and special payments to hospitals not otherwise contracted with a Medicare Advantage plan that treat regional plan enrollees. The formation of regional Medicare PPOs and private FFS plans may affect DMG's relative attractiveness to existing and potential Medicare patients in their service areas.
- The payments for the local and regional Medicare Advantage plans are based on a competitive bidding process that may indirectly cause a decrease in the amount of the PMPM fee or result in an increase in benefits offered.
- The annual enrollment process and subsequent lock-in provisions of the ACA may adversely affect DMG's level of revenue growth as it will limit the ability of a health plan to market to and enroll new Medicare beneficiaries in its established service areas outside of the annual enrollment period.
- CMS allows Medicare beneficiaries who are enrolled in a Medicare Advantage plan with a quality rating of 4.5 stars or less to enroll in a 5-star rated Medicare Advantage plan at any time during the benefit year. Therefore, DMG may face a competitive disadvantage in recruiting and retaining Medicare beneficiaries.

In addition to the competitive threats intrinsic to the Medicare programs, competition among health plans and among healthcare providers may also have a negative impact on DMG's profitability. For example, due to the large population of



Medicare beneficiaries, DMG's Existing Geographic Regions have become increasingly attractive to health plans that may compete with DMG. DMG may not be able to continue to compete profitably in the healthcare industry if additional competitors enter the same market. If DMG cannot compete profitably, the ability of DMG to compete with other service providers that contract with competing health plans may be substantially impaired. Furthermore, if DMG is unable to obtain new members or experiences a loss of existing members to competitors during the open enrollment period for Medicare it could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

DMG competes directly with various regional and local companies that provide similar services in DMG's Existing Geographic Regions. DMG's competitors vary in size and scope and in terms of products and services offered. DMG believes that some of its competitors and potential competitors may be significantly larger than DMG and have greater financial, sales, marketing and other resources. Furthermore, it is DMG's belief that some of its competitors may make strategic acquisitions or establish cooperative relationships among themselves.

**A disruption in DMG's healthcare provider networks could have a material adverse effect on DMG's operations and profitability.**

In any particular service area, healthcare providers or provider networks could refuse to contract with DMG, demand higher payments, or take other actions that could result in higher healthcare costs, disruption of benefits to DMG's members, or difficulty in meeting applicable regulatory or accreditation requirements. In some service areas, healthcare providers or provider networks may have significant market positions. If healthcare providers or provider networks refuse to contract with DMG, use their market position to negotiate favorable contracts, or place DMG at a competitive disadvantage, then DMG's ability to market or to be profitable in those service areas could be adversely affected. DMG's provider networks could also be disrupted by the financial insolvency of a large provider group. Any disruption in DMG's provider networks could result in a loss of members or higher healthcare costs.

**DMG's revenues and profits could be diminished if DMG fails to retain and attract the services of key primary care physicians.**

Key primary care physicians with large patient enrollment could retire, become disabled, terminate their provider contracts, get lured away by a competing independent physician association or medical group, or otherwise become unable or unwilling to continue practicing medicine or continue contracting with DMG or its associated physicians, physician groups or IPAs. In addition, DMG's associated physicians, physician groups and IPAs could view the business model as unfavorable or unattractive to such providers, which could cause such associated physicians, physician groups or IPAs to terminate their relationships with DMG. Moreover, given limitations relating to the enforcement of post-termination noncompetition covenants in California, it would be difficult to restrict a primary care physician from competing with DMG's associated physicians, physician groups or IPAs. As a result, members who have been served by such physicians could choose to enroll with competitors' physician organizations or could seek medical care elsewhere, which could reduce DMG's revenues and profits. Moreover, DMG may not be able to attract new physicians to replace the services of terminating physicians or to service its growing membership.

**Participation in ACO programs is subject to federal regulation, supervision, and evolving regulatory developments that may result in financial liability.**

The ACA established the Medicare Shared Savings Program (MSSP) for ACOs, which took effect in January 2012. Under the MSSP, eligible organizations are accountable for the quality, cost and overall care of Medicare beneficiaries assigned to an ACO and may be eligible to share in any savings below a specified benchmark amount. The Secretary of HHS is also authorized, but not required, to use capitation payment models with ACOs. CMS has also implemented the Next Generation ACO model, which allows the ACO to assume higher levels of financial risk and reward than under the MSSP program. DMG has formed an MSSP ACO through a subsidiary in New Mexico and a Next Generation ACO (previously an MSSP ACO) through a subsidiary in California, and is evaluating whether to participate in more ACOs in the future. The continued development and expansion of ACOs, and potential changes to the participation requirements in ACOs, will have an uncertain impact on DMG's revenue and profitability. DaVita Kidney Care is also participating as a dialysis provider in Arizona, Florida, New Jersey, and Pennsylvania for the Innovation Center's CEC Model. Further, in December 2018, CMS issued a final rule for the MSSP, which among other things, requires ACOs to accept a two-sided risk model (as opposed to a one-sided model), wherein ACOs need to share in the financial risk of their patients' healthcare spending (*i.e.*, shared losses) in addition to shared savings. This rule could negatively impact the revenue and profitability of DMG's MSSP ACO.

The ACO programs are relatively new and therefore operational and regulatory guidance is limited. It is possible that the operations of DMG's subsidiary ACOs may not fully comply with current or future regulations and guidelines applicable to ACOs, may not achieve quality targets or cost savings, or may not attract or retain sufficient physicians or patients to allow

DMG to meet its objectives. Additionally, poor performance could put the DMG ACOs at financial risk with a potential obligation to CMS. Traditionally, other than fee-for-service billing by the medical clinics and healthcare facilities offered by DMG, DMG has not directly contracted with CMS and has not operated any health plans or provider sponsored networks. Therefore, DMG may not have the necessary experience, systems or compliance to successfully achieve a positive return on its investment in the ACOs or to avoid financial or regulatory liability. DMG believes that its historical experience with fully delegated managed care will be applicable to operation of its subsidiary ACOs, but there can be no such assurance.

**California hospitals may terminate their agreements with HealthCare Partners Affiliates Medical Group and DaVita Health Plan of California, Inc. (formerly HealthCare Partners Plan, Inc., and, together with HealthCare Partners Affiliates Medical Group (AMG)) or reduce the fees they pay to DMG.**

In California, AMG maintains significant hospital arrangements designed to facilitate the provision of coordinated hospital care with those services provided to members by AMG and its associated physicians, physician groups and IPAs. Through contractual arrangements with certain key hospitals, AMG provides utilization review, quality assurance and other management services related to the provision of patient care services to members by the contracted hospitals and downstream hospital contractors. In the event that any one of these key hospital agreements is amended in a financially unfavorable manner or is otherwise terminated, such events could have a significant adverse effect on DMG's business, results of operations, financial condition and cash flows.

**DMG's professional liability and other insurance coverage may not be adequate to cover DMG's potential liabilities.**

DMG maintains primary professional liability insurance and other insurance coverage through California Medical Group Insurance Company, Risk Retention Group, an Arizona corporation in which DMG is the majority owner, and through excess coverage contracted through third-party insurers. DMG believes such insurance is adequate based on its review of what it believes to be all applicable factors, including industry standards. Nonetheless, potential liabilities may not be covered by insurance, insurers may dispute coverage or may be unable to meet their obligations, the amount of insurance coverage and/or related reserves may be inadequate, or the amount of any DMG self-insured retention may be substantial. There can be no assurances that DMG will be able to obtain insurance coverage in the future, or that insurance will continue to be available on a cost-effective basis, if at all. Moreover, even if claims brought against DMG are unsuccessful or without merit, DMG would have to defend itself against such claims. The defense of any such actions may be time-consuming and costly and may distract DMG management's attention. As a result, DMG may incur significant expenses and may be unable to effectively operate its business.

**Changes in the rates or methods of third-party reimbursements may materially adversely affect DMG's business, results of operations, financial condition and cash flows.**

Any negative changes in governmental capitation or FFS rates or methods of reimbursement for the services DMG provides could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows. Since governmental healthcare programs generally reimburse on a fee schedule basis rather than on a charge-related basis, DMG generally cannot increase its revenues from these programs by increasing the amount it charges for its services. Moreover, if DMG's costs increase, DMG may not be able to recover its increased costs from these programs. Government and private payors have taken and may continue to take steps to control the cost, eligibility for, use, and delivery of healthcare services due to budgetary constraints, and cost containment pressures as well as other financial issues. DMG believes that these trends in cost containment will continue. These cost containment measures, and other market changes in non-governmental insurance plans have generally restricted DMG's ability to recover, or shift to non-governmental payors, any increased costs that DMG experiences. DMG's business, results of operations, financial condition and cash flows may be materially adversely affected by these cost containment measures, and other market changes.

**DMG's business model depends on numerous complex management information systems and any failure to successfully maintain these systems or implement new systems could materially harm DMG's operations and result in potential violations of healthcare laws and regulations.**

DMG depends on a complex, specialized, and integrated management information system and standardized procedures for operational and financial information, as well as for DMG's billing operations. DMG may experience unanticipated delays, complications or expenses in implementing, integrating, and operating these integrated systems. Moreover, DMG may be unable to enhance its existing management information system or implement new management information systems where necessary. DMG's management information system may require modifications, improvements or replacements that may require both substantial expenditures as well as interruptions in operations. DMG's ability to implement and operate its integrated systems is subject to the availability of information technology and skilled personnel to assist DMG in creating and maintaining these systems.

DMG's failure to successfully implement and maintain all of its systems could have a material adverse effect on its business, results of operations, financial condition and cash flows. For example, DMG's failure to successfully operate its billing systems could lead to potential violations of healthcare laws and regulations. If DMG is unable to handle its claims volume, or if DMG is unable to pay claims timely, DMG may become subject to a health plan's corrective action plan or de-delegation until the problem is corrected, and/or termination of the health plan's agreement with DMG. This could have a material adverse effect on DMG's operations and profitability. In addition, if DMG's claims processing system is unable to process claims accurately, the data DMG uses for its incurred but not reported estimates could be incomplete and DMG's ability to accurately estimate claims liabilities and establish adequate reserves could be adversely affected. Finally, if DMG's management information systems are unable to function in compliance with applicable state or federal rules and regulations, including medical information confidentiality laws such as HIPAA, possible penalties and fines due to this lack of compliance could have a material adverse effect on DMG's results of operations, financial condition and cash flows.

**DMG may be impacted by eligibility changes to government and private insurance programs.**

Due to potential decreased availability of healthcare through private employers, the number of patients who are uninsured or participate in governmental programs may increase. The ACA has increased the participation of individuals in the Medicaid program in states that elected to participate in the expanded Medicaid coverage. A shift in payor mix from managed care and other private payors to government payors as well as an increase in the number of uninsured patients may result in a reduction in the rates of reimbursement to DMG or an increase in uncollectible receivables or uncompensated care, with a corresponding decrease in net revenue. Changes in the eligibility requirements for governmental programs such as the Medicaid program under the ACA and state decisions on whether to participate in the expansion of such programs also could increase the number of patients who participate in such programs and the number of uninsured patients. Even for those patients who remain in private insurance plans, changes to those plans could increase patient financial responsibility, resulting in a greater risk of uncollectible receivables. These factors and events could have a material adverse effect on DMG's business, results of operations, financial condition and cash flows.

**Negative publicity regarding the managed healthcare industry generally or DMG in particular could adversely affect DMG's results of operations or business.**

Negative publicity regarding the managed healthcare industry generally, the Medicare Advantage program or DMG in particular, may result in increased regulation and legislative review of industry practices that further increase DMG's costs of doing business and adversely affect DMG's results of operations or business by:

- requiring DMG to change its products and services;
- increasing the regulatory, including compliance, burdens under which DMG operates, which, in turn, may negatively impact the manner in which DMG provides services and increase DMG's costs of providing services;
- adversely affecting DMG's ability to market its products or services through the imposition of further regulatory restrictions regarding the manner in which plans and providers market to Medicare Advantage enrollees; or
- adversely affecting DMG's ability to attract and retain members.

**Risk factors related to ownership of our common stock:**

**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 (or 120 days for nominations made using proxy access); and granting our Board of Directors the authority to issue preferred stock and to determine the rights and preferences of the preferred stock without the need for further stockholder approval.

Most of our outstanding employee stock-based compensation awards include a provision accelerating the vesting of the awards in the event of a change of control. We also maintain a change of control protection program for our employees who do not have a significant number of stock awards, which has been in place since 2001, and which provides for cash bonuses to the employees in the event of a change of control. Based on the market price of our common stock and shares outstanding on December 31, 2018, these cash bonuses under the program would total approximately \$337 million if a change of control

transaction occurred at that price and our Board of Directors did not modify this program. These and any other change of control provisions may affect the price an acquirer would be willing to pay for our Company.

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 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.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

Our corporate headquarters are located in Denver, Colorado, consisting of one owned 240,000 square foot building and one leased location consisting of 345,900 square feet. Our headquarters are occupied by teammates engaged in management, finance, marketing, strategy, legal, compliance and other administrative functions. We lease seven business offices located in California, Colorado, Pennsylvania, Tennessee and Washington for our U.S. dialysis services business. For our DMG business we lease 11 business offices located in California, Colorado, Nevada, New Mexico, Florida and Washington. Our laboratory is based in Florida where we operate our lab services out of one leased building. We also own four administrative offices in the U.S. and lease administrative offices worldwide. Our leases on the properties listed above expire at various dates through the year 2037 for Kidney Care and through the year 2033 for DMG.

For our U.S. dialysis and related lab services business we own the land and buildings for 12 of our outpatient dialysis centers. We also own 15 separate land and buildings and 15 land parcels for development. We lease a total of four owned properties to third-party tenants. Our remaining outpatient dialysis centers are located on premises that we lease.

For DMG, we own the land and buildings for 16 of our clinics. We also own one separate land parcel. Our remaining clinics are located on premises that we lease.

The majority of our leases for our U.S. dialysis and related lab services and for DMG cover periods from five years to 15 years and typically contain renewal options of five to ten years at the fair rental value at the time of renewal. Our leases are generally subject to periodic consumer price index increases, or contain fixed escalation clauses. Our outpatient dialysis centers range in size from approximately 900 to 33,000 square feet, with an average size of approximately 7,800 square feet. DMG's clinics range in size from approximately 1,000 to 192,000 square feet, with an average size of approximately 10,400 square feet. Our international leases generally range from one to ten years.

Some of our outpatient 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 areas planned for each of these centers, although there can be no assurances in this regard. 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.**

The information required by this Part I, Item 3 is incorporated herein by reference to the information set forth under the caption "Contingencies" in Note 17 to the consolidated financial statements included in this report.

**Item 4. Mine Safety Disclosures.**

Not applicable.

## 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 closing price of our common stock on January 31, 2019 was \$56.13 per share. According to Computershare, our registrar and transfer agent, as of January 31, 2019, there were 8,843 holders of record of our common stock. We have not declared or paid cash dividends to holders of our common stock since 1994. We have no current plans to pay cash dividends and we are restricted from paying dividends under the terms of our senior secured credit facilities and the indentures governing our senior notes. See "Liquidity and capital resources" under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and the notes to the consolidated financial statements.

#### *Stock Repurchases*

We repurchased a total of 16,844,067 shares for \$1,154 million, or an average price of \$68.48, during the year ended December 31, 2018. No repurchases were made during the fourth quarter of 2018.

The following tables summarizes our repurchases of our common stock during 2018:

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 (in millions)
January 1 - March 31, 2018	4,197,304	\$ 71.09	4,197,304	\$ 820.7
April 1 - June 30, 2018	7,797,712	\$ 65.60	7,797,712	\$ 309.2
July 1 - September 30, 2018	4,849,051	\$ 70.86	4,849,051	\$ 1,355.6
October 1 - December 31, 2018	—	\$ —	—	\$ 1,355.6
Total	<u>16,844,067</u>	<u>\$ 68.48</u>	<u>16,844,067</u>	

On July 11, 2018 our Board of Directors approved an additional share repurchase authorization in the amount of \$1,390 million. This share repurchase authorization was in addition to the \$110 million remaining at that time under our Board of Directors' prior share repurchase authorization approved in October 2017. We are authorized to make purchases from time to time in the open market or in privately negotiated transactions, including without limitations, through accelerated share repurchase transactions, derivative transactions, tender offers, Rule 10b5-1 plans or any combination of the foregoing, depending upon market conditions and other considerations.

During the quarter ended December 31, 2018, we did not repurchase any shares of our common stock. As of February 22, 2019, we have a total of \$1,356 million remaining in Board authorizations available for share repurchases under our repurchase programs. Although these share repurchase authorizations have no expiration dates, we are subject to share repurchase limitations under the terms of our senior secured credit facilities and the indentures governing our senior notes.

## Item 6. Selected Financial Data.

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. The following table presents selected consolidated financial and operating data for the periods indicated.

	Year ended December 31,				
	2018	2017	2016	2015	2014
	(in thousands, except share data)				
<b>Income statement data:</b>					
Net revenues <sup>(1)</sup>	\$ 11,404,851	\$ 10,876,634	\$ 10,707,467	\$ 9,982,245	\$ 9,312,049
Operating expenses and charges <sup>(2)</sup>	9,879,027	9,063,879	8,677,757	8,845,479	7,711,891
Operating income	1,525,824	1,812,755	2,029,710	1,136,766	1,600,158
Debt expense	(487,435)	(430,634)	(414,116)	(408,380)	(410,223)
Debt refinancing and redemption charges	—	—	—	(48,072)	(97,548)
Other income, net	10,089	17,665	7,511	8,073	1,935
Income from continuing operations before income taxes	1,048,478	1,399,786	1,623,105	688,387	1,094,322
Income tax expense <sup>(3)</sup>	258,400	323,859	431,761	207,510	366,894
Net income from continuing operations	790,078	1,075,927	1,191,344	480,877	727,428
Net (loss) income from discontinued operations, net of tax <sup>(4)</sup>	(457,038)	(245,372)	(158,262)	(53,467)	135,902
Net income	333,040	830,555	1,033,082	427,410	863,330
Less: Net income attributable to noncontrolling interests	(173,646)	(166,937)	(153,208)	(157,678)	(140,216)
Net income attributable to DaVita Inc.	\$ 159,394	\$ 663,618	\$ 879,874	\$ 269,732	\$ 723,114
Basic income from continuing operations per share attributable to DaVita Inc. <sup>(5)</sup>	\$ 3.66	\$ 4.78	\$ 5.12	\$ 1.53	\$ 2.77
Diluted income from continuing operations per share attributable to DaVita Inc. <sup>(5)</sup>	\$ 3.62	\$ 4.71	\$ 5.04	\$ 1.49	\$ 2.71
Weighted average shares outstanding: <sup>(5)</sup>					
Basic	170,785,999	188,625,559	201,641,173	211,867,714	212,301,827
Diluted	172,364,581	191,348,533	204,904,656	216,251,807	216,927,681
<b>Balance sheet data:</b>					
Working capital <sup>(6)</sup>	\$ 3,532,998	\$ 5,703,181	\$ 1,283,784	\$ 2,104,143	\$ 1,547,518
Total assets <sup>(6)</sup>	\$ 19,110,252	\$ 18,974,536	\$ 18,755,776	\$ 18,524,224	\$ 17,624,137
Long-term debt <sup>(6)</sup>	\$ 8,172,847	\$ 9,158,018	\$ 8,944,676	\$ 12,972,282	\$ 8,298,624
Total DaVita Inc. shareholders' equity <sup>(5)</sup>	\$ 3,703,442	\$ 4,690,029	\$ 4,648,047	\$ 4,870,781	\$ 5,170,513

(1) On January 1, 2018, we adopted *Revenue from Contracts with Customers* (Topic 606) using the cumulative effect method for those contracts that were not substantially completed as of January 1, 2018. Results related to performance obligations satisfied beginning on and after January 1, 2018 are presented under Topic 606, while results related to the satisfaction of performance obligations in prior periods continue to be reported in accordance with our historical accounting under *Revenue Recognition* (Topic 605). See Notes 1 and 2 of the consolidated financial statements for disclosure on our adoption of Topic 606.

(2) Operating expenses and charges in 2018 included a net gain on changes in ownership interests of \$60,603; other asset impairment charges of \$17,338 and restructuring charges of \$11,366 related to our pharmacy business; an equity investment loss due to the sale of India in our APAC JV of \$8,715; an equity investment loss related to impairments at our APAC JV of \$7,525; and a goodwill impairment charge of \$3,106. Operating expenses and charges for 2017 included goodwill impairment charges of \$34,696 related to our vascular access reporting unit; an equity investment loss of \$6,293 for goodwill impairments at our APAC JV; an impairment of \$280,066 on our investment in the APAC JV; an asset impairment of \$15,168 related to the restructuring of our pharmacy business; restructuring charges in our international business of \$2,700; a net gain on settlement of \$529,504; and a gain adjustment on the 2016 ownership change of our APAC JV of \$6,273. Operating expenses and charges in 2016 included goodwill impairment charges of \$28,415 related to our vascular access reporting unit; an impairment of an investment of \$14,993; an estimated gain on the ownership change of our APAC JV of \$374,374; and estimated accruals for certain legal matters of \$15,770. Operating expenses and charges for 2015 included a settlement charge of \$495,000 related to a private civil suit; goodwill impairment charges of \$4,066 related to our international business; and an estimated accrual for certain legal matters of \$22,530. Operating expenses and charges in 2014 included an additional \$17,000 loss contingency accrual related to the settlement of the 2010 and 2011 U.S. Attorney physician relationship investigations.

- (3) Tax expense for 2017 included a net tax benefit of \$251,510 related to U.S. tax legislation passed in December 2017.
- (4) In December 2017, we entered into an equity purchase agreement to sell our DMG division to Collaborative Care Holdings, LLC (Optum), a subsidiary of UnitedHealth Group Inc. As a result of this pending transaction, the DMG business has been classified as held for sale and its results of operations are reported as net (loss) income from discontinued operations, net of tax for all periods presented. Net (loss) income from discontinued operations, net of tax, in 2018 included a \$468,005 charge on our DMG business which included a \$316,840 valuation adjustment, a \$41,537 goodwill impairment charge and \$109,628 in related tax expense on this held for sale business based on an updated assessment of fair value, as well as a gain on changes in ownership interests of \$25,096. Net (loss) income from discontinued operations, net of tax, in 2017 includes estimated goodwill impairment charges of \$651,659 related to certain DMG reporting units, a net tax benefit of \$163,555 due to a remeasurement of deferred taxes resulting from DMG's reclassification to held for sale; a non-cash gain associated with our Magan acquisition of \$17,129; restructuring charges of \$9,569; and a reduction in estimated accruals for legal matters of \$14,700. Net (loss) income from discontinued operations, net of tax, in 2016 included goodwill impairment charges of \$253,000 related to certain DMG reporting units; a gain related to the partial sale of our interest in Tandigm of \$40,280; a loss on the DMG Arizona sale of \$10,489; an adjustment to reduce receivables associated with the DMG acquisition escrow provision relating to income tax items of \$30,934; and estimated accruals for legal matters of \$16,000. Net (loss) income from discontinued operations, net of tax, in 2015 included estimated goodwill and other intangible asset impairment charges of \$206,169 related to certain DMG reporting units.
- (5) Share repurchases consisted of 16,844,067 shares of common stock for \$1,153,511 in 2018, 12,966,672 shares of common stock for \$810,949 in 2017, 16,649,090 shares of common stock for \$1,072,377 in 2016, and 7,779,958 shares of common stock for \$575,380 in 2015. No repurchases of common stock were made in 2014. Shares issued in connection with stock awards were 371,347 in 2018, 514,091 in 2017, 1,011,328 in 2016, 1,479,217 in 2015, and 2,179,766 in 2014.
- (6) In 2015, we retrospectively adopted ASU 2015-03 related to simplification of debt issuance costs as well as ASU 2015-17 related to classification of deferred taxes. All periods prior to 2015 have been recast to conform to the revised presentation.

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

### *Forward-looking statements*

*This Annual Report on Form 10-K, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, 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 may include statements regarding our future operations, financial condition and prospects, such as expectations for treatment growth rates, revenue per treatment, expense growth, levels of the provision for uncollectible accounts receivable, operating income, cash flow, operating cash flow, earnings per share, estimated tax rates, estimated charges and accruals, capital expenditures, the development of new dialysis centers and dialysis center acquisitions, government and commercial payment rates, revenue estimating risk, the impact of our level of indebtedness on our financial performance, our stock repurchase program, our advocacy costs, and the pending DMG sale transaction. 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 risks resulting from the concentration of profits generated by higher-paying commercial payor plans for which there is continued downward pressure on average realized payment rates, and a reduction in the number of patients under such plans, including as a result of restrictions or prohibitions on the use and/or availability of charitable premium assistance, which may result in the loss of revenues or patients, or our making incorrect assumptions about how our patients will respond to any change in financial assistance from charitable organizations; the extent to which the ongoing implementation of healthcare exchanges or changes in or new legislation, regulations or guidance, or enforcement thereof, including among other things those regarding the exchanges, results in a reduction in reimbursement rates for our services from and/or the number of patients enrolled in higher-paying commercial plans; a reduction in government payment rates under the Medicare End Stage Renal Disease program or other government-based programs; the impact of the Medicare Advantage benchmark structure; risks arising from potential and proposed federal and/or state legislation, regulation or ballot or other initiatives, including healthcare-related and labor-related legislation, regulation or ballot or other initiatives; the impact of the changing political environment and related developments on the current health care marketplace and on our business, including with respect to the future of the Affordable Care Act, the exchanges and many other core aspects of the current health care marketplace; uncertainties related to the impact of federal tax reform legislation; changes in pharmaceutical practice patterns, reimbursement and payment policies and processes, or pharmaceutical pricing, including with respect to calcimimetics; legal compliance risks, such as our continued compliance with complex government regulations and the provisions of our current Corporate Integrity Agreement (CIA) and current or potential investigations by various government entities and related government or private party proceedings, and restrictions on our business and operations required by our CIA and other current or potential settlement terms and the financial impact thereof and our ability to recover any losses related to such legal matters from third parties; continued increased competition from dialysis providers and others, and other potential marketplace changes; our ability to reduce administrative expenses while maintaining targeted levels of service and operating performance, including our ability to achieve anticipated savings from our recent restructurings; our ability to maintain contracts with physician medical directors, changing affiliation models for physicians, and the emergence of new models of care introduced by the government or private sector that may erode our patient base and reimbursement rates, such as accountable care organizations (ACOs), independent practice associations (IPAs) and integrated delivery systems; our ability to complete acquisitions, mergers or dispositions that we might announce or be considering, on terms favorable to us or at all, or to integrate and successfully operate any business we may acquire or have acquired, or to successfully expand our operations and services in markets outside the United States, or to businesses outside of dialysis; noncompliance by us or our business associates with any privacy laws or any security breach by us or a third party involving the misappropriation, loss or other unauthorized use or disclosure of confidential information; the variability of our cash flows; the risk that we may not be able to generate sufficient cash in the future to service our indebtedness or to fund our other liquidity needs, and the risk that we may not be able to refinance our indebtedness as it becomes due, on terms favorable to us or at all; factors that may impact our ability to repurchase stock under our stock repurchase program and the timing of any such stock repurchases, including market conditions, the price of our common stock, our cash flow position, borrowing capacity and leverage ratios, and legal, regulatory and contractual requirements; the risk that we might invest material amounts of capital and incur significant costs in connection with the growth and development of our international operations, yet we might not be able to consistently operate them profitably anytime soon, if at all; risks arising from the use of accounting estimates, judgments and interpretations in our financial statements; impairment of our goodwill, investments or other assets; the risks and uncertainties associated with the timing, conditions and receipt of regulatory approvals and satisfaction of other closing conditions of the DMG sale transaction and continued disruption in connection with the DMG sale transaction making it more difficult to maintain business and operational relationships; risks and uncertainties related to our ability to complete the DMG sale transaction on the timetable expected, and on the terms set forth in the equity purchase agreement or at all; uncertainties related to our liquidity following the close of the DMG sale transaction and our planned subsequent entry into new external financing arrangements, which may be less than we anticipate; uncertainties related to our use of the proceeds from the DMG sale transaction and other available*



*...funds, including external financing and cash flow from operations, which may be used in ways that may not improve our results of operations or enhance the value of our common stock; risks related to certain contractual restrictions on the conduct of DMG's business while the DMG sale transaction is pending; the risk that we may recognize additional valuation adjustments or goodwill impairment related to DMG; the risk that laws regulating the corporate practice of medicine could restrict the manner in which DMG conducts its business; the risk that the cost of providing services under DMG's agreements may exceed our compensation; the risk that any reductions in reimbursement rates, including Medicare Advantage rates, and future regulations may negatively impact DMG's business, revenue and profitability; the risk that DMG may not be able to successfully establish a presence in new geographic regions or successfully address competitive threats that could reduce its profitability; the risk that a disruption in DMG's healthcare provider networks could have an adverse effect on DMG's business operations and profitability; the risk that reductions in the quality ratings of health plans DMG serves or healthcare services that DMG provides could have an adverse effect on DMG's business; the risk that health plans that acquire health maintenance organizations may not be willing to contract with DMG or may be willing to contract only on less favorable terms; and the other risk factors set forth in Part I, Item 1A. of this Annual Report on Form 10-K. We base our forward-looking statements on information currently available to us, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of changes in underlying factors, new information, future events or otherwise.*

*The following should be read in conjunction with our consolidated financial statements.*

## Company overview

The Company consists of two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG). Kidney Care is comprised of our U.S. dialysis and related lab services, our ancillary services and strategic initiatives, including our international operations, and our corporate administrative support. Our U.S. dialysis and related lab services business is our largest line of business and is a leading provider of kidney dialysis services in the U.S. for patients suffering from chronic kidney failure, also known as end stage renal disease (ESRD). DMG is a patient- and physician-focused integrated healthcare delivery and management company with over two decades of providing coordinated, outcomes-based medical care in a cost-effective manner.

In December 2017, we entered into an equity purchase agreement to sell our DMG division to Optum, a subsidiary of UnitedHealth Group Inc., subject to receipt of required regulatory approvals and other customary closing conditions. As a result, the DMG business has been classified as held for sale and its results of operations are reported as discontinued operations for all periods presented and DMG is not included in our Management's Discussion and Analysis below.

Our overall financial performance in 2018 benefited from the administration of calcimimetics, increased treatment volume from acquired and non-acquired growth in both our U.S. dialysis and related lab services and our international businesses, and a corresponding increase in revenue. This was offset by increases in labor costs, benefit costs due to the implementation of a 401(k) matching program, pharmaceutical costs due to the administration of calcimimetics, other center related costs and advocacy costs to counter certain union policy initiatives.

Some of our major accomplishments and financial operating performance indicators in 2018 and year over year were as follows:

- improved key clinical outcomes in our U.S. dialysis operations, including that we were an industry leader for the sixth consecutive year in CMS' Quality Incentive Program and for the last five years under the CMS Five-Star Quality Rating system;
- consolidated net revenue growth of 4.9%, which included 10.4% net revenue growth in our U.S. dialysis segment, an increase of \$20 in average dialysis net patient service revenue per treatment and international revenue growth of 36%, partially offset by a decrease in revenue of 41% in our U.S. ancillary services and strategic initiatives segment due to the restructuring of DaVita Rx;
- solid performance in our normalized non-acquired U.S. dialysis treatment growth of 3.2%, which contributed to an increase of approximately 4.1% in the overall number of U.S. dialysis treatments;
- a net increase of 154 U.S. dialysis centers and a net increase of 4 international dialysis centers;
- an increase in the overall number of patients we serve of approximately 2.5% in the U.S. and 9.3% internationally in 2018;
- repurchased 16,844,067 shares of our common stock for \$1.2 billion;
- Proposition 8, a California state-wide ballot initiative that sought to limit the amount of revenue dialysis providers could retain from caring for patients with commercial insurance, was defeated in California; and
- consolidated operating cash flows of \$1.8 billion, or \$1.5 billion from continuing operations.

We believe we will face challenges in 2019 similar to those we faced in 2018. We expect to see an increase in dialysis treatment volume and expect U.S. dialysis revenue per treatment to be up slightly from 2018. We expect revenue per treatment to be favorably impacted by an increase in Medicare ESRD rates of approximately 1.2%, offset by anticipated downward pressure on commercial payor rates due to a shift of out-of-network patients to in-network. We expect patient care costs to increase due to inflation and a tight labor market and do not foresee an opportunity to fully offset these pressures with productivity or pharmaceutical cost improvements. In addition, we expect to continue to incur advocacy costs in connection with union policy initiatives, such as AB 290 in California and other potential ballot or other legislative initiatives. As a result of expected costs continuing to outpace our expected revenue increases, we anticipate that margins will continue to experience pressure. We remain committed to our plans for international expansion in certain regions, which will continue to require investment.

Following is a summary of our consolidated operating results for reference in the discussion that follows.

	Year ended December 31,					
	2018		2017		2016	
	(dollars in millions)					
<b>Revenues<sup>(1)</sup>:</b>						
Dialysis and related lab patient service revenues	\$	10,710	\$	10,094	\$	9,727
Less: Provision for uncollectible accounts		(50)		(485)		(431)
Net dialysis and related lab patient service revenues		10,660		9,608		9,296
Other revenues		744		1,268		1,411
Total consolidated revenues		11,405	100 %	10,877	100 %	10,707
<b>Operating expenses and charges:</b>						
Patient care costs		8,196	72 %	7,640	70 %	7,432
General and administrative		1,135	10 %	1,064	10 %	1,073
Depreciation and amortization		591	5 %	560	5 %	509
Provision for uncollectible accounts		(7)	— %	(7)	— %	12
Equity investment loss (income)		4	— %	9	— %	(17)
Investment and other asset impairments		17	— %	295	3 %	15
Goodwill impairment charges		3	— %	36	— %	28
Gain on changes in ownership interests		(61)	(1)%	(6)	— %	(374)
Gain on settlement, net		—	— %	(527)	(5)%	—
Total operating expenses and charges		9,879	87 %	9,064	83 %	8,678
Operating income	\$	1,526	13 %	\$	1,813	17 %

Certain columns, rows or percentages may not sum or recalculate due to the use of rounded numbers.

- (1) On January 1, 2018, we adopted *Revenue from Contracts with Customers* (Topic 606) using the cumulative effect method for those contracts that were not substantially completed as of January 1, 2018. Results related to performance obligations satisfied beginning on and after January 1, 2018 are presented under Topic 606, while results related to the satisfaction of performance obligations in prior periods continue to be reported in accordance with our historical accounting under *Revenue Recognition* (Topic 605). See Notes 1 and 2 of the consolidated financial statements for further discussion of our adoption of Topic 606.

The following table summarizes our consolidated revenues among our reportable segments:

	Year ended December 31,					
	2018	2017	2016			
	(dollars in millions)					
<b>Revenues<sup>(1)</sup>:</b>						
U.S. dialysis and related lab patient service revenues	\$	10,367	\$	9,822	\$	9,551
Provision for uncollectible accounts		(51)		(482)		(430)
U.S. dialysis and related lab net patient service revenues		10,316		9,340		9,121
Other revenues		20		20		17
Total net U.S. dialysis and related lab services revenues		10,336		9,360		9,138
Other-ancillary services and strategic initiatives other revenues		759		1,273		1,420
Other-ancillary services and strategic initiatives patient service revenues, net		437		323		202
Total net other-ancillary services and strategic initiatives revenues		1,196		1,596		1,621
Total net segment revenues		11,532		10,956		10,759
Elimination of intersegment revenues		(127)		(80)		(52)
Consolidated revenues	\$	11,405	\$	10,877	\$	10,707

Certain columns, rows or percentages may not sum or recalculate due to the use of rounded numbers.

- (1) On January 1, 2018, we adopted *Revenue from Contracts with Customers* (Topic 606) using the cumulative effect method for those contracts that were not substantially completed as of January 1, 2018. Results related to performance obligations satisfied beginning on

and after January 1, 2018 are presented under Topic 606, while results related to the satisfaction of performance obligations in prior periods continue to be reported in accordance with our historical accounting under *Revenue Recognition* (Topic 605). See Notes 1 and 2 of the consolidated financial statements for further discussion of our adoption of Topic 606.

The following table summarizes our consolidated operating income and adjusted consolidated operating income:

	Year ended December 31,		
	2018	2017	2016
	(dollars in millions)		
<b>Operating income (loss):</b>			
U.S. dialysis and related lab services	\$ 1,710	\$ 2,297	\$ 1,777
Other — ancillary services and strategic initiatives	(94)	(439)	267
Corporate administrative support	(90)	(45)	(14)
<b>Operating income</b>	<b>\$ 1,526</b>	<b>\$ 1,813</b>	<b>\$ 2,030</b>
<b>Reconciliation of non-GAAP measure:</b>			
<i>Operating expenses:</i>			
Goodwill impairment charges	\$ 3	\$ 35	\$ 28
Impairment of assets	17	15	—
Impairment of investment	—	280	15
Gain on changes in ownership interests, net	(61)	(6)	(374)
Gain on settlement, net	—	(527)	—
<i>Equity investment loss (income):</i>			
Loss due to business sale in APAC JV	9	—	—
Loss due to impairments in APAC JV	8	6	—
Loss related to restructuring charges	—	1	—
Income related to gain on settlement	—	(3)	—
<i>General and administrative expenses:</i>			
Restructuring charges	11	2	—
Accruals for legal matters	—	—	16
<b>Adjusted operating income<sup>(1)</sup></b>	<b>\$ 1,513</b>	<b>\$ 1,616</b>	<b>\$ 1,715</b>

Certain columns, rows or percentages may not sum or recalculate due to the use of rounded numbers.

- (1) For the periods presented in the table above adjusted operating income is defined as operating income before certain items which we do not believe are indicative of ordinary results, including goodwill impairment charges, investment and other asset impairments, restructuring charges, a net settlement gain, net gain (loss) on changes in ownership interests and estimated accruals for certain legal matters. Adjusted operating income as so defined is a non-GAAP measure and is not intended as a substitute for GAAP operating income. We have presented these adjusted amounts because management believes that these presentations enhance a user's understanding of our normal consolidated operating income by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normalized prior period results.

#### *Consolidated revenues*

Consolidated revenues for 2018 increased by approximately \$528 million, or 4.9%, from 2017. This increase in consolidated revenues was due to an increase in U.S. dialysis and related lab services revenues of approximately \$976 million, principally due to the administration of calcimimetics, an increase in Medicare bad debt revenue, and volume growth from additional treatments in 2018, as discussed below. Revenue for 2018 was negatively impacted by a decrease of approximately \$400 million from 2017 in our ancillary services and strategic initiatives driven primarily from decreases in revenue from our pharmacy business due to changes in reimbursement for calcimimetics, as well as restructuring of our pharmacy business, partially offset by an increase in revenues from expansion in our international business and an increase in revenues in DaVita IKC, as described below.

Effective January 1, 2018, both oral and IV forms of calcimimetics, a drug class taken by many patients with ESRD to treat mineral bone disorder, became the financial responsibility of our U.S. dialysis and lab services business for our Medicare

patients and are now reimbursed under Medicare Part B. During an initial pass-through period, Medicare payment for calcimimetics will be based on a pass-through rate of the average sales price plus approximately 4%. CMS has stated intentions to enter calcimimetics into the ESRD bundle two years after transitioning to Part B. Previously, calcimimetics were reimbursed for Medicare patients through Part D once dispensed from traditional pharmacies, including DaVita Rx.

Consolidated revenues for 2017 increased by approximately \$170 million, or 1.6%, from 2016. This increase in consolidated revenues was due to an increase in U.S. dialysis and related lab services revenues of approximately \$222 million, principally resulting from solid volume growth from additional treatments, partially offset by a decrease of approximately \$5 in average dialysis net patient service revenue per treatment and by one less treatment day in 2017, as discussed below. Revenue for 2017 was negatively impacted by a decrease of approximately \$25 million from 2016 in our ancillary services and strategic initiatives driven primarily from decreases in revenue from our pharmacy business, partially offset by an increase in revenues from expansion in our international business and increases in DaVita IKC revenues, as described below.

#### *Consolidated operating income*

Consolidated operating income of \$1.526 billion for 2018, which included a net gain on changes in ownership interests of \$61 million, other asset impairment charges of \$17 million and restructuring charges of \$11 million related to our pharmacy business, an equity investment loss due to the sale of our India business in our APAC JV of \$9 million, an equity investment loss related to impairments at our APAC JV of \$8 million and a goodwill impairment charge of \$3 million, as discussed below, decreased by \$287 million as compared to 2017, which included goodwill impairment charges of \$35 million related to our vascular access reporting unit, an equity investment loss of \$6 million for goodwill impairments at our APAC JV, an impairment of \$280 million on our investment in the APAC JV, an asset impairment of \$15 million related to the restructuring of our pharmacy business, restructuring charges in our international business of \$3 million, a net gain on settlement of \$530 million, and a gain adjustment on the 2016 ownership change of our APAC JV of \$6 million. Excluding these items from their respective periods, adjusted consolidated operating income for 2018 decreased by approximately \$103 million as compared to 2017 due to a decrease in adjusted operating income in U.S. dialysis and related lab services of \$86 million, an increase in expenses in our corporate administrative support of \$45 million, partially offset by a decrease in adjusted operating losses in our ancillary and strategic initiatives of \$29 million, as described below.

Consolidated operating income of \$1.813 billion for 2017, which included goodwill impairment charges of \$35 million related to our vascular access reporting unit, an equity investment loss of \$6 million for goodwill impairments at our APAC JV, an impairment of \$280 million on our investment in the APAC JV, an asset impairment of \$15 million related to the restructuring of our pharmacy business, restructuring charges in our international business of \$3 million, a net gain on settlement of \$530 million, and a gain adjustment on the 2016 ownership change of our APAC JV of \$6 million, as discussed below, decreased by approximately \$217 million from 2016, which included goodwill impairment charges of \$28 million, an investment impairment of \$15 million, an estimated gain on the ownership change of our APAC JV of \$374 million and estimated accruals for legal matters of \$16 million. Excluding these items from their respective periods, adjusted consolidated operating income for 2017 decreased by approximately \$99 million due to an increase in adjusted operating losses in our ancillary and strategic initiatives of \$59 million, an increase in expenses in our corporate administrative support of \$31 million, and a decrease in adjusted operating income in U.S. dialysis and related lab services of \$9 million, as described below.

#### **U.S. dialysis and related lab services business**

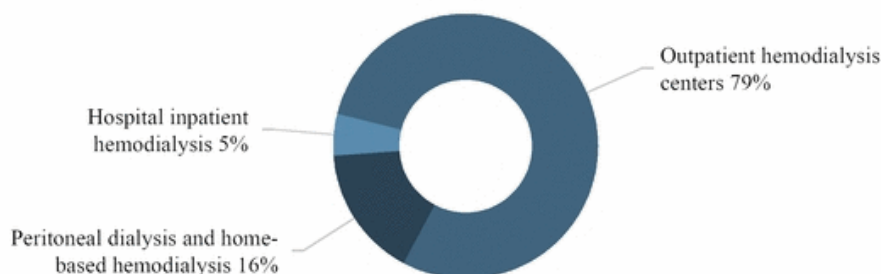
Our U.S. dialysis and related lab services business is a leading provider of kidney dialysis services through a network of 2,664 outpatient dialysis centers which we own and manage through management services agreements, in 46 states and the District of Columbia, serving a total of approximately 202,700 patients. We also provide acute inpatient dialysis services in approximately 900 hospitals. We estimate that we have approximately a 37% share of the U.S. dialysis market based upon the number of patients we serve. In 2018, our overall network of U.S. outpatient dialysis centers increased by 154 dialysis centers, primarily as a result of opening new dialysis centers and from acquisitions of existing dialysis centers. The overall number of patients that we serve in the U.S. increased by approximately 2.5% in 2018 as compared to 2017.

The stated mission of our U.S. dialysis and related lab services business is to be the provider, partner and employer of choice. We believe our attention to these three stakeholders—our patients, our business partners, and our teammates—represents a major driver of our long-term performance, although we are subject to the impact of external factors such as government policy, physician practice patterns, commercial payor payment rates and the mix of commercial and government patients, as further described in Item 1A Risk Factors. 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. Our key measures for clinical outcomes have improved over each of the past several years. In addition, our patient mortality percentages have decreased from 19.0% in 2001 to 14.0% in 2017. For the sixth year in a row, we were an industry leader in QIP standards and for the last five years, we have been a leader under the

CMS Five-Star Quality Rating system. Over the last two years our clinical teammate turnover has increased slightly due to increased competition for skilled clinical personnel. We will continue to focus on these three stakeholders and our clinical outcomes as we believe these are fundamental long-term value drivers.

We believe our national scale and commitment to our patients, among other things, allows us to provide industry-leading quality care with superior clinical outcomes that attracts patients, referring physicians, and qualified medical directors to our network, which in turn provides our dialysis patient base with a large number of outpatient dialysis centers to choose from with convenient locations and access to a full range of other integrated services, which in turn provides us the ability to effectively and efficiently manage a patient's care and certain costs.

The following graph summarizes our U.S. dialysis patient services revenues by modality for the year ended December 31, 2018:



Approximately 90% of our 2018 consolidated revenues were derived directly from our U.S. dialysis and related lab services business. Approximately 79% of our 2018 dialysis patient services revenues were derived from outpatient hemodialysis services in our 2,630 consolidated U.S. dialysis centers. Other dialysis services, which are operationally integrated with our dialysis operations, are peritoneal dialysis, home-based hemodialysis, hospital inpatient hemodialysis and management and administrative services provided to dialysis centers in which we own a noncontrolling interest or which are wholly owned by third parties. These services collectively accounted for the balance of our 2018 U.S. dialysis and related lab services revenues.

The principal drivers of our U.S. dialysis and related lab services revenues are:

- the number of treatments, which is primarily a function of the number of chronic patients requiring approximately three treatments per week as well as, to a lesser extent, the number of treatments for peritoneal dialysis and home-based dialysis and hospital inpatient dialysis; and
- average dialysis net patient service revenue per treatment, including the mix of commercial and government patients.

Based on the most recent 2018 annual data report from the USRDS, the U.S. ESRD dialysis patient population has grown at an approximate compound rate of 3.8% from 2000 to 2016. The ESRD dialysis patient base has been a relatively stable and growing factor; however, more recent preliminary data from the USRDS suggest that the rate of growth of the ESRD patient population may be declining.

We believe our ability to maintain a stable or growing share of the U.S. dialysis patient base is influenced by the quality of our clinical care, which can lead to reduced patient mortality rates, as described above, our patient, medical director and physician retention, as well as our ability to open and acquire new dialysis centers, among other things. If we experience significant patient attrition as a result of new business activities, new technology or other forms of competition, reduced prevalence of ESRD or other reductions in demand for dialysis treatments, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. For further discussion regarding the competitive pressures we face and related risks, see the risk factor in Item 1A Risk Factors under the heading "If we are unable to compete

successfully, including implementing our growth strategy and/or retaining our physicians and patients, it could materially adversely affect our business, results of operations, financial condition and cash flows.”

Our average U.S. dialysis and related lab services net patient service revenue per treatment can be significantly impacted by several major factors, including our commercial payment rates; government payment policies regarding reimbursement amounts for dialysis treatments covered under Medicare’s bundled payment rate system, including our ability to capture certain patient characteristics; and changes in the mix of government and commercial patients and the number of commercial patients that are either covered under commercial contracts or are out-of-network.

Government dialysis-related payment rates in the U.S. are principally determined by federal Medicare and state Medicaid policy. For further discussion of government reimbursement and the Medicare ESRD bundled payment system, including QIP, see the discussion in Item 1. Business under the heading “Kidney Care Division-Sources of revenue-concentrations and risks.” For a discussion of operational, clinical and financial risks and uncertainties that we face in connection with the Medicare ESRD bundled payment system, see the risk factor in Item 1A. Risk Factors under the heading “Changes in the structure of and payment rates under the Medicare ESRD program could have a material adverse effect on our business, results of operations, financial condition and cash flows.”

The CMS Innovation Center is currently working with various healthcare providers to develop, refine and implement ACOs and other innovative models of care for Medicare and Medicaid beneficiaries. We are uncertain of the extent to which the long-term operation and evolution of these models of care, including ACOs, the CEC Model (which includes the development of ESCOs), the Duals Demonstration and other models, will impact the healthcare market over time. We are currently participating in the CEC Model with the Innovation Center in certain geographies, and our U.S. dialysis business may choose to participate in additional models either as a partner with other providers or independently. Even in areas where we are not directly participating in these or other Innovation Center models, some of our patients may be assigned to an ACO, another ESRD Care Model or another program, in which case the quality and cost of care that we furnish will be included in an ACO’s, another ESRD Care Model’s or other program’s calculations. In addition to the aforementioned new models of care, federal bipartisan legislation in the form of the PATIENTS Act has been proposed. The PATIENTS Act builds on prior coordinated care models, such as the CEC Model, and would establish a demonstration program for the provision of integrated care to Medicare ESRD patients. We have made and continue to make investments in building our integrated care capabilities, but there can be no assurances that initiatives such as the PATIENTS Act or similar legislation will be passed. If such legislation is passed, there can be no assurances that we will be able to successfully provide integrated care on the broader scale contemplated by this legislation.

On average, dialysis-related payment rates from contracted commercial payors are significantly higher than Medicare, Medicaid and other government program payment rates, and therefore the percentage of commercial patients in relation to total patients represents a major driver of our total average dialysis net patient service revenue per treatment. The percentage of commercial patients covered under contracted plans as compared to commercial patients with out-of-network providers has continued to increase, which can significantly affect our average dialysis net patient service revenue per treatment since commercial payment rates for patients with out-of-network providers are on average higher than in-network payment rates that are covered under commercial contracted plans.

Dialysis payment rates from commercial payors vary and a major portion of our commercial rates are set at contracted amounts with payors and are subject to intense negotiation pressure. As discussed above, our commercial payment rates also include payments for out-of-network patients that on average are higher than our in-network commercial contract rates. Some of our commercial contracts pay us a single bundled payment rate for all dialysis services provided to covered patients. However, some of our commercial contracts also pay us for certain other services and pharmaceuticals in addition to the bundled payment. We are continuously in the process of negotiating agreements with our commercial payors, and if our negotiations result in overall commercial contract payment rate reductions in excess of our commercial contract payment rate increases, or if commercial payors implement plans that restrict access to coverage or the duration or breadth of benefits or impose restrictions or limitations on patient access to non-contracted or out-of-network providers, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, if there is an increase in job losses in the U.S., or depending upon changes to the healthcare regulatory system by CMS and/or the impact of healthcare insurance exchanges, we could experience a decrease in the number of patients covered under commercial insurance plans and/or an increase in uninsured or underinsured patients. Patients with commercial insurance who cannot otherwise maintain coverage frequently rely on financial assistance from charitable organizations, such as the American Kidney Fund. If these patients are unable to obtain or continue to receive or receive for a limited duration such financial assistance, or if our assumptions about how patients will respond to any change in such financial assistance are incorrect, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. For further details, see the risk factor in Item 1A Risk Factors under the heading “If patients in commercial plans are subject to restriction in plan designs or the average

rates that commercial payors pay us decline significantly, it would have a material adverse effect on our business, results of operations, financial condition and cash flows.”

Our operating performance with respect to dialysis services billing and collection can also be a significant factor in the average U.S. dialysis and related lab services net patient service revenue per treatment we recognize and are able to collect. For example, as payors change their systems and requirements, such as changes to what is included in the bundled payment from Medicare, we could experience a negative impact to our cash collection performance, which would affect our average U.S. dialysis and related lab services net patient service revenue per treatment.

Our U.S. dialysis and related lab services 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 collectability of our billings as of the reporting date based upon our actual historical collection experience. Changes in estimates are reflected in the then-current period financial statements based upon on-going actual experience and trends, or subsequent settlements and realizations depending on the nature and predictability of the estimates and contingencies.

Our annual average U.S. dialysis and related lab services net patient service revenue per treatment was approximately \$350, \$330 and \$336 for 2018, 2017 and 2016, respectively. In 2018, our average U.S. dialysis and related lab services net patient service revenue per treatment increased by approximately \$20 per treatment primarily related to the administration of calcimimetics, as discussed above, as well as an increase in Medicare bad debt revenue due to a policy election made under the new revenue recognition accounting standards. In 2017, our average U.S. dialysis and related lab services net patient service revenue per treatment decreased by approximately \$5 per treatment due to a decrease in our commercial treatment volume, a decline in our commercial payor mix, including exchange patients, and an increase in our provision for uncollectible accounts.

We anticipate that we will continue to experience increases in our operating costs in 2019 that may outpace any net Medicare rate increases that we may receive, which could significantly impact our operating results. In particular, we expect to continue experiencing increases in operating costs that are subject to inflation, such as labor and supply costs, including increases in maintenance costs, regardless of whether there is a compensating inflation-based increase in Medicare payment rates or in payments under the ESRD bundled payment rate system. We also expect to continue to incur capital expenditures to improve, renovate and maintain our facilities, equipment and information technology to meet changing regulatory requirements.

The principal drivers of our U.S. dialysis and related lab services patient care costs are clinical hours per treatment, labor rates, vendor pricing of pharmaceuticals, utilization levels of pharmaceuticals, business infrastructure costs, which include the operating costs of our dialysis centers, and certain professional fees. However, other cost categories can also present significant cost variability, such as employee benefit costs, payroll taxes, insurance costs and medical supply costs. In addition, proposed ballot initiatives or referendums, legislation, regulations or policy changes could cause us to incur substantial costs to challenge and prepare for and, if implemented, impose additional requirements on our operations, including increases in the required staffing levels or staffing ratios for clinical personnel, minimum transition times between treatments, limits on how much patients may be charged for care, limitations as to the amount that can be spent on certain medical costs, and limitations on the amount of revenue that providers can retain. Changes such as these could materially reduce our revenues and increase our operating expenses and impact our ability to staff our clinics to any new, elevated staffing levels, in particular given the ongoing nationwide shortage of healthcare workers, especially nurses.

Our average clinical hours per treatment increased in 2018 compared to 2017. We are always striving for improved productivity levels, however, changes in federal and state policies or regulatory billing requirements can lead to increased labor costs in order to implement these new requirements, which can adversely impact our ability to achieve optimal productivity levels. In addition, improvements in the U.S. economy have stimulated additional competition for skilled clinical personnel resulting in slightly higher teammate turnover in 2018, which we believe negatively affected productivity levels. In 2018 and 2017, we experienced an increase in our clinical labor rates of approximately 3.0% and 4.0%, respectively, consistent with general industry trends, mainly due to the high demand for and nationwide shortage of skilled clinical personnel, along with general inflation increases. In 2018, we experienced an increase in benefit costs due to the implementation of a 401(k) matching program that went into effect January 1, 2018. We also continue to experience increases in the infrastructure and operating costs of our dialysis centers, primarily due to the number of new dialysis centers opened, and general increases in rent, utilities and repairs and maintenance. In 2018, we continued to implement certain cost control initiatives to manage our overall operating costs, including labor productivity.

Our U.S. dialysis and related lab services general and administrative expenses represented 8.1% of our U.S. dialysis and related lab services revenues in both 2018 and 2017. Increases in general and administrative expenses over the last several years were primarily related to strengthening our dialysis business by improving our regulatory compliance and other operational processes, responding to certain legal and compliance matters, professional fees associated with enhancing our



information technology systems and more recent costs to counter union policy efforts. We expect that these levels of general and administrative expenses will continue in 2019 and could possibly increase as we seek out new business opportunities within the dialysis industry and continue to invest in improving our information technology infrastructure and maintaining the level of support required for our regulatory compliance and legal matters.

### Results of Operations

The following table reflects the results of operations for our U.S. dialysis and related lab services business:

	Year ended December 31,		
	2018	2017	2016
	(dollars in millions, except treatment data)		
<b>Revenues:<sup>(1)</sup></b>			
U.S. dialysis and related lab patient service revenues	\$ 10,367	\$ 9,822	\$ 9,551
Provision for uncollectible accounts	(51)	(482)	(430)
U.S. dialysis and related lab net patient service revenues	10,316	9,340	9,121
Other revenues	20	20	17
Total U.S. dialysis and related lab net services revenues	10,336	9,360	9,138
<b>Operating expenses and charges:</b>			
Patient care costs	7,280	6,334	6,145
General and administrative	836	760	751
Depreciation and amortization	559	521	483
Equity investment income	(20)	(25)	(18)
Gain on changes in ownership interests	(28)	—	—
Gain on settlement	—	(527)	—
Total operating expenses and charges	8,626	7,063	7,361
Operating income	\$ 1,710	\$ 2,297	\$ 1,777
<b>Reconciliation of non-GAAP measures:</b>			
Gain on changes in ownership interests	(28)	—	—
Gain on settlement, net	—	(527)	—
Equity investment income related to gain on settlement	—	(3)	—
Adjusted operating income <sup>(2)</sup>	\$ 1,682	\$ 1,768	\$ 1,777
Dialysis treatments	29,435,304	28,271,113	27,162,545
Average dialysis treatments per treatment day	94,073	90,468	86,532
Average U.S. dialysis and related lab services net patient service revenue per treatment	\$ 350.47	\$ 330.38	\$ 335.81

Certain columns, rows or percentages may not sum or recalculate due to the use of rounded numbers.

- (1) On January 1, 2018, we adopted *Revenue from Contracts with Customers* (Topic 606) using the cumulative effect method for those contracts that were not substantially completed as of January 1, 2018. Results related to performance obligations satisfied beginning on and after January 1, 2018 are presented under Topic 606, while results related to the satisfaction of performance obligations in prior periods continue to be reported in accordance with our historical accounting under *Revenue Recognition* (Topic 605). See Notes 1 and 2 of the consolidated financial statements for further discussion of our adoption of Topic 606.
- (2) For the periods presented in the table above, adjusted operating income is defined as operating income before certain items which we do not believe are indicative of ordinary results, including a non-cash gain on changes in ownership interests and a net settlement gain. Adjusted operating income as so defined is a non-GAAP measure and is not intended as a substitute for GAAP operating income. We have presented these adjusted amounts because management believes that these presentations enhance a user's understanding of our normal consolidated operating income by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normalized prior period results.

### Revenues

U.S. dialysis and related lab services revenues for 2018 increased by approximately \$976 million, or 10.4%, from 2017. This increase in revenues was primarily driven by an increase of approximately \$20 in average dialysis net patient service

revenue per treatment due to the administration of calcimimetics, as discussed above, an increase in Medicare bad debt revenue of \$36 million due to a policy election made under the new revenue recognition accounting standards and volume growth from additional treatments of approximately 4.1% due to an increase in acquired and non-acquired treatments.

U.S. dialysis and related lab services revenues for 2017 increased by approximately \$222 million, or 2.4%, from 2016. This increase in revenues was primarily driven by solid volume growth from additional treatments of approximately 4.1% due to an increase in acquired and non-acquired treatments, including the acquisition of Renal Ventures. U.S. dialysis and related lab services' revenues was negatively impacted by approximately one less treatment day in 2017 as compared to 2016, and a decrease in the average dialysis net patient service revenue per treatment of approximately \$5, primarily due to a decrease in our commercial payor mix, including exchange patients. In addition, our provision for uncollectible accounts increased by \$52 million in 2017.

The following table summarizes our U.S. dialysis and related lab patient services revenues by source:

	2018	2017	2016
Medicare and Medicare-assigned plans	59%	56%	58%
Medicaid and managed Medicaid plans	6	7	3
Other government-based programs	4	4	2
Total government-based programs	69	67	63
Commercial (including hospital dialysis services)	31	33	37
Total U.S. dialysis and related lab services revenues	100%	100%	100%

Approximately 69% of our total U.S. dialysis and related lab patient services revenues for the year ended December 31, 2018 were from government-based programs, principally Medicare, Medicaid, Medicare-assigned and managed Medicaid plans, representing approximately 89.6% of our total patients. Over the last year, we have seen a decline in the growth of our commercial patients, which has been outpaced by the growth of our government-based patients. Less than 1% of our U.S. dialysis and related lab services revenues are due directly from patients. There is no single commercial payor that accounted for more than 10% of total U.S. dialysis and related lab services revenues for the year ended December 31, 2018.

On average, dialysis-related payment rates from contracted commercial payors are significantly higher than Medicare, Medicaid and other government program payment rates, and therefore the percentage of commercial patients as a relationship to total patients represents a major driver of our total average dialysis net patient service revenue per treatment. For a patient covered by a commercial insurance plan, Medicare generally becomes the primary payor after 33 months, which includes the three month waiting period, or earlier if the patient's commercial insurance plan coverage terminates. When Medicare becomes the primary payor, the payment rates we receive for that patient shift from the commercial insurance plan rates to Medicare payment rates, which on average are significantly lower than commercial insurance rates. Medicare payment rates are insufficient to cover our costs associated with providing dialysis services, and we therefore lose money on each Medicare treatment that we provide.

Nearly all of our net earnings from our U.S. dialysis and related lab services are derived from commercial payors, some of which pay at established contract rates and others of which pay negotiated payment rates based on an established fee schedule for out-of-network patients, which are typically higher than commercial contracted rates. If we experience an overall net reduction in our contracted and non-contracted commercial payment rates as a result of negotiations, restrictions or changes to the healthcare regulatory system, including the potential impact of healthcare insurance exchanges, it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

#### *Operating expenses and charges*

*Patient care costs.* U.S. dialysis and related lab services patient care costs are those costs directly associated with operating and supporting our dialysis centers and consist principally of labor, benefits, pharmaceuticals, medical supplies and other operating costs of the dialysis centers. U.S. dialysis and related lab services patient care costs on a per treatment basis were \$247 and \$224 for 2018 and 2017, respectively. The \$23 increase in per treatment costs in 2018 as compared to 2017 was primarily related to the administration of calcimimetics, an increase in labor and benefits costs due to an increase in teammate headcount and the transition to the 401(k) matching program, as described above, as well as an increase in other direct operating expenses associated with our dialysis centers. These increases were partially offset by a decrease in other pharmaceutical costs.

U.S. dialysis and related lab services patient care costs on a per treatment basis were \$224 and \$226 for 2017 and 2016, respectively. The \$2 decrease in per treatment costs in 2017 as compared to 2016 was primarily attributable to a decrease in

pharmaceutical unit costs due to a net price reduction as well as a decrease in profit sharing expense. These decreases were partially offset by an increase in labor and benefit costs due to an increase in teammates and clinical labor rates, and an increase in other direct operating expenses associated with our dialysis centers, including the impact of the hurricanes during the third quarter of 2017.

*General and administrative expenses.* U.S. dialysis and related lab services general and administrative expenses in 2018 increased by approximately \$76 million as compared to 2017. This increase was primarily due to increases in advocacy costs, benefit costs related to the 401(k) matching program that began in 2018, occupancy costs and consulting fees, partially offset by a decrease in labor costs. The increase in advocacy spending was primarily due to our efforts to oppose certain legislative and ballot initiatives.

U.S. dialysis and related lab services general and administrative expenses in 2017 increased by approximately \$9 million as compared to 2016. This increase was primarily due to an increase in our labor and benefit costs and occupancy costs, partially offset by a decrease in long-term incentive compensation, profit sharing and travel expenses.

*Depreciation and amortization.* U.S. dialysis and related lab services depreciation and amortization expenses increased by approximately \$38 million for both 2018 as compared to 2017 and 2017 as compared to 2016. The increases were primarily due to growth through new dialysis center developments and acquisitions, as well as additional informational technology initiatives.

*Gain on changes in ownership interests, net.* During 2018 we acquired a controlling interest in a previously nonconsolidated dialysis partnership. As a result of this transaction, we consolidated this partnership and recognized a non-cash gain of \$28 million on our previously held ownership interest in the partnership.

*Gain on settlement, net.* During 2017, we reached an agreement with the government for amounts owed to us for dialysis services provided from 2005 through 2011 to patients covered by the Department of Veterans Affairs (VA). As a result of this settlement we recognized a one-time net gain of \$527 million as well as equity investment income of \$3 million for our share of the settlement recognized by our nonconsolidated joint ventures. As such, the total effect of this settlement on our operating income was an increase of \$530 million.

*Equity investment income.* Equity investment income was approximately \$20 million, \$25 million and \$18 million in 2018, 2017 and 2016, respectively. The decrease in equity investment income in 2018 as compared to 2017 was primarily due to our receipt in 2017 of equity investment income related to the VA settlement of \$3 million. The increase in equity investment income in 2017 compared to 2016 was primarily due to the increase in the number of our nonconsolidated dialysis joint ventures and an increase in profitability at some of these joint ventures.

#### *Segment operating income*

U.S. dialysis and related lab services operating income for 2018, which includes a gain on ownership changes of \$28 million, decreased by approximately \$587 million as compared to 2017, which includes a net gain on the VA settlement of \$530 million. Excluding these items from their respective periods, U.S. dialysis and related lab services adjusted operating income decreased by approximately \$86 million from 2017. This decrease in adjusted operating income was primarily due to an increase in labor and benefits costs, an increase in other direct operating expenses and increases in advocacy costs, occupancy costs and consulting fees, as described above. This decrease was partially offset by a net increase related to the administration of calcimimetics and additional treatment growth, as described above.

U.S. dialysis and related lab services operating income for 2017, which includes a net gain on the VA settlement of \$530 million, increased by approximately \$520 million as compared to 2016. Excluding this item from 2017, U.S. dialysis and related lab services adjusted operating income decreased by approximately \$9 million from 2016. This decrease in adjusted operating income was primarily due to a decrease in the average dialysis net patient service revenue per treatment of approximately \$5, one less treatment day, partially offset by treatment growth, as described above. Adjusted operating income also decreased due to an increase in general and administrative expenses, partially offset by lower patient care costs, as described above.

#### *Other—Ancillary services and strategic initiatives business*

Our other operations include ancillary services and strategic initiatives which are primarily aligned with our core business of providing dialysis services to our network of patients. As of December 31, 2018, these consisted primarily of disease management services, vascular access services, clinical research programs, physician services, ESRD seamless care organizations, and comprehensive care as well as our international operations. These ancillary services and strategic initiatives,

including our international operations and our pharmacy business, generated approximately \$1.196 billion of revenues in 2018, representing approximately 10% of our consolidated revenues. If any of our ancillary services or strategic initiatives, such as our international operations, are unsuccessful, it would have a negative impact on our business, results of operations, financial condition and cash flows, and we may determine to exit that line of business, which could result in significant termination costs. In addition, we may incur a material write-off or an impairment of our investment, including goodwill, in one or more of our ancillary services or strategic initiatives. In that regard, we have incurred, and may in the future incur, impairment and restructuring charges in addition to those incurred by our pharmacy business, described below.

Recent changes in the oral pharmacy space, including reimbursement rate pressures, have negatively affected the economics of our pharmacy services business. As a result, we have transitioned the customer service and fulfillment functions of this business to third parties and have ceased our distribution operation, which will result in a decline in revenues and costs. In 2018, we recognized restructuring charges of \$11 million and other asset impairment charges of \$17 million related to our pharmacy services business.

We expect to add additional service offerings to our business and pursue additional strategic initiatives in the future as circumstances warrant, which could include healthcare services not related to dialysis. In addition, in connection with our previously announced capital allocation strategy, in 2019 we plan to continue our evaluation of strategic alternatives for various assets in our portfolio. In the second quarter of 2018, we sold Paladina Health (described below), our direct primary care business, as a result of the implementation of this strategy.

As of December 31, 2018, our international dialysis operations provided dialysis and administrative services through a network of 241 outpatient dialysis centers located in nine countries outside of the U.S. The total revenues generated from our international operations, as reflected below, were approximately 4% of our 2018 consolidated revenues.

The following table reflects the results of operations for the ancillary services and strategic initiatives:

	Year ended December 31,		
	2018	2017	2016
	(dollars in millions)		
<b>U.S. revenues:<sup>(1)</sup></b>			
Other revenues	\$ 749	\$ 1,268	\$ 1,413
Total	749	1,268	1,413
<b>International revenues:<sup>(1)</sup></b>			
Net dialysis patient service revenues	437	323	202
Other revenues	10	5	6
Total	447	328	208
Total net revenues: <sup>(1)</sup>	1,196	1,596	1,621
<b>Operating expenses and charges:</b>			
Operating and other general expenses	1,302	1,711	1,686
Goodwill impairment	3	36	28
Investment and other asset impairments	17	295	15
Gain on changes in ownership changes, net	(32)	(6)	(374)
Total operating expenses and charges	1,290	2,036	1,355
<b>Total ancillary services and strategic initiatives operating (loss) income</b>	<b>\$ (94)</b>	<b>\$ (439)</b>	<b>\$ 267</b>
<b>U.S. operating loss</b>	<b>\$ (70)</b>	<b>\$ (110)</b>	<b>\$ (65)</b>
Reconciliation of non-GAAP:			
Restructuring charges	11	—	—
Gain on changes in ownership interests, net	(34)	—	—
Goodwill impairment	—	35	28
Impairment of assets	17	15	—
Accruals for legal matters	—	—	16
Adjusted operating loss <sup>(2)</sup>	\$ (75)	\$ (60)	\$ (21)
<b>International operating (loss) income</b>	<b>\$ (23)</b>	<b>\$ (329)</b>	<b>\$ 332</b>
Reconciliation of non-GAAP:			
Goodwill impairment	3	—	—
Impairment of investment	—	280	15
Loss (gain) on changes in ownership interests, net	1	(6)	(374)
<i>Equity investment loss:</i>			
Loss due to business sale in APAC JV	9	—	—
Loss due to impairments in APAC JV	8	6	—
Loss related to restructuring charges	—	1	—
Restructuring charges	—	2	—
Adjusted operating loss <sup>(2)</sup>	\$ (3)	\$ (46)	\$ (27)
<b>Total adjusted ancillary services and strategic initiatives loss<sup>(2)</sup></b>	<b>\$ (78)</b>	<b>\$ (107)</b>	<b>\$ (48)</b>

Certain columns, rows or percentages may not sum or recalculate due to the use of rounded numbers.

- (1) On January 1, 2018, we adopted *Revenue from Contracts with Customers* (Topic 606) using the cumulative effect method for those contracts that were not substantially completed as of January 1, 2018. Results related to performance obligations satisfied beginning on and after January 1, 2018 are presented under Topic 606, while results related to the satisfaction of performance obligations in prior periods continue to be reported in accordance with our historical accounting under *Revenue Recognition* (Topic 605). See Notes 1 and 2 of the consolidated financial statements for further discussion of our adoption of Topic 606.

- (2) For the periods presented in the table above adjusted operating loss is defined as operating loss before certain items which we do not believe are indicative of ordinary results, including goodwill impairment charges, investment and other asset impairments, restructuring charges, gains on ownership changes and accruals for legal matters. Adjusted operating loss as so defined is a non-GAAP measure and is not intended as a substitute for GAAP operating (loss) income. We have presented these adjusted amounts because management believes that these presentations enhance a user's understanding of our normal consolidated operating (loss) income by excluding certain items which we do not believe are indicative of our ordinary results of operations. As a result, adjusting for these amounts allows for comparison to our normalized prior period results.

#### *Revenues*

Ancillary services and strategic initiatives revenues for 2018 decreased by approximately \$400 million, or 25.1%, as compared to 2017. This decrease was primarily due to a decline in volume in our pharmacy business due to changes in calcimimetics reimbursement, as well as the restructuring of our pharmacy business, as discussed above, a decrease in our shared savings revenue from our ESCO joint ventures and a decrease in revenue related to the sale of our direct primary care business in the second quarter of 2018. These decreases were partially offset by an increase in revenues from our international expansion due to acquired and non-acquired growth and an increase in DaVita IKC revenues from special needs plans.

Ancillary services and strategic initiatives revenues for 2017 decreased by approximately \$25 million, or 1.5%, as compared to 2016. This decrease was primarily related to a decrease in volume in our pharmacy business, partially offset by an increase in pharmaceutical rates, an increase in DaVita IKC special needs plan revenues, an increase in shared savings revenue recognized by our ESCO joint ventures and an increase in revenues from expansions in our international business and other strategic initiatives.

#### *Operating and general expenses*

Ancillary services and strategic initiatives operating and general expenses for 2018, which included restructuring charges of \$11 million related to our pharmacy business, an equity investment loss on the sale of our India business in our APAC JV of \$9 million and an equity investment loss of \$8 million related to impairments at our APAC JV, decreased by approximately \$409 million compared to 2017, which included restructuring charges in our international business of \$3 million and an equity investment loss of \$6 million for goodwill impairments at our APAC JV. Excluding these items from their respective periods, ancillary services and strategic initiatives adjusted operating and general expenses decreased by \$428 million compared to 2017. This decrease was primarily due to a decrease in pharmaceutical costs due to decreased volume related to the changes in calcimimetics reimbursement and restructuring at our pharmacy business, as discussed above, a decrease in expenses related to the sale of our direct primary care business and decreases in labor and benefit costs and professional fees. These decreases in operating expenses were partially offset by an increase in expenses associated with growth in our international operations, an increase in medical costs at DaVita IKC related to the cost of calcimimetics and an increase in members in our special needs plans.

Ancillary services and strategic initiatives operating and general expenses for 2017, which included restructuring charges in our international business of \$3 million, as discussed below, and an equity investment loss of \$6 million for goodwill impairments at our APAC JV, increased by approximately \$25 million from 2016, which included an estimated accrual for certain legal matters of \$16 million. Excluding these items from their respective periods, ancillary services and strategic initiatives adjusted operating and general expenses increased by \$32 million. This increase in adjusted operating and general expenses was primarily related to an increase in medical costs at DaVita IKC, an increase in labor and benefits costs and additional expenses associated with our international dialysis growth, including losses from adverse changes in foreign exchange rates included in equity investment income, partially offset by a decrease in pharmaceutical costs due to decreased volume in our pharmacy services business.

*Goodwill impairment charges.* During the year ended December 31, 2018, we recognized a goodwill impairment charge of \$3 million at our German other health operations, and during the year ended December 31, 2017, we recognized a goodwill impairment charge of \$2 million at one of our international kidney care businesses.

During the years ended December 31, 2017 and December 31, 2016, we also recognized goodwill impairment charges of \$35 million and \$28 million, respectively, at our vascular access reporting unit. These charges resulted primarily from changes in future governmental reimbursement rates for this business and our then-evolving plans and expected ability to mitigate them. As of December 31, 2017, there was no goodwill remaining at our vascular access reporting unit.

*Restructuring charges and other impairments.* During the year ended December 31, 2018, we announced a plan to restructure our pharmacy business, as discussed above. As a result of this plan, we recognized restructuring charges of \$11 million which are included in operating and other general expenses. We also recognized other asset impairment charges of \$17 million and \$15 million in 2018 and 2017, respectively, related to the restructuring of our pharmacy business.

During the year ended December 31, 2017, we recognized restructuring charges related to our international business of \$2 million and recognized equity investment losses of \$1 million related to restructuring charges at our APAC JV. These restructuring charges were related to a reorganization of our international general and administrative infrastructure at the global, regional and country level in order to improve efficiency.

During the year ended December 31, 2017, we recognized a non-cash other-than-temporary impairment charge of \$280 million on our investment in the APAC JV. This charge resulted from changes in our expectations for the joint venture based on continuing market research and assessments by both us and DaVita Care Pte. Ltd. (the APAC JV) concerning the size of the addressable market available to the joint venture at attractive risk-adjusted returns. We estimated the fair value of our retained interest in the APAC JV with the assistance of an independent third party valuation firm based on information available to management as of December 31, 2017.

During the year ended December 31, 2016, we recognized an impairment of \$15 million related to an investment in one of our international reporting units.

*Gain on changes in ownership interests, net.* We sold 100% of the stock of Paladina Health, our direct primary care business, effective June 1, 2018 and recognized a gain of approximately \$34 million on this transaction. In addition, we recognized a loss of approximately \$1 million related to the unwinding of an international business in the second quarter of 2018.

During the year ended December 31, 2017, we recognized a \$6 million non-cash gain related to the 2016 formation of the APAC JV which resulted from a change in estimate for post-closing adjustments that were pending at the formation of this joint venture.

In 2016, we deconsolidated our Asia Pacific dialysis business and recognized an initial non-cash non-taxable estimated gain of \$374 million on our retained investment in the APAC JV net of contingent obligations as a result of adjusting the carrying value of our retained interest in the APAC JV to our proportionate share of the estimated fair value of the business.

#### *Segment operating (loss) income*

Ancillary services and strategic initiatives operating results for 2018, which included a net gain on changes in ownership interests of \$32 million, other asset impairment charges of \$17 million and restructuring charges of \$11 million related to our pharmacy business, an equity investment loss due to the sale of our India business in our APAC JV of \$9 million, an equity investment loss related to impairments at our APAC JV of \$8 million and a goodwill impairment charge of \$3 million, increased by approximately \$345 million from the same period in 2017, which included goodwill impairment charges of \$35 million related to our vascular access reporting unit, an impairment of \$280 million on our investment in the APAC JV, an asset impairment of \$15 million related to the restructuring of our pharmacy business, an equity investment loss of \$6 million related to goodwill impairments at our APAC JV, restructuring charges in our international business of \$3 million, and an adjustment to the gain on the 2016 ownership change of our APAC JV of \$6 million. Excluding these items from their respective periods, adjusted operating losses decreased by \$29 million, primarily due to an improvement in our international business, an increase from DaVita IKC revenues from special needs plans, partially offset by a decrease in our shared savings revenue from our ESCO joint ventures, as described above.

Ancillary services and strategic initiatives operating results for 2017, which included goodwill impairment charges of \$35 million related to our vascular access reporting unit, an impairment of \$280 million on our investment in the APAC JV, an asset impairment of \$15 million related to the restructuring of our pharmacy business, an equity investment loss of \$6 million related to goodwill impairments at our APAC JV, restructuring charges in our international business of \$3 million, and an adjustment to the gain on the 2016 ownership change of our APAC JV of \$6 million, decreased by approximately \$706 million from 2016, which included an estimated gain on the ownership change of our APAC JV of \$374 million, goodwill impairment charges of \$28 million at our vascular access reporting unit, estimated accruals for legal matters of \$16 million and an investment impairment of \$15 million. Excluding these items from their respective periods, adjusted operating losses increased by \$59 million, primarily due to a decrease in revenues in our pharmacy services business, an increase in medical costs, higher labor and benefits costs, and additional expenses associated with our international operations, partially offset by an increase in DaVita IKC special needs plan revenues, an increase in shared savings revenue recognized by our ESCO joint ventures, an increase in revenues from expansion in our international business, and a decrease in pharmaceutical costs due to decreased volume in our pharmacy services business.

## Corporate level charges

*Debt expense.* Debt expense for 2018, 2017, and 2016 consisted of interest expense of approximately \$462 million, \$407 million and \$394 million, respectively, and amortization and accretion of debt discounts and premiums, amortization of deferred financing costs and amortization of interest rate cap agreements of approximately \$26 million, \$24 million, and \$20 million, respectively. The increase in debt expense in 2018 as compared to 2017 was primarily due to an increase in our average interest rate and an increase in our average outstanding debt balance. Our overall weighted average effective interest rate in 2018 was 4.96% as compared to 4.70% in 2017.

The increase in debt expense in 2017 as compared to 2016 was primarily due to an increase in our average interest rate, partially offset by a decrease in our average outstanding debt balance. Our overall weighted average effective interest rate in 2017 was 4.70% as compared to 4.43% in 2016.

*Corporate administrative support.* Corporate administrative support consists primarily of labor, benefits and long-term incentive compensation expense, as well as professional fees for departments which provide support to all of our various operating lines of business. This is partially offset by internal management fees charged to our other lines of business for that support.

Corporate administrative support costs were approximately \$90 million in 2018 and \$45 million in 2017. Corporate administrative support costs increased \$45 million due to an increase in long-term incentive compensation expense due to the adoption of a retirement policy for certain executive officers, as discussed below in "Long-term incentive compensation", as well as a reduction in internal management fees charged to our ancillary lines of business, partially offset by a decrease in legal fees.

Corporate administrative support costs were approximately \$45 million in 2017 and \$14 million in 2016. Corporate administrative support costs increased \$31 million due to a decrease in internal management fees charged to our ancillary lines of business and increases in long-term incentive compensation expense and labor and benefits expenses, partially offset by decreases in professional fees and other general and administrative expenses.

*Other income.* Other income was approximately \$10 million in 2018, \$18 million in 2017 and \$8 million in 2016, and consisted principally of interest income on cash and cash-equivalents and short- and long-term investments, other non-operating gains from investment transactions, and foreign currency transaction gains and losses. Other income in 2018 as compared to 2017 decreased approximately \$8 million, primarily due to an increase of recognized losses on the sale and market valuation of investments and an increase in foreign currency transaction losses. Other income in 2017 as compared to 2016 increased approximately \$10 million primarily due to a decrease in foreign currency transaction losses.

*Provision for income taxes.* The provision for income taxes for 2018, 2017 and 2016 represented an effective annualized tax rate of 24.6%, 23.1% and 26.6% of income from continuing operations, respectively. The 2018 effective tax rate is higher than the 2017 effective tax rate primarily due to the fact that the 2017 effective tax rate reflects a \$252 million tax benefit recognized in 2017 related to the enactment of the Tax Cuts and Jobs Act in 2017 ("2017 Tax Act"). Excluding this item, our effective tax rate from continuing operations for 2017 was 41.1%. The decrease in our effective tax rate in 2018 compared to this adjusted effective income tax rate in 2017 of 41.1% was primarily driven by the lower corporate statutory tax rate of 21%, partially offset by an increase in certain items that are no longer deductible under the 2017 Tax Act. The effective tax rate in 2016 was lower than the 2017 adjusted effective tax rate of 41.1%, primarily due to the gain on the APAC JV ownership changes, partially offset by goodwill impairment charges, as discussed above. See Note 13 to the consolidated financial statements for further information.

## Noncontrolling interests

Net income attributable to noncontrolling interests for 2018, 2017 and 2016 was approximately \$174 million, \$167 million and \$153 million, respectively. The increase in noncontrolling interests in 2018 as compared to 2017 was primarily due to an increase in earnings at our DMG physician groups offset by a decrease in noncontrolling interests due to one-time items impacting 2017 including the impairment of our vascular access reporting unit, which reduced income to noncontrolling interests by \$10 million, partially offset by the additional income to noncontrolling interests due to the net gain on the settlement with the VA of \$24 million.

The increase in noncontrolling interests in 2017 as compared to 2016 was primarily due to additional income to noncontrolling interests related to the net gain on the settlement with the VA of \$24 million, partially offset by the impairment of our vascular access reporting unit, which impacted income to noncontrolling interests by \$10 million in 2017 and \$8 million in 2016, for a net impact of \$2 million.



The percentage of net U.S. dialysis and related lab services revenues generated from dialysis-related joint ventures was approximately 25% in 2018, 24% in 2017 and 23% in 2016.

#### **Accounts receivable**

Our consolidated accounts receivable balances at December 31, 2018 and December 31, 2017 were \$1.859 billion and \$1.715 billion, respectively, representing approximately 62 days and 57 days of revenue (DSO), respectively, net of the allowance for uncollectible accounts. The increase in consolidated DSO was primarily due to higher DSO at our international operations and the cessation of operations at our pharmacy business. Historically, our pharmacy business experienced relatively lower DSO than the rest of our business. Our DSO calculation is based on the current quarter's average revenues per day. There were no significant changes during 2018 from 2017 in the amount of unreserved accounts receivable over one year old or the amounts pending approval from third-party payors.

As of December 31, 2018 and 2017, our net patient services accounts receivable balances more than six months old represents approximately 18% and 21% of our dialysis accounts receivable balances, respectively. The decrease was primarily due to collections at DaVita Health Solutions and in certain international operations. Substantially all revenue realized is from government and commercial payors, as discussed above. There were no significant unreserved balances over one year old. Less than 1% of our revenues are classified as patient pay.

Amounts pending approval from third-party payors associated with Medicare bad debt claims as of December 31, 2018 and 2017, other than the standard monthly billing, consisted of approximately \$136 million and \$104 million, respectively, and are classified as other receivables. A significant portion of our Medicare bad debt claims are typically paid to us before the Medicare fiscal intermediary audits the claims but are subject to adjustment based upon the actual results of these audits. Such audits typically occur one to four years after the claims are filed.

#### **Liquidity and capital resources**

*Available liquidity.* As of December 31, 2018, our Kidney Care cash balance was \$323 million and Kidney Care also had approximately \$3 million in short-term investments. As of December 31, 2018, our DMG cash balance was \$415 million and DMG also had approximately \$4 million in short-term investments. As of December 31, 2018, we had \$175 million drawn on our \$1.0 billion revolving line of credit under our senior secured credit facilities, in addition to the approximately \$14 million committed for outstanding letters of credit. As of December 31, 2018, we also have approximately \$23 million of additional outstanding letters of credit under a separate bilateral secured letter of credit facility and \$0.2 million of committed outstanding letters of credit which are backed by a certificate of deposit.

Consolidated cash flows from operations during 2018 was \$1.8 billion, of which \$1.5 billion was from continuing operations, compared with consolidated cash flows from operations of \$1.9 billion for 2017, of which \$1.6 billion was from continuing operations. Consolidated cash flows decreased due to increases in DSO, cash interest payments, advocacy spend and the timing of other working capital items partially offset by a decrease in cash taxes. Cash flows from operations in 2018 included cash interest payments of approximately \$489 million and cash tax payments of \$93 million. Cash flows from operations in 2017 included cash interest payments of approximately \$425 million and cash tax payments of \$387 million.

Non-operating cash outflows in 2018 included \$987 million for capital asset expenditures, including \$528 million for new center developments and relocations and \$459 million for maintenance and information technology. We also spent an additional \$183 million for acquisitions. In addition, during 2018 we received \$14 million associated with stock award exercises and other share issuances. We also made distributions to noncontrolling interests of \$196 million and received contributions from noncontrolling interests of \$52 million associated with new or existing joint ventures. We also repurchased a total of 16,844,067 shares of our common stock for \$1.2 billion, or an average price of \$68.48 per share, in 2018. In addition, we settled \$8 million in share repurchases related to 2017. Our proceeds from the sale of self-developed properties in 2018 was \$45 million.

Consolidated cash flows from operations during 2017 was \$1.9 billion, of which \$1.6 billion was from continuing operations, compared with cash flows from operations of \$2.0 billion for 2016, of which \$1.7 billion was from continuing operations. Consolidated cash flows declined due to an increase in DSO and the timing of other working capital items, partially offset by the payment received from the settlement with the VA, net of associated tax payments. Cash flows from operations in 2017 included cash interest payments of approximately \$425 million and cash tax payments of \$387 million. Cash flows from operations in 2016 included cash interest payments of approximately \$407 million and cash tax payments of \$339 million.

Non-operating cash outflows in 2017 included \$905 million for capital asset expenditures, including \$559 million for new center developments and relocations and \$346 million for maintenance and information technology. We also spent an

additional \$804 million for acquisitions in 2017. In addition, during 2017 we received \$21 million associated with stock award exercises and other share issuances. We also made distributions to noncontrolling interests of \$211 million, which included \$24 million related to the noncontrolling interest portion of the VA settlement gain, and received contributions from noncontrolling interests of \$75 million associated with new or existing joint ventures. We also repurchased a total of 12,966,672 shares of our common stock for \$811 million, or an average price of \$62.54 per share, of which \$8 million was unsettled at December 31, 2017. Our proceeds from the sale of self-developed properties in 2017 was \$58 million.

During 2018, in the U.S. we opened 152 dialysis centers, acquired 18 dialysis centers, closed and merged eight dialysis centers, closed two dialysis centers, sold one dialysis center, and terminated management and administrative services agreements covering five dialysis centers. In addition, our international dialysis operations acquired 28 dialysis centers, developed three dialysis centers, and closed two dialysis centers. Our APAC JV also acquired two dialysis centers, closed five dialysis centers and sold 22 dialysis centers.

During 2018, our DMG business acquired one primary care physician practice and four private medical practices.

In December 2017, we entered into an equity purchase agreement to sell our DMG division to Optum, a subsidiary of UnitedHealth Group Inc., subject to receipt of required regulatory approvals and other customary closing conditions. On December 11, 2018, we entered into an amendment to the equity purchase agreement, which, among other things, reduced the purchase price for DMG from \$4.900 billion to \$4.340 billion.

During 2017, in the U.S. we opened 121 dialysis centers, acquired 66 dialysis centers, including dialysis centers associated with the acquisition of Renal Ventures, closed and merged ten dialysis centers, closed nine dialysis centers, divested six dialysis centers, deconsolidated seven dialysis centers which we continue to operate under management services agreements, and terminated two management services agreements. In addition, our international dialysis operations acquired 68 dialysis centers, opened eight dialysis centers, and closed one dialysis center. Our APAC JV acquired two dialysis centers, opened nine dialysis centers and closed three dialysis centers.

During 2017, our DMG business acquired four primary care physician practices, including the acquisition of Magan, seven private medical practices and one independent physician association.

During the year ended December 31, 2018, we made mandatory principal payments under our senior secured credit facilities totaling \$100 million on Term Loan A and \$35 million on Term Loan B. During the year ended December 31, 2017, we made mandatory principal payments under our senior secured credit facilities totaling \$88 million on Term Loan A and \$35 million on Term Loan B.

#### *Interest rate cap agreements*

As of December 31, 2018, we maintain several interest rate cap agreements that were entered into in October 2015 with notional amounts totaling \$3.5 billion. These cap agreements became effective June 29, 2018, have the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of our debt, and expire on June 30, 2020. As of December 31, 2018, the total fair value of these cap agreements was an asset of approximately \$0.9 million. During the year ended December 31, 2018, we recognized debt expense of \$4.3 million from these cap agreements and recorded a loss of \$0.2 million in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

Previously, we maintained other interest rate cap agreements that were entered into in November 2014 with notional amounts also totaling \$3.5 billion. These cap agreements had the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of our debt and expired on June 30, 2018. During the year ended 2018, we recognized debt expense of \$4.1 million from these cap agreements and recorded an immaterial loss in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements through expiration.

#### *Other items*

As of December 31, 2018, our Term Loan B debt bears interest at LIBOR plus an interest rate margin of 2.75%. Term Loan B is subject to an interest rate cap if LIBOR should rise above 3.50%. Term Loan A bears interest at LIBOR plus an interest rate margin of 2.00% and Term Loan A-2 bears interest at LIBOR plus an interest rate margin of 1.00%. The capped portion of Term Loan A if LIBOR should rise above 3.50% is \$157.5 million. Both the uncapped portion of Term Loan A of \$517.5 million and the entire balance of Term Loan A-2 are subject to the variability of LIBOR. Interest rates on our Senior Notes are fixed by their terms.

Our overall weighted average effective interest rate on the senior secured credit facilities at the end of 2018 was 5.11%, based upon the current margins in effect of 2.00% for Term Loan A, 1.00% for Term Loan A-2 and 2.75% for Term Loan B.

As of December 31, 2018, the interest rates were fixed on approximately 48% of our total debt, and were fixed and economically fixed, including via interest rate cap agreements, on approximately 82% of our total debt.

Our overall weighted average effective interest rate during the year ended December 31, 2018 was 4.96% and as of December 31, 2018 was 5.19%.

As of December 31, 2018, we had \$175 million drawn on our \$1.0 billion revolving line of credit under our senior secured credit facilities, in addition to approximately \$14 million committed for outstanding letters of credit. As of December 31, 2018, we also have approximately \$23 million of additional outstanding letters of credit under a separate bilateral secured letter of credit facility, and \$0.2 million of committed outstanding letters of credit which are backed by a certificate of deposit.

We believe that our cash flow from operations and other sources of liquidity, including from amounts available under our existing credit facilities and anticipated debt refinancing, as well as proceeds from the anticipated sale of our DMG business if consummated, will be sufficient to fund our scheduled debt service under the terms of our debt agreements and other obligations for the foreseeable future, including the next 12 months. However, our primary recurrent sources of liquidity are cash from operations and cash from borrowings, which are subject to general, economic, financial, competitive, regulatory and other factors that are beyond our control, as described in Item 1A Risk Factors under the heading "The level of our current and future debt could have an adverse impact on our business and our ability to generate cash to service our indebtedness and for other intended purposes depends on many factors beyond our control."

#### Goodwill

We elected to early adopt ASU No. 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, effective January 1, 2017. The amendments in this ASU simplify the test for goodwill impairment by eliminating the second step in the assessment. All goodwill impairment tests performed since adoption of this ASU were performed under this new guidance.

During the year ended December 31, 2018, we performed annual and other impairment assessments for various reporting units. As a result of these assessments, we recognized a goodwill impairment charge of \$3 million at our German other health operations during the year ended December 31, 2018. We also recognized a goodwill impairment charge of \$2 million at one of our international kidney care businesses during the year ended December 31, 2017.

During the years ended December 31, 2017 and December 31, 2016, we recognized goodwill impairment charges of \$35 million and \$28 million, respectively, at our vascular access reporting unit. These charges resulted primarily from changes in future governmental reimbursement rates for this business and our then-evolving plans and expected ability to mitigate them. As of December 31, 2017, there was no goodwill remaining at our vascular access reporting unit.

Based on our most recent assessments, we determined that reductions in reimbursement rates, changes in actual or expected growth rates, or other significant adverse changes in expected future cash flows or valuation assumptions could result in goodwill impairment charges in the future for the following reporting units, which remain at risk of goodwill impairment as of December 31, 2018:

Reporting unit	Goodwill balance as of December 31, 2018 (in millions)	Carrying amount coverage <sup>(1)</sup>	Sensitivities	
			Operating income <sup>(2)</sup>	Discount rate <sup>(3)</sup>
Germany Kidney Care	\$ 403	0.5%	(1.5)%	(10.3)%
Brazil Kidney Care	\$ 39	9.8%	(2.5)%	(7.3)%
Germany other health operations	\$ 13	8.1%	(2.2)%	(11.1)%

(1) Excess of estimated fair value of the reporting unit over its carrying amount as of the latest assessment date.

(2) Potential impact on estimated fair value of a sustained, long-term reduction of 3% in operating income as of the latest assessment date.

(3) Potential impact on estimated fair value of an increase in discount rates of 100 basis points as of the latest assessment date.

There were no major changes in the business, prospects, or expected future results of these reporting units from their latest assessment date through December 31, 2018.

Except as described above, none of our various other reporting units was considered at risk of significant goodwill impairment as of December 31, 2018. Since the dates of our last annual goodwill impairment tests, there have been certain developments, events, changes in operating performance and other changes in key circumstances that have affected our businesses. However, except as further described above, these did not cause management to believe it is more likely than not that the fair values of any of our reporting units would be less than their respective carrying amounts as of December 31, 2018.

#### *Long-term incentive compensation*

Long-term incentive program (LTIP) compensation includes both stock-based awards (principally stock-settled stock appreciation rights, restricted stock units and performance stock units) as well as long-term performance-based cash awards. Long-term incentive compensation expense, which was primarily general and administrative in nature, was attributed among our U.S. dialysis and related lab services business, corporate administrative support, and the ancillary services and strategic initiatives.

Our stock-based compensation expense for stock-settled awards are measured at the estimated fair value of awards on the date of grant and recognized on a cumulative straight-line basis over the vesting terms of the awards unless the stock awards are based on non-market based performance metrics, in which case expense is adjusted for expected ultimate payouts as of the end of each reporting period. Stock-based compensation expense for cash-settled awards is based on the estimated fair values as of the end of each reporting period. The expense for all stock-based awards is recognized net of expected forfeitures.

During 2018, we granted 1,902,652 stock-settled stock appreciation rights with an aggregate grant-date fair value of \$30.9 million and a weighted-average expected life of approximately 4.2 years and 1,101,388 stock units with an aggregate grant-date fair value of \$72.9 million and a weighted-average expected life of approximately 3.3 years. We did not grant any cash-settled stock-based awards during 2018.

For the year ended December 31, 2018, long-term incentive compensation expense of \$85.8 million increased by approximately \$23.8 million as compared to 2017. This increase in long-term incentive compensation expense was primarily due to the adoption of a retirement policy (Rule of 65 policy). The Rule of 65 policy generally provides that Section 16 executive officers that are a minimum age of 55 with five years of continuous service with the Company receive certain benefits with respect to their outstanding equity awards upon a qualifying retirement if the sum of their age plus years of service is greater than or equal to 65. These benefits include accelerated vesting of restricted stock unit awards, continued vesting of stock-settled stock appreciation rights and performance stock unit awards and an exercise window from the original vest date through the original expiration date regardless of continued employment, with pro rata vesting for a Rule of 65 retirement within one year of the award grant date. The adoption of the Rule of 65 policy resulted in a \$14.7 million modification charge and a net acceleration of expense of \$9.7 million during the year ended December 31, 2018 that is included in the expense amounts reported above. Future equity awards to Rule of 65 eligible executives will be expensed over the period during which risk of forfeiture exists.

For the year ended December 31, 2017, long-term incentive compensation expense of \$62.0 million decreased by approximately \$3.0 million as compared to 2016. This decrease in long-term incentive compensation expense was primarily due to cumulative revaluation of liability-based awards for reductions in estimated ultimate payouts, as well as the final vesting of a prior broad grant that is no longer contributing expense.

As of December 31, 2018, there was \$99.9 million in total estimated but unrecognized long-term incentive compensation expense for LTIP awards outstanding, including \$88.6 million relating to stock-based awards under our equity compensation plans. We expect to recognize the performance-based cash component of this LTIP expense over a weighted average remaining period of 0.8 years and the stock-based component of this LTIP expense over a weighted average remaining period of 1.5 years.

For the years ended December 31, 2018, 2017 and 2016, we received \$8.0 million, \$13.5 million and \$28.4 million, respectively, in actual tax benefits upon the exercise of stock awards. Since we issue stock-settled stock appreciation rights rather than stock options, we did not receive cash proceeds from stock option exercises during the years ended December 31, 2018, 2017 and 2016.

#### *Stock repurchases*

We repurchased a total of 16,844,067 shares for \$1.2 billion, or an average price of \$68.48, during the year ended December 31, 2018. We also repurchased a total of 12,966,672 shares for \$811 million, or an average price of \$62.54, during the year ended December 31, 2017 and a total of 16,649,090 shares for \$1.1 billion, or an average price of \$64.41, during the

year ended December 31, 2016. Subsequent to December 31, 2018, we have not repurchased any shares of our common stock through February 22, 2019. We retired all shares held in treasury effective December 31, 2018 and December 31, 2017.

On July 11, 2018, our Board of Directors approved an additional share repurchase authorization in the amount of \$1.4 billion. This share repurchase authorization was in addition to the \$110 million remaining at that time under our Board of Directors' prior share repurchase authorization approved in October 2017. Accordingly, as of February 22, 2019, we have a total of \$1.4 billion available under the current Board repurchase authorizations for additional share repurchases. Although these share repurchase authorizations do not have expiration dates, we remain subject to share repurchase limitations under the terms of our senior secured credit facilities and the indentures governing our senior notes.

#### **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 and letters of credit, as well as potential obligations associated with our equity investments in nonconsolidated businesses and to dialysis centers that are wholly-owned by third parties. Substantially all of our U.S. dialysis facilities are leased. We have potential obligations to purchase the noncontrolling interests held by third parties in several of our majority-owned joint ventures and other nonconsolidated entities. These obligations are in the form of put provisions that are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, we would be required to purchase the third-party owners' equity interests at either the appraised fair market value or a predetermined multiple of earnings or cash flows attributable to the equity interests put to us, which is intended to approximate fair value. The methodology we use to estimate the fair values of noncontrolling interests subject to put provisions assumes the higher of either a liquidation value of net assets or an average multiple of earnings, based on historical earnings, patient mix and other performance indicators that can affect future results, as well as other factors. The estimated fair values of noncontrolling interests subject to put provisions are a critical accounting estimate that involves significant judgments and assumptions and may not be indicative of the actual values at which the noncontrolling interests may ultimately be settled, which could vary significantly from our current estimates. The estimated fair values of noncontrolling interests subject to put provisions can fluctuate and the implicit multiple of earnings at which these noncontrolling interests obligations may be settled will vary significantly depending upon market conditions including potential purchasers' access to the capital markets, which can impact the level of competition for dialysis and non-dialysis related businesses, the economic performance of these businesses and the restricted marketability of the third-party owners' equity interests. The amount of noncontrolling interests subject to put provisions that employ a contractually predetermined multiple of earnings rather than fair value are immaterial. For additional information see Note 18 to the consolidated financial statements.

We also have certain other potential commitments to provide operating capital to several dialysis centers that are wholly-owned by third parties or businesses in which we own a noncontrolling equity interest as well as to physician-owned vascular access clinics or medical practices that we operate under management and administrative services agreements.

The following is a summary of these contractual obligations and commitments as of December 31, 2018:

	1 year	2-3 years	4-5 years	After 5 years	Total
(dollars in millions)					
<b>Scheduled payments under contractual obligations:</b>					
Long-term debt principal	\$ 1,907	\$ 3,345	\$ 1,283	\$ 3,336	\$ 9,871
Interest payments on the senior notes	237	473	401	202	1,313
Interest payments on Term Loan B <sup>(1)</sup>	178	263	—	—	441
Interest payments on Term Loan A <sup>(2)</sup>	15	—	—	—	15
Interest payments on Term Loan A-2 <sup>(2)</sup>	18	—	—	—	18
Kidney Care capital lease obligations	22	49	46	166	283
Kidney Care operating leases	483	895	745	1,590	3,714
DMG capital lease obligations	35	—	—	—	35
DMG operating leases	90	154	117	267	628
	<u>\$ 2,985</u>	<u>\$ 5,179</u>	<u>\$ 2,592</u>	<u>\$ 5,561</u>	<u>\$ 16,318</u>
<b>Potential cash requirements under other commitments:</b>					
Letters of credit	\$ 37	\$ —	\$ —	\$ —	\$ 37
Noncontrolling interests subject to put provisions	624	265	113	123	1,125
Non-owned and minority owned put provisions	2	—	456	—	458
Operating capital advances	1	2	1	1	5
Purchase commitments	304	571	251	—	1,126
	<u>\$ 968</u>	<u>\$ 838</u>	<u>\$ 821</u>	<u>\$ 124</u>	<u>\$ 2,751</u>

(1) Based upon current LIBOR-based interest rates in effect at December 31, 2018 plus an interest rate margin of 2.75% for Term Loan B.

(2) Based upon current LIBOR-based interest rates in effect at December 31, 2018 plus an interest rate margin of 2.00% for Term Loan A and plus an interest rate margin of 1.00% for Term Loan A-2.

In addition to the commitments listed above, we have an agreement with Fresenius Medical Care (FMC) to purchase a certain amount of dialysis equipment, parts and supplies from FMC, which was extended through December 31, 2020. The actual amount of purchases in future years from FMC will depend upon a number of factors, including the operating requirements of our centers, the number of centers we acquire, and growth of our existing centers.

We also have an agreement with Baxter Healthcare Corporation (Baxter) that commits us to purchase a certain amount of peritoneal dialysis supplies at fixed prices through 2022.

In 2017, we entered into a Sourcing and Supply Agreement with Amgen USA Inc. (Amgen) that expires on December 31, 2022. Under the terms of this agreement, we will purchase EPO in amounts necessary to meet no less than 90% of our requirements for erythropoiesis stimulating agents (ESAs) through the expiration of the contract with Amgen. The actual amount of EPO that we will purchase will depend upon the amount of EPO administered during dialysis as prescribed by physicians and the overall number of patients that we serve.

Settlements of approximately \$49 million of existing income tax liabilities for unrecognized tax benefits, including interest, penalties and other long-term tax liabilities, are excluded from the above table as reasonably reliable estimates of their timing cannot be made.

#### Supplemental information concerning certain physician groups and unrestricted subsidiaries

The following information is presented as supplemental data as required by the indentures governing our senior notes.

We provide services to certain physician groups, including those within our DMG business, which while consolidated in our financial statements for financial reporting purposes, are not subsidiaries of or owned by us, do not constitute "Subsidiaries" as defined in the indentures governing our outstanding senior notes, and do not guarantee those senior notes. In addition, we have entered into management agreements with these physician groups pursuant to which we receive management fees from the physician groups.

As of December 31, 2018, if these physician groups were not consolidated in our financial statements, our consolidated assets would have been approximately \$18.578 billion and our consolidated other liabilities would have been approximately \$3.571 billion. Our consolidated indebtedness would have remained approximately \$10.154 billion since almost all of these physician groups are classified as held for sale and the remainder of them do not carry third party debt. For the year ended December 31, 2018, if these physician groups were not consolidated in our financial statements, our consolidated net income would have been reduced by approximately \$30 million. Our consolidated total net revenues and consolidated operating income would have remained approximately \$11.405 billion and \$1.526 billion, respectively, since almost all of these physician groups are being reported as discontinued operations.

In addition, our DMG business owns a 67% equity interest in California Medical Group Insurance (CMGI), which is an Unrestricted Subsidiary as defined in the indentures governing our outstanding senior notes, and does not guarantee those senior notes. DMG's equity interest in CMGI is accounted for under the equity method of accounting, meaning that, although CMGI is not consolidated in our financial statements for financial reporting purposes, our consolidated income statement reflects our pro rata share of CMGI's net income within net loss from discontinued operations.

For the year ended December 31, 2018, excluding DMG's equity investment income attributable to CMGI, our consolidated net income would be decreased by approximately \$92 thousand. See Note 29 to the consolidated financial statements for further details.

### **Contingencies**

The information in Note 17 to the consolidated financial statements included in this report is incorporated by reference in response to this item.

### **Critical accounting policies, estimates and judgments**

Our consolidated financial statements and accompanying notes are prepared in accordance with United States generally accepted accounting principles. These accounting principles require us to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingencies and temporary equity. 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, and such differences may be material. 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 accounts receivable, impairments of goodwill and investments, accounting for income taxes, consolidation of variable interest entities, and fair value estimates are considered to be critical to evaluating and understanding our financial results because they involve inherently uncertain matters and their application requires the most difficult and complex judgments and estimates.

*Dialysis and related lab services revenue recognition and accounts receivable.* There are significant estimating risks associated with the amount of dialysis and related lab services revenue that we recognize in a given reporting period. Payment rates are often subject to significant uncertainties related to wide variations in the coverage terms of the commercial healthcare plans under which we receive payments. In addition, ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage, and other payor issues complicate the billing and collection process. Net revenue recognition and allowances for uncollectible billings require the use of estimates of the amounts that will ultimately 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 payment rates that are established by statute or regulation for the portion of the payment 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 (e.g., Medicaid secondary coverage), the patient's commercial health plan secondary coverage, or the patient. Our dialysis related reimbursements from Medicare are subject to certain variations under Medicare's single bundled payment rate system whereby our reimbursements can be adjusted for certain patient characteristics and certain other factors. Our revenue recognition depends upon our ability to effectively capture, document and bill for Medicare's base payment rate and these other factors. In addition, as a result of the potential range of variations that can occur in our dialysis-related reimbursements from Medicare under the single bundled payment rate system, our revenue recognition is subject to a greater degree of estimating risk.

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 covered under commercial healthcare plans with which we have formal agreements, non-contracted commercial 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 payments, a slowdown in collections, a reduction in the amounts that we expect to collect and regulatory compliance issues. Determining applicable primary and secondary coverage for our approximately 202,700 U.S. dialysis 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 or longer after services are provided.

We generally expect the range of our dialysis and related lab services revenues estimating risk to be within 1% of its revenue, which can represent as much as approximately 5% of dialysis and related lab services' adjusted operating income. Changes in estimates are reflected in the then-current 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, and have not been significant.

Laboratory service revenues for current period dates of services are recognized at the estimated net realizable amounts to be received.

*Impairments of goodwill and investments.* We account for impairments of goodwill and equity method and other investments in accordance with the provisions of applicable accounting guidance. Goodwill is not amortized, but is assessed for impairment when changes in circumstances warrant and at least annually. An impairment charge is recorded when and to the extent a reporting unit's carrying amount is determined to exceed its estimated fair value. Equity method and other investments are assessed for other-than-temporary impairment when changes in circumstances warrant. An other-than-temporary impairment charge is recorded when the fair value of an investment has fallen below its carrying amount and the shortfall is expected to be indefinitely or permanently unrecoverable.

Such changes in circumstance can include, among others, changes in the legal environment, addressable market, business strategy, development or business plans, reimbursement structure, operating performance, future prospects, relationships with partners, and/or market value indications for the subject business. We use a variety of factors to assess changes in the financial condition, future prospects and other circumstances concerning the subject businesses and to estimate their fair value when applicable. Any change in the factors, assessments or assumptions involved could affect a determination of whether and when to assess goodwill or an investment for impairment as well as the outcome of such an assessment. These assessments and the related valuations can involve significant uncertainties and require significant judgment on various matters, some of which could be subject to reasonable disagreement.

*Accounting for income taxes.* Our income tax expense, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. We are subject to income taxes in the United States and numerous state and foreign jurisdictions, and changes in tax laws or regulations may be proposed or enacted that could adversely affect our overall tax liability. The actual impact of any such laws or regulations could be materially different from our current estimates.

Significant judgments and estimates are required in determining our consolidated income tax expense. Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in the future. In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies, results of recent operations, and assumptions about the amount of future federal, state, and foreign pre-tax operating income adjusted for items that do not have tax consequences. The assumptions about future taxable income require significant judgments and are consistent with the plans and estimates we use to manage the underlying businesses. 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.

*Consolidation of variable interest entities.* We rely on the operating activities of certain entities that we do not directly own or control, but over which we have indirect influence and of which we are considered the primary beneficiary. Under accounting guidance applicable to variable interest entities, we have determined that these entities are to be included in our consolidated financial statements. The analyses upon which these determinations rest are complex, involve uncertainties, and require judgment on various matters, some of which could be subject to reasonable disagreement. While these determinations



have a meaningful effect on the description and classification of various amounts in our consolidated financial statements, non-consolidation of these entities would not have had a material effect on our results of operations.

*Fair value estimates.* The FASB defines fair value generally as the amount at which an asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale. It also defines fair value more specifically for most purposes as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

We rely on fair value measurements and estimates for purposes that require the recording, reassessment, or adjustment of the carrying amounts of certain assets, liabilities and noncontrolling interests subject to put provisions (temporary equity). These purposes can include the accounting for business combination transactions; impairment assessments for goodwill, other intangible assets, and other long-lived assets; recurrent revaluation of investments in debt and equity securities, interest rate cap agreements or other derivative instruments, contingent earn-out obligations, and noncontrolling interests subject to put provisions; and the accounting for equity method and other investments and stock-based compensation, among others. The criticality of a particular fair value estimate to our consolidated financial statements depends upon the nature and size of the item being measured, the extent of uncertainties involved and the nature and magnitude or potential effect of assumptions and judgments required. Critical fair value estimates can involve significant uncertainties and require significant judgment on various matters, some of which could be subject to reasonable disagreement.

#### Significant new accounting standards

See Note 1 to the consolidated financial statements included in this report for information regarding certain recent financial accounting standards that have been issued by the FASB.

#### Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

##### Interest rate sensitivity

The tables below provide information about our financial instruments that are sensitive to changes in interest rates. The table below presents principal repayments and current weighted average interest rates on our debt obligations as of December 31, 2018. The variable rates presented reflect the weighted average LIBOR rates in effect for all debt tranches plus interest rate margins in effect as of December 31, 2018. The Term Loan A margin in effect at December 31, 2018 is 2.00%, and along with the revolving line of credit, is subject to adjustment depending upon changes in certain of our financial ratios, including a leverage ratio. Term Loan A-2 currently bears interest at LIBOR plus an interest rate margin of 1.00%. Term Loan B currently bears interest at LIBOR plus an interest rate margin of 2.75%.

	Expected maturity date					Thereafter	Total	Average interest rate	Fair value
	2019	2020	2021	2022	2023				
(dollars in millions)									

##### Long term debt:

Fixed rate	\$ 37	\$ 34	\$ 29	\$ 1,279	\$ 28	\$ 3,494	\$ 4,901	5.29%	\$ 4,643
Variable rate	\$ 1,892	\$ 46	\$ 3,285	\$ 12	\$ 10	\$ 8	\$ 5,253	5.11%	\$ 5,259

	Notional amount	Contract maturity date					Receive variable	Fair value
		2019	2020	2021	2022	2023		
(dollars in millions)								
Cap agreements	\$ 3,500	\$ —	\$ 3,500	\$ —	\$ —	\$ —	LIBOR above 3.5%	\$ 0.9

On March 29, 2018, we entered into an Increase Joinder No. 1 (Increase Joinder Agreement) under our existing senior secured credit facilities. Pursuant to this Increase Joinder Agreement, we entered into an additional \$995 million Term Loan A-2.

Our senior secured credit facilities, which include Term Loan A, Term Loan A-2, and Term Loan B, consist of various individual tranches of debt that can range in maturity from one month to twelve months (currently, all tranches are one month in duration). For Term Loan A, Term Loan A-2, and Term Loan B, each tranche bears interest at a LIBOR rate that is determined by the duration of such tranche plus an interest rate margin. The LIBOR variable component of the interest rate for

each tranche is reset as such tranche matures and a new tranche is established. LIBOR can fluctuate significantly depending upon conditions in the credit and capital markets.

As of December 31, 2018, our Term Loan A bears interest at LIBOR plus an interest rate margin of 2.00%, our Term Loan A-2 bears interest at LIBOR plus an interest rate margin of 1.00%, and our Term Loan B bears interest at LIBOR plus an interest rate margin of 2.75%. LIBOR was greater than the 0.75% embedded LIBOR floor on Term Loan B, resulting in Term Loan B being subject to LIBOR-based interest rate volatility on the LIBOR variable component of our interest rate as of December 31, 2018. However, this LIBOR-based interest component is effectively limited to a maximum LIBOR rate of 3.50% on the outstanding principal debt on Term Loan B and on \$157.5 million of Term Loan A as a result of the interest rate cap agreements, as described below. In addition, the uncapped portion of Term Loan A of \$517.5 million and the entire balance of Term Loan A-2 are subject to the variability of LIBOR. See the table above for further details. Interest rates on our Senior Notes are fixed by their terms.

As of December 31, 2018, we maintain several interest rate cap agreements that were entered into in October 2015 with notional amounts totaling \$3.5 billion. These cap agreements became effective June 29, 2018, have the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of our debt, and will expire on June 30, 2020. As of December 31, 2018, the total fair value of these cap agreements was an asset of approximately \$0.9 million. During the year ended December 31, 2018, we recognized debt expense of \$4.3 million from these cap agreements and recorded a loss of \$0.2 million in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

Previously, we maintained other interest rate cap agreements that were entered into in November 2014 with notional amounts also totaling \$3.5 billion. These cap agreements had the economic effect of capping the LIBOR variable component of our interest rate at a maximum of 3.50% on an equivalent amount of our debt and expired on June 30, 2018. During the year ended 2018, we recognized debt expense of \$4.1 million from these cap agreements and recorded an immaterial loss in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements through expiration.

Our overall weighted average effective interest rate on the senior secured credit facilities at the end of 2018 was 5.11%, based upon the current margins in effect of 2.00% for Term Loan A, 1.00% for Term Loan A-2 and 2.75% for Term Loan B as of December 31, 2018.

Our overall weighted average effective interest rate during the year ended December 31, 2018 was 4.96% and as of December 31, 2018 was 5.19%.

As of December 31, 2018, we had \$175 million drawn on our \$1.0 billion revolving line of credit under our senior secured credit facilities, in addition to approximately \$14.2 million committed for outstanding letters of credit. We also have approximately \$22.6 million of additional outstanding letters of credit under a separate bilateral secured letter of credit facility, and \$0.2 million of committed outstanding letters of credit which are backed by a certificate of deposit.

We believe that our cash flow from operations and other sources of liquidity, including from amounts available under our existing credit facilities and anticipated debt refinancing, as well as proceeds from the anticipated sale of our DMG business if consummated, will be sufficient to fund our scheduled debt service under the terms of our debt agreements and other obligations for the foreseeable future, including the next 12 months. Our primary sources of liquidity are cash from operations and cash from borrowings.

One means of assessing exposure to debt-related interest rate changes is a 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 \$37.8 million, \$27.6 million, and \$11.6 million, net of tax, for the years ended December 31, 2018, 2017, and 2016, respectively.

#### *Exchange rate sensitivity*

While our business is predominantly conducted in the U.S. we have developing operations in nine other countries as well. For financial reporting purposes, the U.S. dollar is our reporting currency. However, the functional currencies of our operating businesses in other countries are typically those of the countries in which they operate. Therefore, changes in the rate of exchange between the U.S. dollar and the local currencies in which our international operations are conducted affect our results of operations and financial position as reported in our consolidated financial statements.

We have consolidated the balance sheets of our non-U.S. dollar denominated operations into U.S. dollars at the exchange rates prevailing at the balance sheet dates and have translated their revenues and expense at average exchange rates during each period. Additionally, our individual subsidiaries are exposed to transactional risks mainly resulting from intercompany transactions between and among subsidiaries with different functional currencies. This exposes the subsidiaries to fluctuations in the rate of exchange between the invoicing or obligation currencies and the currency in which their local operations are conducted.

We evaluate our exposure to foreign exchange risk through the judgment of our regional and corporate management teams. Through 2018, our international operations remained fairly small relative to the size of our consolidated financial statements, constituting less than 7% of our consolidated assets as of December 31, 2018 and approximately 4% of our consolidated net revenues for the year ended December 31, 2018. In addition, our foreign currency translation (losses) gains were less than approximately (3)%, 6%, and (2)% of our consolidated operating income for the years ended December 31, 2018, 2017 and 2016.

Given the still small size of our international operations, management does not consider our exposure to foreign exchange risk to be significant to the consolidated enterprise. As such, through December 31, 2018 we have not engaged in transactions to hedge the exposure of our international transactions or net investments to foreign currency risk. However, we may do so in the future.

**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 ensure that information required to be disclosed in the reports that it files or submits pursuant to the Securities Exchange Act of 1934 (Exchange Act) as amended is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management including our Chief Executive Officer and Chief Financial Officer as appropriate to allow for timely decisions regarding required disclosures.

At the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our 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 our disclosure controls and procedures are effective for timely identification and review of material information required to be included in our Exchange Act reports, including this report on Form 10-K. 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.

Beginning January 1, 2018, we adopted FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*. Although the new standard is expected to have an immaterial impact on our ongoing net income, we did implement new business processes and related control activities in order to maintain appropriate controls over financial reporting. There was no other change in our internal control over financial reporting that was identified during the evaluation that occurred during the fourth fiscal quarter and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information.**

None.

## PART III

### Item 10. Directors, Executive Officers and Corporate Governance.

We intend to disclose any amendments or waivers to the Code of Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, on our website located at <http://www.davita.com>. 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 legal 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 our website, located at <http://www.davita.com>. We also maintain a Corporate Code of Conduct that applies to all of our employees, officers and directors, which is posted on our 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>.

The other information required to be disclosed by this item will appear in, and is incorporated by reference from, the sections entitled "Proposal 1 Election of Directors", "Corporate Governance", and "Security Ownership of Certain Beneficial Owners and Management" included in our definitive proxy statement relating to our 2019 annual stockholder meeting.

### Item 11. Executive Compensation.

The information required by this item will appear in, and is incorporated by reference from, the sections entitled "Executive Compensation", "Pay Ratio Disclosure", "Compensation of Directors" and "Compensation Committee Interlocks and Insider Participation" included in our definitive proxy statement relating to our 2019 annual stockholder meeting. The information required by Item 407(e)(5) of Regulation S-K will appear in and is incorporated by reference from the section entitled "Compensation Committee Report" included in our definitive proxy statement relating to our 2019 annual stockholder meeting; however, this information shall not be deemed to be filed.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table provides information about our common stock that may be issued upon the exercise of stock-settled stock appreciation rights, restricted stock units and other rights under all of our existing equity compensation plans as of December 31, 2018, which consist of our 2011 Incentive Award Plan and our Employee Stock Purchase Plan. The material terms of these plans are described in Note 19 to the consolidated financial statements.

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	8,155,501 <sup>(1)</sup>	69.90 <sup>(2)</sup>	29,818,042	37,973,543
Equity compensation plans not requiring shareholder approval	—	—	—	—
<b>Total</b>	<b>8,155,501</b>	<b>\$ 69.90</b>	<b>29,818,042</b>	<b>37,973,543</b>

(1) Includes 722,412 shares of common stock reserved for issuance in connection with performance share units and performance stock appreciation rights at the maximum number of shares issuable thereunder.

(2) This weighted-average includes performance stock appreciation rights at 100% of target amount and excludes full value awards such as restricted stock units and performance share units.

Other information required to be disclosed by Item 12 will appear in, and is incorporated by reference from, the section entitled “Security Ownership of Certain Beneficial Owners and Management” included in our definitive proxy statement relating to our 2019 annual stockholder meeting.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information required by this item will appear in, and is incorporated by reference from, the section entitled “Certain Relationships and Related Transactions” and the section entitled “Corporate Governance” included in our definitive proxy statement relating to our 2019 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 “Proposal 2 Ratification of the Appointment of our Independent Registered Public Accounting Firm” included in our definitive proxy statement relating to our 2019 annual stockholder meeting.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules.**

**(a) Documents filed as part of this Report:**

*(1) Index to Financial Statements:*

	<u>Page</u>
<a href="#">Management's Report on Internal Control Over Financial Reporting</a>	F-1
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-2
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-3
<a href="#">Consolidated Statements of Income for the years ended December 31, 2018, 2017, and 2016</a>	F-4
<a href="#">Consolidated Statements of Comprehensive Income for the years ended December 31, 2018, 2017, and 2016</a>	F-5
<a href="#">Consolidated Balance Sheets as of December 31, 2018, and 2017</a>	F-6
<a href="#">Consolidated Statements of Cash Flow for the years ended December 31, 2018, 2017, and 2016</a>	F-7
<a href="#">Consolidated Statements of Equity for the years ended December 31, 2018, 2017, and 2016</a>	F-8
<a href="#">Notes to Consolidated Financial Statements</a>	F-10
<i>(2) Index to Financial Statement Schedules:</i>	
<a href="#">Schedule II—Valuation and Qualifying Accounts</a>	S-3

*(3) Exhibits*

The information required by this Item is set forth in the Exhibit Index that precedes the signature pages of this Annual Report on Form 10-K.

**Item 16. Form 10-K Summary.**

None.

**DAVITA INC.**  
**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is 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 U.S. generally accepted accounting principles and which includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. 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 (iii) 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 Chief Executive Officer and Chief Financial Officer, 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 (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based upon our evaluation under the COSO framework, we have concluded that the Company's internal control over financial reporting was effective as of December 31, 2018.

The Company's independent registered public accounting firm, KPMG LLP, has issued an attestation report on the Company's internal control over financial reporting, which report is included in this Annual Report.

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
DaVita Inc.:

### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of DaVita Inc. and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes and financial statement Schedule II - Valuation and Qualifying Accounts (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, 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) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 22, 2019 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

### *Change in Accounting Principle*

As discussed in Notes 1 and 2 to the consolidated financial statements, the Company has changed its method of accounting for revenue recognition in 2018 due to the adoption of the Financial Accounting Standards Board's Accounting Standards Codification Topic 606 *Revenue from Contracts with Customers*.

### *Basis for Opinion*

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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2000.

Seattle, Washington  
February 22, 2019



## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
DaVita Inc.:

### *Opinion on Internal Control Over Financial Reporting*

We have audited DaVita Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes and financial statement Schedule II - Valuation and Qualifying Accounts (collectively, the consolidated financial statements), and our report dated February 22, 2019 expressed an unqualified opinion on those consolidated financial statements.

### *Basis for Opinion*

The Company'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, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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 of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### *Definition and Limitations of Internal Control Over Financial Reporting*

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.

/s/ KPMG LLP

Seattle, Washington  
February 22, 2019

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(dollars in thousands, except per share data)

	Year ended December 31,		
	2018	2017	2016
Dialysis and related lab patient service revenues	\$ 10,709,981	\$ 10,093,670	\$ 9,727,360
Provision for uncollectible accounts	(49,587)	(485,364)	(431,304)
Net dialysis and related lab patient service revenues	10,660,394	9,608,306	9,296,056
Other revenues	744,457	1,268,328	1,411,411
Total revenues	11,404,851	10,876,634	10,707,467
Operating expenses and charges:			
Patient care costs and other costs	8,195,513	7,640,005	7,431,582
General and administrative	1,135,454	1,064,026	1,072,841
Depreciation and amortization	591,035	559,911	509,497
Provision for uncollectible accounts	(7,300)	(7,033)	11,677
Equity investment income	4,484	8,640	(16,874)
Investment and other asset impairments	17,338	295,234	14,993
Goodwill impairment charges	3,106	36,196	28,415
Gain on changes in ownership interest, net	(60,603)	(6,273)	(374,374)
Gain on settlement, net	—	(526,827)	—
Total operating expenses and charges	9,879,027	9,063,879	8,677,757
Operating income	1,525,824	1,812,755	2,029,710
Debt expense	(487,435)	(430,634)	(414,116)
Other income, net	10,089	17,665	7,511
Income from continuing operations before income taxes	1,048,478	1,399,786	1,623,105
Income tax expense	258,400	323,859	431,761
Net income from continuing operations	790,078	1,075,927	1,191,344
Net loss from discontinued operations, net of tax	(457,038)	(245,372)	(158,262)
Net income	333,040	830,555	1,033,082
Less: Net income attributable to noncontrolling interests	(173,646)	(166,937)	(153,208)
Net income attributable to DaVita Inc.	\$ 159,394	\$ 663,618	\$ 879,874
<b>Earnings per share attributable to DaVita Inc.:</b>			
Basic net income from continuing operations per share	\$ 3.66	\$ 4.78	\$ 5.12
Basic net income per share	\$ 0.93	\$ 3.52	\$ 4.36
Diluted net income from continuing operations per share	\$ 3.62	\$ 4.71	\$ 5.04
Diluted net income per share	\$ 0.92	\$ 3.47	\$ 4.29
<b>Weighted average shares for earnings per share:</b>			
Basic	170,785,999	188,625,559	201,641,173
Diluted	172,364,581	191,348,533	204,904,656
<b>Amounts attributable to DaVita Inc.:</b>			
Net income from continuing operations	\$ 624,321	\$ 901,277	\$ 1,032,373
Net loss from discontinued operations	(464,927)	(237,659)	(152,499)
Net income attributable to DaVita Inc.	\$ 159,394	\$ 663,618	\$ 879,874

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(dollars in thousands)

	Year ended December 31,		
	2018	2017	2016
Net income	\$ 333,040	\$ 830,555	\$ 1,033,082
Other comprehensive (loss) income:			
Unrealized losses on interest rate cap and swap agreements, net:			
Unrealized losses	(133)	(5,437)	(3,670)
Reclassification into net income	6,286	5,058	2,566
Unrealized gains (losses) on investments, net:			
Unrealized losses	—	3,705	1,427
Reclassification into net income	—	(220)	(423)
Foreign currency translation adjustments:			
Foreign currency translation adjustments	(45,944)	99,770	(39,614)
Reclassification into net income	—	—	10,087
Other comprehensive (loss) income	(39,791)	102,876	(29,627)
Total comprehensive income	293,249	933,431	1,003,455
Less: Comprehensive income attributable to noncontrolling interests	(173,646)	(166,935)	(153,398)
Comprehensive income attributable to DaVita Inc.	\$ 119,603	\$ 766,496	\$ 850,057

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(dollars in thousands, except per share data)

	December 31, 2018	December 31, 2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 323,038	\$ 508,234
Restricted cash and equivalents	92,382	10,686
Short-term investments	2,935	32,830
Accounts receivable, net	1,858,608	1,714,750
Inventories	107,381	181,799
Other receivables	469,796	399,262
Prepaid and other current assets	111,840	112,058
Income tax receivable	68,614	49,440
Current assets held for sale, net	5,389,565	5,761,642
Total current assets	8,424,159	8,770,701
Property and equipment, net	3,393,669	3,149,213
Intangible assets, net	118,846	113,827
Equity method and other investments	224,611	245,534
Long-term investments	35,424	37,695
Other long-term assets	71,583	47,287
Goodwill	6,841,960	6,610,279
	<u>\$ 19,110,252</u>	<u>\$ 18,974,536</u>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 463,270	\$ 509,116
Other liabilities	595,850	579,005
Accrued compensation and benefits	658,913	616,116
Current portion of long-term debt	1,929,369	178,213
Current liabilities held for sale	1,243,759	1,185,070
Total current liabilities	4,891,161	3,067,520
Long-term debt	8,172,847	9,158,018
Other long-term liabilities	450,669	365,325
Deferred income taxes	562,536	486,247
Total liabilities	14,077,213	13,077,110
Commitments and contingencies:		
Noncontrolling interests subject to put provisions	1,124,641	1,011,360
Equity:		
Preferred stock (\$0.001 par value, 5,000,000 shares authorized; none issued)	—	—
Common stock (\$0.001 par value, 450,000,000 shares authorized; 166,387,307 and 182,462,278 shares issued and outstanding, respectively)	166	182
Additional paid-in capital	995,006	1,042,899
Retained earnings	2,743,194	3,633,713
Accumulated other comprehensive (loss) income	(34,924)	13,235
Total DaVita Inc. shareholders' equity	3,703,442	4,690,029
Noncontrolling interests not subject to put provisions	204,956	196,037
Total equity	3,908,398	4,886,066
	<u>\$ 19,110,252</u>	<u>\$ 18,974,536</u>

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
(dollars in thousands)

	Year ended December 31,		
	2018	2017	2016
<b>Cash flows from operating activities:</b>			
Net income	\$ 333,040	\$ 830,555	\$ 1,033,082
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	591,035	777,485	720,252
Impairment charges	61,981	981,589	296,408
Valuation adjustment on disposal group	316,840	—	—
Stock-based compensation expense	73,061	35,092	38,338
Deferred income taxes	273,660	(395,217)	52,010
Equity investment income, net	26,449	28,925	17,766
Gain on sales of business interests, net	(85,699)	(23,402)	(404,165)
Other non-cash charges, net	82,374	66,920	(7,343)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:			
Accounts receivable	(81,176)	(156,305)	(152,240)
Inventories	73,505	(18,625)	22,920
Other receivables and other current assets	236,995	(111,432)	(45,351)
Other long-term assets	3,497	(11,945)	35,893
Accounts payable	(35,959)	26,876	11,897
Accrued compensation and benefits	84,165	(78,239)	68,272
Other current liabilities	(157,462)	1,908	176,494
Income taxes	(23,635)	(52,176)	77,376
Other long-term liabilities	(1,031)	11,157	30,517
Net cash provided by operating activities	1,771,640	1,913,166	1,972,126
<b>Cash flows from investing activities:</b>			
Additions of property and equipment	(987,138)	(905,250)	(829,095)
Acquisitions	(183,156)	(803,879)	(563,856)
Proceeds from asset and business sales	150,205	92,336	64,725
Purchase of investments available for sale	(8,448)	(13,117)	(13,539)
Purchase of investments held-to-maturity	(5,963)	(228,990)	(1,133,192)
Proceeds from sale of investments available for sale	9,526	6,408	18,963
Proceeds from investments held-to-maturity	34,862	492,470	1,240,502
Purchase of equity investments	(19,177)	(4,816)	(27,096)
Proceeds from sale of equity investments	—	—	40,920
Distributions received on equity investments	3,646	106	—
Net cash used in investing activities	(1,005,643)	(1,364,732)	(1,201,668)
<b>Cash flows from financing activities:</b>			
Borrowings	59,934,750	50,991,960	51,991,490
Payments on long-term debt and other financing costs	(59,239,973)	(50,837,112)	(52,116,120)
Purchase of treasury stock	(1,161,511)	(802,949)	(1,097,822)
Distributions to noncontrolling interests	(196,441)	(211,467)	(192,401)
Stock award exercises and other share issuances, net	13,577	21,252	23,543
Excess tax benefits from stock award exercises	—	—	13,251
Contributions from noncontrolling interests	52,311	74,552	47,590
Proceeds from sales of additional noncontrolling interests	15	2,864	—
Purchases of noncontrolling interests	(28,082)	(5,357)	(21,512)
Net cash used in financing activities	(625,354)	(766,257)	(1,351,981)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3,350)	254	4,276
Net increase (decrease) in cash, cash equivalents and restricted cash	137,293	(217,569)	(577,247)
Less: Net increase (decrease) in cash, cash equivalents and restricted cash from discontinued operations	240,793	(53,026)	(15,793)
Net decrease in cash, cash equivalents and restricted cash from continuing operations	(103,500)	(164,543)	(561,454)
Cash, cash equivalents and restricted cash of continuing operations at beginning of the year	518,920	683,463	1,244,917
Cash, cash equivalents and restricted cash of continuing operations at end of the year	\$ 415,420	\$ 518,920	\$ 683,463

See notes to consolidated financial statements.

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(dollars and shares in thousands)

	Non-controlling interests subject to put provisions	DaVita Inc. Shareholders' Equity								Non-controlling interests not subject to put provisions
		Common stock			Retained earnings	Treasury stock		Accumulated other comprehensive income (loss)	Total	
		Shares	Amount	Additional paid-in capital		Shares	Amount			
Balance at December 31, 2015	\$ 864,066	217,120	\$ 217	\$ 1,118,326	\$ 4,356,835	(7,366)	\$ (544,772)	\$ (59,826)	\$ 4,870,780	\$ 213,392
<b>Comprehensive income:</b>										
Net income	99,834				879,874				879,874	53,374
Other comprehensive loss								(29,817)	(29,817)	190
Stock purchase shares issued		438	1	23,902					23,903	
Stock unit shares issued		4	—	(19,815)		276	19,815		—	
Stock-settled SAR shares issued		218	—	(36,685)		513	36,685		—	
Stock-settled stock-based compensation expense				37,970					37,970	
Excess tax benefits from stock awards exercised				13,251					13,251	
<b>Changes in non-controlling interests from:</b>										
Distributions	(111,092)									(81,309)
Contributions	33,517									14,073
Acquisitions and divestitures	28,874			3,423					3,423	2,585
Partial purchases	(6,660)			(13,105)					(13,105)	(1,747)
Fair value remeasurements	65,855			(65,855)					(65,855)	
Reclassifications and expirations of puts	(1,136)									1,136
Purchase of treasury stock						(16,649)	(1,072,377)		(1,072,377)	
Retirement of treasury stock		(23,226)	(23)	(34,230)	(1,526,396)	23,226	1,560,649			
Balance at December 31, 2016	\$ 973,258	194,554	\$ 195	\$ 1,027,182	\$ 3,710,313	—	\$ —	\$ (89,643)	\$ 4,648,047	\$ 201,694
<b>Comprehensive income:</b>										
Net income	103,641				663,618				663,618	63,296
Other comprehensive income								102,878	102,878	(2)
Stock purchase shares issued		360		22,131					22,131	
Stock unit shares issued		117		(101)					(101)	
Stock-settled SAR shares issued		398		—					—	
Stock-settled stock-based compensation expense				34,981					34,981	
<b>Changes in noncontrolling interest from:</b>										
Distributions	(128,853)									(82,614)
Contributions	52,911									21,641
Acquisitions and divestitures	43,799			(823)					(823)	(5,770)
Partial purchases	(397)			(2,752)					(2,752)	(2,208)
Fair value remeasurements	(32,999)			32,999					32,999	
Purchase of treasury stock						(12,967)	(810,949)		(810,949)	
Retirement of treasury stock		(12,967)	(13)	(70,718)	(740,218)	12,967	810,949			
Balance at December 31, 2017	\$ 1,011,360	182,462	\$ 182	\$ 1,042,899	\$ 3,633,713	—	\$ —	\$ 13,235	\$ 4,690,029	\$ 196,037

**DAVITA INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY - continued**  
(dollars and shares in thousands)

	Non-controlling interests subject to put provisions	DaVita Inc. Shareholders' Equity							Non-controlling interests not subject to put provisions	
		Common stock		Additional paid-in capital	Retained earnings	Treasury stock		Accumulated other comprehensive income (loss)		Total
		Shares	Amount			Shares	Amount			
Comprehensive income:										
Net income	105,531				159,394				159,394	68,115
Cumulative effect of change in accounting principle					8,368			(8,368)	—	
Comprehensive income								(39,791)	(39,791)	
Stock purchase shares issued		398		17,398						17,398
Stock unit shares issued		158		(448)						(448)
Stock-settled SAR shares issued		213	1	(4,887)						(4,886)
Stock-settled stock-based compensation expense				73,081						73,081
Changes in noncontrolling interest from:										
Distributions	(119,173)									(77,268)
Contributions	32,918									19,393
Acquisitions and divestitures	79,078			3,546					3,546	318
Partial purchases	(8,546)			(17,897)					(17,897)	(1,639)
Fair value remeasurements	23,473			(23,473)					(23,473)	
Purchase of treasury stock						(16,844)	(1,153,511)		(1,153,511)	
Retirement of treasury stock		(16,844)	(17)	(95,213)	(1,058,281)	16,844	1,153,511		—	
Balance at December 31, 2018	\$ 1,124,641	166,387	\$ 166	\$ 995,006	\$ 2,743,194	—	\$ —	\$ (34,924)	\$ 3,703,442	\$ 204,956

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. (the Company) consists of two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG). The Kidney Care division is comprised of the Company's U.S. dialysis and related lab services, its ancillary services and strategic initiatives, including its international operations, and its corporate administrative support. The Company's largest line of business is its U.S. dialysis and related lab services business, which operates kidney dialysis centers in the U.S. for patients suffering from chronic kidney failure also known as end stage renal disease (ESRD). As of December 31, 2018, the Company operated or provided administrative services through a network of 2,664 U.S. outpatient dialysis centers in 46 states and the District of Columbia, serving a total of approximately 202,700 patients. In addition, as of December 31, 2018, the Company operated or provided administrative services to a total of 241 outpatient dialysis centers serving approximately 25,000 patients located in nine countries outside of the U.S.

The Company's DMG division is a patient- and physician-focused integrated healthcare delivery and management company that provides medical services to members primarily through capitation contracts with some of the nation's leading health plans. In December 2017, the Company entered into an agreement to sell its DMG division to Collaborative Care Holdings, LLC (Optum), a subsidiary of UnitedHealth Group Inc., subject to receipt of required regulatory approvals and other customary closing conditions. As a result, the DMG business has been classified as held for sale and its results of operations are reported as discontinued operations for all periods presented in these consolidated financial statements. For financial information about the DMG business, see Note 22.

The Company's U.S. dialysis and related lab services business qualifies as a separately reportable segment and the Company's other ancillary services and strategic initiatives, including its international operations, have been combined and disclosed in the other segments category.

*Basis of presentation*

These consolidated financial statements are prepared in accordance with United States generally accepted accounting principles (U.S. GAAP). The financial statements include DaVita Inc. and its subsidiaries, partnerships and other entities in which it maintains a majority voting interest or other controlling financial interest (collectively, the Company). All significant intercompany transactions and balances have been eliminated. Equity investments in investees over which the Company has significant influence are recorded on the equity method, while investments in other equity securities are recorded at fair value or pursuant to an adjusted cost method measurement alternative, as applicable. For the Company's international subsidiaries, local currencies are considered their functional currencies. Translation adjustments result from translating the Company's international subsidiaries' financial statements from their functional currencies into the Company's reporting currency (the U.S. dollar, or USD). Prior year balances and amounts have been reclassified to conform to the current year presentation.

The Company has evaluated subsequent events through the date these consolidated financial statements were issued and has included all necessary adjustments and disclosures.

*Use of estimates*

The preparation of financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingencies and noncontrolling interests subject to put provisions. 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. All significant assumptions and estimates underlying the amounts reported in the financial statements and accompanying notes are regularly reviewed and updated when necessary. 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 accounts receivable, contingencies, impairments of goodwill and investments, accounting for income taxes, consolidation of variable interest entities, and certain fair value estimates. Specific estimating risks and contingencies are further addressed within these notes to the consolidated financial statements.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

*Revenues*

On January 1, 2018, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 606 *Revenue from Contracts with Customers* (Topic 606) using the cumulative effect method for those contracts that were not substantially completed as of January 1, 2018. Results for reporting periods beginning on and after January 1, 2018 are presented under Topic 606, while prior period amounts continue to be presented in accordance with the Company's historical accounting under *Revenue Recognition* (Topic 605).

The adoption of this new standard primarily changed the Company's presentation of revenues, provision for uncollectible accounts and allowance for doubtful accounts. Topic 606 requires revenue to be recognized based on the Company's estimate of the transaction price the Company expects to collect as a result of satisfying its performance obligations. Accordingly, for performance obligations satisfied after the adoption of Topic 606, the Company no longer separately presents a provision for uncollectible accounts on the consolidated income statement and no longer presents the related allowance for doubtful accounts on the consolidated balance sheet. However, as a result of the Company's election to apply Topic 606 only to contracts not substantially completed as of January 1, 2018, the Company continues to maintain an allowance for doubtful accounts related to performance obligations satisfied prior to the adoption of Topic 606. Net collections or write-offs of accounts receivable generated prior to January 1, 2018, beyond amounts previously reserved thereon, are presented in the provision for uncollectible accounts on the consolidated income statement in accordance with Topic 605.

*Dialysis and related lab patient service revenues*

Dialysis patient service revenues are recognized in the period services are provided. Revenues consist primarily of payments from government and commercial health plans for dialysis and related lab services provided to patients. A usual and customary fee schedule is maintained for the Company's dialysis treatments and related lab services; however, actual collectible revenue is normally recognized at a discount from the fee schedule.

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

Under Medicare's bundled payment rate system, services covered by Medicare are subject to estimating risk, whereby reimbursements from Medicare can vary significantly depending upon certain patient characteristics and other variable factors. Even with the bundled payment rate system, Medicare payments for bad debt claims as established by cost reports require evidence of collection efforts. As a result, billing and collection of Medicare bad debt claims can be delayed significantly and final payment is subject to audit. The Company's revenue recognition is estimated based on its judgment regarding its ability to collect, which depends upon its ability to effectively capture, document and bill for Medicare's base payment rate as well as these other variable factors.

Medicaid payments, when Medicaid coverage is secondary, can also be difficult to estimate. For many states, Medicaid payment terms and methods differ from Medicare, and may prevent accurate estimation of individual payment amounts prior to billing.

Revenues associated with commercial health plans are estimated based on contractual terms for the patients under healthcare plans with which the Company has formal agreements, non-contracted health plan coverage terms if known, estimated secondary collections, historical collection experience, historical trends of refunds and payor payment adjustments (retractions), inefficiencies in the Company's billing and collection processes that can result in denied claims for payments, and regulatory compliance matters.

Commercial revenue recognition also involves significant estimating risks. With many larger commercial insurers, the Company has several different contracts and payment arrangements, and these contracts often include only a subset of the Company's centers. In certain circumstances, it may not be possible to determine which contract, if any, should be applied prior to billing. In addition, for services provided by non-contracted centers, final collection may require specific negotiation of a payment amount, typically at a significant discount from the Company's usual and customary rates.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

*Other revenues*

Other revenues consist of the revenues associated with the non-dialysis ancillary services and strategic initiatives, management and administrative support services that are provided to outpatient dialysis centers that the Company does not own or in which the Company owns a noncontrolling interest, and administrative and management support services to certain other non-dialysis joint ventures in which the Company owns a noncontrolling interest. Revenues associated with pharmacy services are estimated as prescriptions are filled and shipped to patients. Revenues associated with dialysis management services, disease management services, clinical research programs, physician services, ESRD seamless care organizations, and comprehensive care are estimated in the period services are provided. Revenues associated with direct primary care were estimated over the membership period.

*Other income*

Other income includes interest income on cash and cash-equivalents and short- and long-term investments, other non-operating gains from investment transactions, and foreign currency transaction gains and losses.

*Cash and cash equivalents*

Cash equivalents are short-term highly liquid investments with maturities of three months or less at date of purchase.

*Restricted cash and equivalents*

Restricted cash and equivalents are restricted cash or cash equivalents held in trust to satisfy insurer and state regulatory requirements related to the Company's self-insurance for professional and general liability and workers' compensation risks administered by wholly-owned captive insurance entities.

*Investments in debt and equity securities*

The Company classifies certain debt securities as held-to-maturity and records them at amortized cost based on the Company's intentions and strategies concerning those investments. Equity securities that have readily determinable fair values or redemption values are classified as short-term or long-term investments and recorded at estimated fair value with changes in fair value recognized in current earnings. See Note 5 for further details, including recent changes to the Company's accounting for these investments.

*Inventories*

Inventories are stated at the lower of cost (first-in, first-out) or net realizable value and consist principally of pharmaceuticals and dialysis-related supplies. Rebates related to inventory purchases are recorded when earned and are based on certain qualification requirements which are dependent on a variety of factors including future pricing levels by the manufacturer and data submission.

*Property and equipment*

Property and equipment is stated at cost less accumulated depreciation and amortization and is further 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 years to 40 years; leasehold improvements, the shorter of ten years or the expected lease term; and equipment and information systems, principally three years to 15 years. Disposition gains and losses are included in current operating expenses.

*Amortizable intangibles*

Amortizable intangible assets and liabilities include non-competition and similar agreements, lease agreements and hospital acute services contracts, each of which have finite useful lives. Amortization expense is computed using the straight-line method over the useful lives of the assets estimated as follows: non-competition and similar agreements, two years to ten years; and lease agreements and hospital acute service contracts, over the term of the lease or contract period, respectively.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

*Indefinite-lived intangibles*

Indefinite-lived intangible assets include international licenses and accreditations that allow the Company to be reimbursed for providing dialysis services to patients, each of which has an indefinite useful life. Indefinite-lived intangibles are not amortized, but are assessed for impairment at least annually and whenever significant events or changes in circumstances indicate that an impairment may have occurred.

*Equity method and other investments*

Equity investments that do not have readily determinable fair values are carried on the equity method if the Company maintains significant influence over the investee, or on an adjusted cost method measurement alternative representing either the Company's cost or a subsequent observation of fair value, in each case net of any applicable other-than-temporary impairment. The Company classifies its equity and adjusted cost method investments as "Equity method and other investments" on its balance sheet. See Note 10 to these consolidated financial statements for further details, including recent changes to the Company's accounting for these investments.

*Goodwill*

Goodwill represents the difference between the fair value of businesses acquired and the fair value of the identifiable tangible and intangible net assets acquired. Goodwill is not amortized, but is assessed by individual reporting unit for impairment as circumstances warrant and at least annually. An impairment charge is recorded when and to the extent a reporting unit's carrying amount is determined to exceed its fair value. The Company operates multiple reporting units. See Note 11 to these consolidated financial statements for further details.

*Impairment of equity method and other investments*

Equity method and other investments are assessed for other-than-temporary impairment when significant events or changes in circumstances indicate that an other-than-temporary impairment may have occurred. An other-than-temporary impairment charge is recorded when the fair value of an investment has fallen below its carrying amount and the shortfall is expected to be indefinitely or permanently unrecoverable.

*Impairment of other long-lived assets*

Other long-lived assets, including property and equipment and intangible assets, are reviewed for possible impairment whenever significant events or changes in circumstances indicate that an impairment may have occurred. Such changes can include changes in the Company's business strategy and plans, changes in the quality or structure of its relationships with its partners or deteriorating performance of individual outpatient dialysis centers or other business units. An impairment of an amortizable or depreciable asset is indicated when the sum of the expected future undiscounted net cash flows identifiable to the related asset group is less than its carrying amount. Impairment losses are measured based on the difference between the estimated fair value and the carrying amount of the subject asset group and are included in operating expenses.

*Self-insurance*

The Company is predominantly self-insured with respect to professional and general liability and workers' compensation risks through wholly-owned captive insurance companies, with excess or reinsurance coverage for additional risk. The Company is also predominantly self-insured with respect to employee medical and other health benefits. The Company records insurance liabilities for the professional and general liability, workers' compensation, and employee health benefit risks that it retains and estimates its liability for those risks using third party actuarial calculations that are based upon historical claims experience and expectations for future claims.

*Income taxes*

Federal and state income taxes are computed at currently enacted tax rates less tax credits using the asset and liability method. Deferred taxes are adjusted both for items that do not currently 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, changes in the recognition of tax positions and any changes in the valuation allowance caused by a change in judgment about

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

the realizability of the related deferred tax assets. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized.

The Company uses a recognition threshold of more-likely-than-not and a measurement attribute on all tax positions taken or expected to be taken in a tax return in order to be recognized in the financial statements. Once the recognition threshold is met, the tax position is then measured to determine the actual amount of benefit to recognize in the financial statements.

*Stock-based compensation*

The Company's stock-based compensation expense for stock-settled awards is measured at the estimated fair value of awards on the date of grant and recognized on a cumulative straight-line basis over the vesting terms of the awards unless the stock awards are based on non-market based performance metrics, in which case expense is adjusted for expected ultimate payouts as of the end of each reporting period. Stock-based compensation expense for cash-settled awards is based on the estimated fair values as of the end of each reporting period. The expense for all stock-based awards is recognized net of expected forfeitures.

*Interest rate cap and swap agreements*

The Company often carries a combination of current or forward interest rate caps or interest rate swaps on portions of its variable rate debt as a means of hedging its exposure to changes in LIBOR interest rates as part of its overall interest rate risk management strategy. These interest rate caps and swaps are not held for trading or speculative purposes and are typically designated as qualifying cash flow hedges. See Note 14 to these consolidated financial statements for further details.

*Noncontrolling interests*

Noncontrolling interests represent third-party equity ownership interests in entities which are consolidated by the Company for financial statement reporting purposes. As of December 31, 2018, third parties held noncontrolling equity interests in 653 consolidated legal entities, including 650 legal entities classified within continuing operations.

*Fair value estimates*

The Company relies on fair value measurements and estimates for purposes that require the recording, reassessment, or adjustment of the carrying amounts of certain assets, liabilities and noncontrolling interests subject to put provisions (temporary equity). These purposes can include the accounting for business combination transactions; impairment assessments for goodwill, other intangible assets, or other long-lived assets; recurrent revaluation of investments in debt and equity securities, interest rate cap agreements or other derivative instruments, contingent earn-out obligations, and noncontrolling interests subject to put provisions; and the accounting for equity method and other investments and stock-based compensation, as applicable. The Company has also classified its assets, liabilities and temporary equity into the appropriate fair value hierarchy levels as defined by the FASB. See Note 24 to these consolidated financial statements for further details.

*New accounting standards*

On May 28, 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. In 2015, 2016 and 2017, the FASB issued ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-11, ASU 2016-12, and ASU 2017-10, each of which amended the guidance in ASU 2014-09. These ASUs replaced most existing revenue recognition guidance in GAAP. The Company adopted these ASUs beginning January 1, 2018. See Note 2 for further details.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. In February 2018, the FASB issued ASU 2018-03, which provides various related technical corrections and improvements. The Company adopted these ASUs beginning January 1, 2018. See Note 5 for further details.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The amendments in this ASU include revisions to lessee accounting, requiring lessees to recognize a lease liability and a right-of-use asset for substantially all leases with lease terms in excess of twelve months. The Company plans to adopt the amendments in this ASU as of January 1, 2019 using a modified retrospective transition approach for leases existing at, or entered into after, the adoption date with a cumulative effect adjustment. The Company is planning on electing the package of practical expedients to not reassess prior

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

conclusions related to contracts containing leases, lease classification and initial direct costs. The Company estimates the impact of this guidance will result in recognition of additional net lease liabilities of approximately \$3,000,000 as of January 1, 2019. The Company is still finalizing its calculations, including the amount of right of use assets to recognize as well as, the cumulative effect adjustment to beginning retained earnings. The Company does not believe this new guidance will have a material effect on its results of operations or liquidity.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The amendments in this ASU clarify how certain cash receipts and cash payments should be classified on the statement of cash flows. In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted cash*. The amendments in this ASU require that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The adoption of these ASUs did not have a material impact on the Company's consolidated financial statements when adopted on January 1, 2018.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*. The amendments in this ASU allow entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The prior guidance did not allow recognition until the asset had been sold to an outside party. The amendments in this ASU were effective for the Company beginning on January 1, 2018 and have been applied on a modified retrospective basis. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments in this ASU better align an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The amendments in this ASU are effective for the Company on January 1, 2019 and are to be applied prospectively. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220), Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, which allows for the reclassification of certain income tax effects related to the Tax Cuts and Jobs Act (2017 Tax Act) between "Accumulated other comprehensive income" and "Retained earnings." This ASU relates to the requirement that adjustments to deferred tax liabilities and assets related to a change in tax laws or rates be included in "Income from continuing operations", even in situations where the related items were originally recognized in "Other comprehensive income" (rather than in "Income from continuing operations"). The amendments in this ASU were effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years, with early adoption permitted. The Company elected to early adopt this ASU on January 1, 2018 and applied the change in the period of adoption. The adoption of this ASU resulted in the reclassification of an immaterial amount of deferred tax effects from accumulated other comprehensive income to retained earnings via a cumulative change in accounting principle effective January 1, 2018. See Note 20 for more details.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The applicable amendments in this ASU remove requirements for disclosures concerning transfers between fair value measurement Levels 1, 2 and 3 and disclosures concerning valuation processes for Level 3 fair value measurements. The applicable amendments in this ASU also add a requirement to separately disclose the changes in unrealized gains and losses included in other comprehensive income for the reporting period for Level 3 items measured at fair value on a recurring basis, and require disclosure of the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. The amendments in this ASU are effective for the Company beginning on January 1, 2020 and its new requirements are to be applied on a prospective basis. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**2. Revenue recognition and accounts receivable**

The following table summarizes the Company's segment revenues by primary payor source:

	Year ended December 31, 2018		
	U.S. dialysis and related lab services	Other - Ancillary services and strategic initiatives	Consolidated
<b>Patient service revenues:</b>			
Medicare and Medicare Advantage	\$ 6,063,891	\$ —	\$ 6,063,891
Medicaid and Managed Medicaid	628,766	—	628,766
Other government	446,999	335,594	782,593
Commercial	3,176,413	101,681	3,278,094
<b>Other revenues:</b>			
Medicare and Medicare Advantage	—	492,812	492,812
Medicaid and Managed Medicaid	—	44,246	44,246
Commercial	—	90,890	90,890
Other <sup>(1)</sup>	19,880	130,865	150,745
Eliminations of intersegment revenues	(92,950)	(34,236)	(127,186)
<b>Total</b>	<b>\$ 10,242,999</b>	<b>\$ 1,161,852</b>	<b>\$ 11,404,851</b>

(1) Other consists of management service fees earned in the respective Company line of business as well as revenue from the Company's ancillary services and strategic initiatives.

	Year ended December 31, 2017 <sup>(1)</sup>		
	U.S. dialysis and related lab services	Other - Ancillary services and strategic initiatives	Consolidated
<b>Patient service revenues:</b>			
Medicare and Medicare Advantage	\$ 5,253,012	\$ —	\$ 5,253,012
Medicaid and Managed Medicaid	606,827	—	606,827
Other government	362,567	259,651	622,218
Commercial	3,117,920	63,505	3,181,425
<b>Other revenues:</b>			
Medicare and Medicare Advantage	—	902,289	902,289
Medicaid and Managed Medicaid	—	71,426	71,426
Commercial	—	116,503	116,503
Other <sup>(2)</sup>	19,739	182,974	202,713
Eliminations of intersegment revenues	(55,176)	(24,603)	(79,779)
<b>Total</b>	<b>\$ 9,304,889</b>	<b>\$ 1,571,745</b>	<b>\$ 10,876,634</b>

(1) As noted above, prior period amounts have not been adjusted under the cumulative effect method. In this table, the Company's dialysis and related lab services revenues for the year ended December 31, 2017 has been presented net of the provision for uncollectible accounts of \$485,364 to conform to the current period presentation.

(2) Other consists of management service fees earned in the respective Company line of business as well as revenue from the Company's ancillary services and strategic initiatives.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

	Year ended December 31, 2016 <sup>(1)</sup>		
	U.S. dialysis and related lab services	Other - Ancillary services and strategic initiatives	Consolidated
<b>Patient service revenues:</b>			
Medicare and Medicare Advantage	\$ 5,303,718	\$ —	\$ 5,303,718
Medicaid and Managed Medicaid	319,553	—	319,553
Other government	143,207	165,193	308,400
Commercial	3,355,066	36,674	3,391,740
<b>Other revenues:</b>			
Medicare and Medicare Advantage	—	974,146	974,146
Medicaid and Managed Medicaid	—	82,428	82,428
Commercial	—	128,824	128,824
Other <sup>(2)</sup>	16,645	234,107	250,752
Eliminations of intersegment revenues	(27,355)	(24,739)	(52,094)
<b>Total</b>	<b>\$ 9,110,834</b>	<b>\$ 1,596,633</b>	<b>\$ 10,707,467</b>

(1) As noted above, prior period amounts have not been adjusted under the cumulative effect method. In this table, the Company's dialysis and related lab services revenues for the year ended December 31, 2016 has been presented net of the provision for uncollectible accounts of \$431,304 to conform to the current period presentation.

(2) Other consists of management service fees earned in the respective Company line of business as well as revenue from the Company's ancillary services and strategic initiatives.

The Company's allowance for doubtful accounts related to performance obligations satisfied prior to the adoption of Topic 606 was \$52,924 and \$218,399 as of December 31, 2018 and 2017, respectively.

There are significant risks associated with estimating revenue, which generally take several years to resolve. These estimates are subject to ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage and other payor issues, as well as patient issues including determining applicable primary and secondary coverage, changes in patient coverage and coordination of benefits. As these estimates are refined over time, both positive and negative adjustments to revenue are recognized in the current period. As a result of changes in these estimates, additional revenue was recognized during the year ended December 31, 2018 associated with performance obligations satisfied in years prior to the adoption of Topic 606 of \$88,495, which includes a benefit of \$36,000 for the year ended December 31, 2018 from electing to apply Topic 606 only to contracts not substantially completed as of January 1, 2018.

There is no single commercial payor that accounted for more than 10% of total consolidated accounts receivable or consolidated net revenues at or for the year ended December 31, 2018 and 2017.

Net dialysis and related lab services accounts receivable and other receivables from Medicare, including Medicare-assigned plans, and Medicaid, including managed Medicaid plans, were approximately \$1,080,561 and \$874,971 as of December 31, 2018 and 2017, respectively. Approximately 18% and 21% of the Company's net patient services accounts receivable balances as of December 31, 2018 and 2017, respectively, were more than six months old. The decrease was primarily due to improved collections at DaVita Health Solutions and in certain international operations. There were no significant balances over one year old at December 31, 2018. Accounts receivable are principally from Medicare and Medicaid programs and commercial insurance plans.

### 3. Earnings per share

Basic earnings per share is calculated by dividing net income attributable to the Company, adjusted for any change in noncontrolling interest redemption rights in excess of fair value, by the weighted average number of common shares, net of the weighted average shares held in escrow that under certain circumstances may have been returned to the Company.

Diluted earnings per share includes the dilutive effect of outstanding stock-settled stock appreciation rights and unvested stock units (under the treasury stock method) as well as the weighted average shares held in escrow that were outstanding during the period.



**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

The reconciliations of the numerators and denominators used to calculate basic and diluted earnings per share were as follows:

	Year ended December 31,		
	2018	2017	2016
	(shares in thousands)		
<b>Numerators:</b>			
Net income from continuing operations attributable to DaVita Inc.	\$ 624,321	\$ 901,277	\$ 1,032,373
Net loss from discontinued operations attributable to DaVita Inc.	(464,927)	(237,659)	(152,499)
Net income attributable to DaVita Inc. for earnings per share calculation	<u>\$ 159,394</u>	<u>\$ 663,618</u>	<u>\$ 879,874</u>
<b>Basic:</b>			
Weighted average shares outstanding during the period	171,886	190,820	203,835
Weighted average contingently returnable shares previously held in escrow for the DaVita HealthCare Partners merger	(1,100)	(2,194)	(2,194)
Weighted average shares for basic earnings per share calculation	<u>170,786</u>	<u>188,626</u>	<u>201,641</u>
Basic net income from continuing operations per share attributable to DaVita Inc.	\$ 3.66	\$ 4.78	\$ 5.12
Basic net loss from discontinued operations per share attributable to DaVita Inc.	(2.73)	(1.26)	(0.76)
<b>Basic net income per share attributable to DaVita Inc.</b>	<u>\$ 0.93</u>	<u>\$ 3.52</u>	<u>\$ 4.36</u>
<b>Diluted:</b>			
Weighted average shares outstanding during the period	171,886	190,820	203,835
Assumed incremental shares from stock plans	479	529	1,070
Weighted average shares for diluted earnings per share calculation	<u>172,365</u>	<u>191,349</u>	<u>\$ 204,905</u>
Diluted net income from continuing operations per share attributable to DaVita Inc.	\$ 3.62	\$ 4.71	\$ 5.04
Diluted net loss from discontinued operations per share attributable to DaVita Inc.	(2.70)	(1.24)	(0.75)
<b>Diluted net income per share attributable to DaVita Inc.</b>	<u>\$ 0.92</u>	<u>\$ 3.47</u>	<u>\$ 4.29</u>
Anti-dilutive stock-settled awards excluded from calculation <sup>(1)</sup>	<u>5,295</u>	<u>4,350</u>	<u>2,523</u>

(1) Shares associated with stock-settled stock appreciation rights excluded from the diluted denominator calculation because they were anti-dilutive under the treasury stock method.

#### 4. Restricted cash and equivalents

The Company had restricted cash and cash equivalents of \$92,382 and \$10,686 at December 31, 2018 and 2017, respectively. Approximately \$79,329 of the balance at December 31, 2018 represents restricted cash equivalents held in trust to satisfy insurer and state regulatory requirements related to the Company's self-insurance for professional and general liability and workers' compensation risks administered by wholly-owned captive insurance entities. Prior to the first quarter of 2018, these requirements were satisfied by a letter of credit rather than restricted cash held in trust. The remaining restricted cash and equivalents held at December 31, 2018 and 2017 primarily represent cash pledged to third parties in connection with two of the Company's ancillary and strategic initiatives businesses.

#### 5. Short-term and long-term investments

Effective January 1, 2018, the Company adopted ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The amendments in this ASU revise accounting related to (i) the classification and measurement of investments in equity securities and (ii) the presentation of certain fair value changes for financial liabilities at fair value. The Company also adopted ASU 2018-03 which provides related technical corrections and improvements. The principal effect of these ASUs on the Company's consolidated financial statements is that, prior to adoption of ASU 2016-01, changes in the fair values of available-for-sale equity investments with readily determinable fair values or redemption values were recognized in other comprehensive income until realized, while under ASU 2016-01 all changes in the fair values of such equity securities are recognized in current earnings within "Other income, net". The adoption of these ASUs did not have a material effect on these consolidated financial statements.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
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Effective January 1, 2018, the Company recognized a cumulative effect of change in accounting principle upon adoption of ASUs 2016-01 and 2018-03, in conjunction with ASU 2018-02, the effect of which was to decrease accumulated other comprehensive income, and to increase retained earnings, by \$5,662 in after-tax unrealized gains accumulated in other comprehensive income through December 31, 2017 from equity securities classified as available-for-sale investments prior to adoption of ASU 2016-01.

From January 1, 2018, equity securities that have readily determinable fair values or redemption values are recorded at estimated fair value with changes in their value recognized in current earnings. The Company classifies its debt securities as held-to-maturity and records them at amortized cost based on its intentions and strategy concerning those investments.

The Company classifies these debt and equity investments as "Short-term investments" or "Long-term investments" on its consolidated balance sheet, as applicable, based on the characteristics of the financial instrument or the Company's intentions or expectations for the investment.

The Company's investments in these short-term and long-term debt and equity investments consist of the following:

	December 31, 2018			December 31, 2017		
	Debt securities	Equity securities	Total	Debt securities	Equity securities	Total
Certificates of deposit and other time deposits	\$ 2,235	\$ —	\$ 2,235	\$ 31,630	\$ —	\$ 31,630
Investments in mutual funds and common stock	—	36,124	36,124	—	38,895	38,895
	<u>\$ 2,235</u>	<u>\$ 36,124</u>	<u>\$ 38,359</u>	<u>\$ 31,630</u>	<u>\$ 38,895</u>	<u>\$ 70,525</u>
Short-term investments	\$ 2,235	\$ 700	\$ 2,935	\$ 31,630	\$ 1,200	\$ 32,830
Long-term investments	—	35,424	35,424	—	37,695	37,695
	<u>\$ 2,235</u>	<u>\$ 36,124</u>	<u>\$ 38,359</u>	<u>\$ 31,630</u>	<u>\$ 38,895</u>	<u>\$ 70,525</u>

*Debt securities:* The Company's short-term debt investments are principally bank certificates of deposit with contractual maturities longer than three months but shorter than one year. These debt securities are accounted for as held-to-maturity and recorded at amortized cost, which approximates their fair values at December 31, 2018 and 2017.

*Equity securities:* The Company's equity investments in mutual funds and common stock are held within a trust to fund existing obligations associated with several of the Company's non-qualified deferred compensation plans. During 2018, the Company recognized pre-tax net losses of \$1,208 in the income statement associated with changes in the fair value of these equity securities, comprised of pre-tax realized gains of \$4,490 and a net decrease in unrealized gains of \$5,698. During 2017, the Company recognized pre-tax realized gains on the sale or redemption of equity securities of \$360, or \$220 after tax, which were previously recorded in other comprehensive income.

## 6. Other receivables

Other receivables were comprised of the following:

	December 31,	
	2018	2017
Supplier rebates and non-trade receivables	\$ 334,156	\$ 295,292
Medicare bad debt claims	135,640	103,970
	<u>\$ 469,796</u>	<u>\$ 399,262</u>

## 7. Prepaid and other current assets

Other current assets were comprised of the following:

	December 31,	
	2018	2017
Prepaid expenses	\$ 108,315	\$ 104,727
Other	3,525	7,331
	<u>\$ 111,840</u>	<u>\$ 112,058</u>

## 8. Property and equipment

Property and equipment were comprised of the following:

	December 31,	
	2018	2017
Land	\$ 37,384	\$ 33,814
Buildings	467,181	473,489
Leasehold improvements	3,164,943	2,816,675
Equipment and information systems, including internally developed software	2,586,564	2,352,246
New center and capital asset projects in progress	661,695	576,651
	6,917,767	6,252,875
Less accumulated depreciation	(3,524,098)	(3,103,662)
	<u>\$ 3,393,669</u>	<u>\$ 3,149,213</u>

Depreciation expense on property and equipment was \$574,799, \$544,129, and \$494,945 for 2018, 2017 and 2016, respectively.

During 2018 and 2017, the Company recognized asset impairment charges of \$17,338 and \$15,168, respectively, related to the restructuring of its pharmacy business.

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 \$25,978, \$19,176 and \$12,990 for 2018, 2017 and 2016, respectively.

## 9. Intangibles

Intangible assets other than goodwill were comprised of the following:

	December 31,	
	2018	2017
Noncompetition and other agreements	\$ 131,360	\$ 429,140
Lease agreements	7,584	7,623
Indefinite-lived assets	59,885	33,255
Other	583	583
	199,412	470,601
Less accumulated amortization	(80,566)	(356,774)
	<u>\$ 118,846</u>	<u>\$ 113,827</u>

Amortization expense from amortizable intangible assets, other than lease agreements, was \$16,236, \$15,782, and \$14,552 for 2018, 2017 and 2016, respectively. Lease agreement intangible assets and liabilities were amortized to rent expense in the amounts of \$(296), \$(203) and \$(232) for 2018, 2017 and 2016, respectively.

During the years ended December 31, 2018, 2017 and 2016, the Company recognized no impairment charges on any intangible assets other than goodwill.

Amortizable intangible liabilities as of December 31, 2018 and 2017 were comprised of lease agreements of \$5,930 and \$5,447, respectively, which were net of accumulated amortization of \$4,362 and \$3,508, respectively.

Lease agreement intangible liabilities are classified in other long-term liabilities and amortized to rent expense.

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Scheduled amortization charges from amortizable intangible assets and liabilities as of December 31, 2018 were as follows:

	Noncompetition and other agreements	Lease liabilities	Other
2019	\$ 14,442	\$ (901)	\$ 91
2020	13,020	(895)	45
2021	10,816	(871)	—
2022	7,001	(864)	—
2023	4,235	(704)	—
Thereafter	9,311	(1,695)	—
<b>Total</b>	<b>\$ 58,825</b>	<b>\$ (5,930)</b>	<b>\$ 136</b>

**10. Equity method and other investments**

Equity investments in nonconsolidated businesses over which the Company maintains significant influence, but which do not have readily determinable fair values, are carried on the equity method.

As described in Note 5 to these consolidated financial statements, effective January 1, 2018, the Company adopted ASU 2016-01 and related ASU 2018-03 concerning recognition and measurement of financial assets and financial liabilities. In adopting this new guidance, the Company has made an accounting policy election to adopt an adjusted cost method measurement alternative for investments in equity securities without readily determinable fair values.

Specifically, under this measurement alternative, unless elected otherwise for a particular investment, the Company initially records equity investments that qualify for the measurement alternative at cost but remeasures them to fair value through earnings when there is an observable transaction involving the same or a similar investment with the same issuer or upon an impairment.

The Company maintains equity method and minor adjusted cost method investments in the private securities of certain other healthcare and healthcare-related businesses. The Company classifies these investments as "Equity method and other investments" on its consolidated balance sheet.

The Company's equity method and other investments were comprised of the following:

	December 31,	
	2018	2017
APAC joint venture	\$ 129,173	\$ 160,481
Other equity method partnerships	83,052	79,667
Adjusted cost method investments	12,386	5,386
	<b>\$ 224,611</b>	<b>\$ 245,534</b>

During 2018, 2017 and 2016, the Company recognized equity investment (loss) income of \$(4,484), \$(8,640) and \$16,874, respectively, from equity method investments in nonconsolidated businesses.

The Company's largest equity method investment is its ownership interest in DaVita Care Pte. Ltd. (the APAC joint venture, or APAC JV). As of December 31, 2018 and 2017, the Company held a 60% voting interest and a 73.3% current economic interest in the APAC JV. Based on the governance structure and voting rights established for the APAC JV at its formation on August 1, 2016, certain key decisions affecting the joint venture's operations are not subject to the unilateral discretion of the Company, but rather are shared with the other noncontrolling investors. These other noncontrolling investors currently collectively hold a 40% voting interest and a 26.7% economic interest in the APAC JV. During the third quarter of 2018, the investors in the APAC JV jointly agreed to a six-month deferral of the subscribed incremental capital contributions originally scheduled for August 1, 2018 based upon revised assessments of the capital needs of the joint venture. Subsequent to December 31, 2018, the investors have jointly agreed to a further deferral of those capital contributions originally scheduled for August 1, 2018, which will now be due with the final capital contributions originally scheduled for August 1, 2019. The Company continues to expect the economic interests of the noncontrolling investors in the APAC JV to adjust to match their voting interests by August 1, 2019.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
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Upon formation of the APAC JV on August 1, 2016, the Company deconsolidated this Asia Pacific dialysis business based on the governance structure and voting rights put in place at that time and recognized an initial non-cash non-taxable estimated gain of \$374,374 on its retained investment, net of contingent obligations. This retained interest in the APAC JV was adjusted to the Company's proportionate share of the estimated fair value of the business, as implied by the investment commitments from the JV partners and adjusted for certain time value of money and uncertainty discounts. The Company then recognized an additional \$6,273 gain in the first quarter of 2017 upon resolution of certain post-closing adjustments related to this transaction. Subsequent to its deconsolidation on August 1, 2016, the Company's retained interest in the APAC JV has been accounted for under the equity method.

During the year ended December 31, 2017, the Company recognized a non-cash other-than-temporary impairment charge of \$280,066 on its investment in the APAC JV. This charge resulted from changes in its expectations for the joint venture based on continuing market research and assessments by both the Company and the APAC JV concerning the size of the addressable market available to the joint venture at attractive risk-adjusted returns. The Company estimated the fair value of its retained interest in the APAC JV with the assistance of an independent third party valuation firm based on information available to management as of December 31, 2017.

The Company's other equity method investments include 22 legal entities over which the Company has significant influence but in which it does not maintain a controlling financial interest. Almost all of these are U.S. partnerships in the form of limited liability companies. The Company's ownership interests in these partnerships vary, but typically range from 30% to 50%.

The total carrying amount of equity investments carried under the adjusted cost method measurement alternative at December 31, 2018 was \$12,386. During 2018, there have been no meaningful impairments or other downward or upward valuation adjustments recognized on these investments.

**11. Goodwill**

Changes in the carrying value of goodwill by reportable segments were as follows:

	U.S. dialysis and related lab services	Other ancillary services and strategic initiatives	Consolidated total
Balance at December 31, 2016	\$ 5,691,587	\$ 323,788	\$ 6,015,375
Acquisitions	485,434	131,598	617,032
Divestitures	(32,260)	(126)	(32,386)
Impairment charges	—	(36,196)	(36,196)
Foreign currency and other adjustments	—	46,454	46,454
Balance at December 31, 2017	\$ 6,144,761	\$ 465,518	\$ 6,610,279
Acquisitions	130,574	147,774	278,348
Divestitures	(331)	(15,166)	(15,497)
Impairment charges	—	(3,106)	(3,106)
Foreign currency and other adjustments	—	(28,064)	(28,064)
Balance at December 31, 2018	\$ 6,275,004	\$ 566,956	\$ 6,841,960
Goodwill	\$ 6,275,004	\$ 594,229	\$ 6,869,233
Accumulated impairment charges	—	(27,273)	(27,273)
	\$ 6,275,004	\$ 566,956	\$ 6,841,960

The Company elected to early adopt ASU No. 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* effective January 1, 2017. The amendments in this ASU simplify the test for goodwill impairment by eliminating the second step in the assessment. All goodwill impairment tests performed since adoption of this ASU were performed under this new guidance.

Each of the Company's operating segments described in Note 25 to these consolidated financial statements represents an individual reporting unit for goodwill impairment testing purposes and each sovereign jurisdiction within the Company's international operating segments is considered a separate reporting unit.

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Within the U.S. dialysis and related lab services operating segment, the Company considers each of its dialysis centers to constitute an individual business for which discrete financial information is available. However, since these dialysis centers have similar operating and economic characteristics, and the allocation of resources and significant investment decisions concerning these businesses are highly centralized and the benefits broadly distributed, the Company has aggregated these centers and deemed them to constitute a single reporting unit.

The Company has applied a similar aggregation to the vascular access service centers in its vascular access services reporting unit, to the physician practices in its physician services reporting units, and to the dialysis centers and other health operations within each international reporting unit. For the Company's other operating segments, discrete business components below the operating segment level constitute individual reporting units.

During the year ended December 31, 2018, the Company performed annual and other impairment assessments for various reporting units. As a result of these assessments, the Company recognized a goodwill impairment charge of \$3,106 at its German other health operations during the year ended December 31, 2018.

During the years ended December 31, 2017 and December 31, 2016 the Company recognized goodwill impairment charges of \$34,696 and \$28,415, respectively, at its vascular access reporting unit. These charges resulted primarily from changes in future governmental reimbursement rates for this business and the Company's then-evolving plans and expected ability to mitigate them. As of December 31, 2017, there was no goodwill remaining at the Company's vascular access reporting unit. The Company also recognized a goodwill impairment charge of \$1,500 at one of its international reporting units during the year ended December 31, 2017.

Based on the most recent assessments, the Company determined that reductions in reimbursement rates, changes in actual or expected growth rates, or other significant adverse changes in expected future cash flows or valuation assumptions could result in goodwill impairment charges in the future for the following reporting units, which remain at risk of goodwill impairment as of December 31, 2018:

Reporting unit	Goodwill balance as of December 31, 2018	Carrying amount coverage <sup>(1)</sup>	Sensitivities	
			Operating income <sup>(2)</sup>	Discount rate <sup>(3)</sup>
Germany Kidney Care	\$ 403,200	0.5%	(1.5)%	(10.3)%
Brazil Kidney Care	\$ 39,452	9.8%	(2.5)%	(7.3)%
Germany other health operations	\$ 12,646	8.1%	(2.2)%	(11.1)%

(1) Excess of estimated fair value of the reporting unit over its carrying amount as of the latest assessment date.

(2) Potential impact on estimated fair value of a sustained, long-term reduction of 3% in operating income as of the latest assessment date.

(3) Potential impact on estimated fair value of an increase in discount rates of 100 basis points as of the latest assessment date.

There were no major changes in the business, prospects, or expected future results of these reporting units from their latest assessment date through December 31, 2018.

Except as described above, none of the Company's other reporting units were considered at risk of significant goodwill impairment as of December 31, 2018. Since the dates of the Company's last annual goodwill impairment tests, there have been certain developments, events, changes in operating performance and other changes in key circumstances that have affected the Company's businesses. However, except as further described above, these did not cause management to believe it is more likely than not that the fair values of any of the Company's reporting units would be less than their respective carrying amounts as of December 31, 2018.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
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**12. Other liabilities**

Other liabilities were comprised of the following:

	December 31,	
	2018	2017
Payor refunds and retractions	\$ 302,244	\$ 292,370
Insurance and self-insurance accruals	58,569	64,924
Accrued interest	82,827	83,362
Accrued non-income tax liabilities	28,663	28,317
Other	123,547	110,032
	<u>\$ 595,850</u>	<u>\$ 579,005</u>

**13. Income taxes**

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Income before income taxes from continuing operations consisted of the following:

	Year ended December 31,		
	2018	2017	2016
Domestic	\$ 1,083,578	\$ 1,725,822	\$ 1,278,754
International	(35,100)	(326,036)	344,351
	<u>\$ 1,048,478</u>	<u>\$ 1,399,786</u>	<u>\$ 1,623,105</u>

Income tax expense for continuing operations consisted of the following:

	Year ended December 31,		
	2018	2017	2016
<b>Current:</b>			
Federal	\$ 140,064	\$ 330,191	\$ 322,940
State	32,990	47,228	44,525
International	7,557	3,422	1,928
Total current income tax	180,611	380,841	369,393
<b>Deferred:</b>			
Federal	52,034	(98,760)	88,412
State	21,096	37,347	(28,530)
International	4,659	4,431	2,486
Total deferred income tax	77,789	(56,982)	62,368
	<u>\$ 258,400</u>	<u>\$ 323,859</u>	<u>\$ 431,761</u>

Income taxes are allocated between continuing and discontinued operations as follows:

	Year ended December 31,		
	2018	2017	2016
Continuing operations	\$ 258,400	\$ 323,859	\$ 431,761
Discontinued operations	99,768	(364,856)	24,052
	<u>\$ 358,168</u>	<u>\$ (40,997)</u>	<u>\$ 455,813</u>

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The reconciliation between the Company's effective tax rate from continuing operations and the U.S. federal income tax rate is as follows:

	Year ended December 31,		
	2018	2017	2016
Federal income tax rate	21.0 %	35.0 %	35.0 %
State income taxes, net of federal benefit	4.1	3.7	2.6
Gain on APAC JV ownership changes	—	(0.2)	(9.9)
Political advocacy costs	2.3	—	—
APAC investment impairment	—	6.4	—
Impact of 2017 Tax Act	(0.1)	(20.5)	—
Other	1.9	2.0	1.8
Impact of noncontrolling interests primarily attributable to non-tax paying entities	(4.6)	(3.3)	(2.9)
Effective tax rate	<u>24.6 %</u>	<u>23.1 %</u>	<u>26.6 %</u>

On December 22, 2017, the President signed into law tax legislation known as the Tax Cuts and Jobs Act ("2017 Tax Act"). Consistent with Securities and Exchange Commission (SEC) Staff Accounting Bulletin No. 118, the Company completed its analysis of certain aspects of the 2017 Tax Act in the prior year and recorded provisional amounts for those items for which the accounting was not complete as of December 31, 2017. As of December 31, 2018, the Company has completed its analysis of these provisional items and recorded immaterial adjustments to the original estimates.

Deferred tax assets and liabilities arising from temporary differences for continuing operations were as follows:

	December 31,	
	2018	2017
Receivables	\$ 19,327	\$ 19,705
Accrued liabilities	106,506	96,537
Net operating loss carryforwards	117,511	108,429
Other	36,712	37,794
Deferred tax assets	280,056	262,465
Valuation allowance	(70,474)	(61,282)
Net deferred tax assets	209,582	201,183
Intangible assets	(555,822)	(501,763)
Property and equipment	(118,008)	(100,376)
Investments in partnerships	(67,354)	(61,529)
Other	(30,934)	(23,762)
Deferred tax liabilities	(772,118)	(687,430)
Net deferred tax liabilities	<u>\$ (562,536)</u>	<u>\$ (486,247)</u>

At December 31, 2018, the Company had federal net operating loss carryforwards of approximately \$124,935 that expire through 2037, although a substantial amount expire by 2028. The Company also had state net operating loss carryforwards of \$459,558 that expire through 2038 and international net operating loss carryforwards of \$186,757, some of which have an indefinite life. The utilization of a portion of these losses may be limited in future years based on the profitability of certain entities. The net increase of \$9,192 in the valuation allowance is primarily due to newly created net operating loss carryforwards in state and foreign jurisdictions that the Company does not anticipate being able to utilize.

The Company's foreign earnings continue to be indefinitely reinvested as of December 31, 2018. As a result of the passage of the 2017 Tax Act, the Company does not expect such earnings to be taxable if remitted.



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*Unrecognized tax benefits*

A reconciliation of the beginning and ending liability for unrecognized tax benefits that do not meet the more-likely-than-not threshold is as follows:

	Year ended December 31,	
	2018	2017
Beginning balance	\$ 32,776	\$ 24,066
Additions for tax positions related to current year	6,111	7,606
Additions for tax positions related to prior years	4,134	804
Reductions related to lapse of applicable statute	(338)	(1,380)
Impact of 2017 Tax Act	—	3,731
Reductions related to settlements with taxing authorities	(2,301)	(2,051)
Ending balance	<u>\$ 40,382</u>	<u>\$ 32,776</u>

As of December 31, 2018, the Company's total liability for unrecognized tax benefits relating to tax positions that do not meet the more-likely-than-not threshold is \$40,382, of which \$37,538 would impact the Company's effective tax rate if recognized. This balance represents an increase of \$7,606 from the December 31, 2017 balance of \$32,776, primarily due to additions for tax positions related to the current year.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense. At December 31, 2018 and 2017, the Company had approximately \$9,019 and \$4,195, respectively, accrued for interest and penalties related to unrecognized tax benefits, net of federal tax benefit.

The Company and its subsidiaries file U.S. federal and state income tax returns and various foreign income tax returns. The Company is no longer subject to U.S. federal and state examinations by tax authorities for years before 2014 and 2009, respectively. In addition to being under audit in various state and local tax jurisdictions, the Company's federal tax returns are under audit by the Internal Revenue Service for the years 2014-2016.

**14. Long-term debt**

Long-term debt was comprised of the following:

	December 31,		Interest rate	Maturity date
	2018	2017		
<b>Senior Secured Credit Facilities:</b>				
Term Loan A	\$ 675,000	\$ 775,000	2.00% + LIBOR	6/24/2019
Term Loan A-2	995,000	—	1.00% + LIBOR	6/24/2019
Term Loan B	3,342,500	3,377,500	2.75% + LIBOR <sup>(2)</sup>	6/24/2021
Revolver	175,000	300,000	2.00% + LIBOR	6/24/2019
<b>Senior Notes:</b>				
5 3/4% Senior Notes	1,250,000	1,250,000	5.75%	8/15/2022
5 1/8% Senior Notes	1,750,000	1,750,000	5.125%	7/15/2024
5% Senior Notes	1,500,000	1,500,000	5%	5/1/2025
Acquisition obligations and other notes payable <sup>(1)</sup>	183,979	150,512	6.24%	2019-2025
Capital lease obligations <sup>(1)</sup>	282,737	297,170	5.49%	2019-2036
Total debt principal outstanding	<u>10,154,216</u>	<u>9,400,182</u>		
Discount and deferred financing costs	<u>(52,000)</u>	<u>(63,951)</u>		
	10,102,216	9,336,231		
Less current portion	<u>(1,929,369)</u>	<u>(178,213)</u>		
	<u>\$ 8,172,847</u>	<u>\$ 9,158,018</u>		

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- (1) For acquisition obligations and other notes payable and capital lease obligations, the interest rate is the weighted average interest rate as of December 31, 2018 and the maturity date is the range of maturity dates as of December 31, 2018.
- (2) Term Loan B has a floor of 0.75%.

Scheduled maturities of long-term debt at December 31, 2018 were as follows:

2019	\$	1,929,369
2020		80,016
2021		3,314,149
2022		1,291,472
2023		37,881
Thereafter	\$	3,501,329

During the year ended December 31, 2018, the Company made mandatory principal payments under its senior secured credit facilities totaling \$100,000 on Term Loan A and \$35,000 on Term Loan B.

*Term Loans*

On March 29, 2018, the Company entered into an Increase Joinder No. 1 (Increase Joinder Agreement) under its existing senior secured credit facilities. Pursuant to this Increase Joinder Agreement, the Company entered into an additional \$995,000 Term Loan A-2.

Total outstanding borrowings under Term Loan A, Term Loan A-2 and Term Loan B consist of various individual tranches that can range in maturity from one month to twelve months (currently all tranches are one month in duration). For Term Loan A, Term Loan A-2 and Term Loan B, each tranche bears interest at a London Interbank Offered Rate (LIBOR) that is determined by the duration of such tranche plus an interest rate margin. The LIBOR variable component of the interest rate for each tranche is reset as such tranche matures and a new tranche is established. At December 31, 2018, the overall weighted average interest rate for Term Loan A, Term Loan A-2 and Term Loan B was determined based upon the LIBOR interest rates in effect for all of the individual tranches plus their respective interest rate margins noted in the table above.

The Company maintains several interest rate cap agreements that have the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on \$3,500,000 of outstanding principal debt, including all of Term Loan B and part of Term Loan A. However, the remaining \$517,500 outstanding principal balance of Term Loan A and the entire outstanding balance on Term Loan A-2 would still be subject to LIBOR-based interest rate volatility. See below for further details. The Company is restricted from paying dividends under the terms of its senior secured credit facilities.

*Revolving lines of credit*

As of December 31, 2018, the Company has \$175,000 drawn on its \$1,000,000 revolving line of credit under its senior secured credit facilities, in addition to approximately \$14,155 committed for outstanding letters of credit. The Company also has approximately \$22,621 of additional outstanding letters of credit under a separate bilateral secured letter of credit facility, and \$211 of committed outstanding letters of credit which are backed by a certificate of deposit.

*Senior Notes*

The Senior Notes are unsecured obligations, rank equally in right of payment with the Company's existing and future unsecured senior indebtedness, are guaranteed by substantially all of the Company's direct and indirect wholly-owned domestic subsidiaries, and require semi-annual interest payments. The Company may redeem some or all of the Senior Notes at any time on or after certain specific dates and at certain specific redemption prices as outlined in each senior note agreement. Interest rates on the Senior Notes are fixed by their terms, and the Company is restricted from paying dividends under the indentures governing its Senior Notes.

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*Interest rate cap and swap agreements*

As of December 31, 2018, the Company maintains several interest rate cap agreements as a means of hedging its exposure to and volatility from variable-based interest rate changes as part of its overall interest rate risk management strategy. These agreements are not held for trading or speculative purposes and had the economic effect of capping the Company's maximum exposure to LIBOR variable interest rate changes on specific portions of the Company's floating rate debt, as described below. These cap agreements are also designated as cash flow hedges and, as a result, changes in the fair values of these cap agreements are reported in other comprehensive income. The amortization of the original cap premium is recognized as a component of debt expense on a straight-line basis over the term of the cap agreements. These cap agreements do not contain credit-risk contingent features.

The Company's current interest rate cap agreements were entered into in October 2015 with notional amounts totaling \$3,500,000. These cap agreements became effective June 29, 2018, have the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on an equivalent amount of the Company's debt, and will expire on June 30, 2020. As of December 31, 2018, the total fair value of these cap agreements was an asset of approximately \$851. During the year ended December 31, 2018, the Company recognized debt expense of \$4,327 from these cap agreements and recorded a loss of \$181 in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements.

Previously, the Company maintained other interest rate cap agreements that were entered into in November 2014 with notional amounts also totaling \$3,500,000. These cap agreements had the economic effect of capping the LIBOR variable component of the Company's interest rate at a maximum of 3.50% on an equivalent amount of the Company's debt and expired on June 30, 2018. During the year ended 2018, the Company recognized debt expense of \$4,140 from these cap agreements and recorded an immaterial loss in other comprehensive income due to a decrease in the unrealized fair value of these cap agreements through expiration.

The following table summarizes the Company's derivative instruments as of December 31, 2018 and 2017:

Derivatives designated as hedging instruments	Balance sheet location	Fair value	
		December 31, 2018	December 31, 2017
Interest rate cap agreements	Other long-term assets	\$ 851	\$ 1,032

The following table summarizes the effects of the Company's interest rate cap and swap agreements for the years ended December 31, 2018, 2017 and 2016:

Derivatives designated as cash flow hedges	Amount of unrealized losses in OCI on interest rate cap and swap agreements			Location of losses	Amount of losses reclassified from accumulated OCI into income		
	Year ended December 31,				Year ended December 31,		
	2018	2017	2016		2018	2017	2016
Interest rate cap agreements	\$ (181)	\$ (8,897)	\$ (5,198)	Debt expense	\$ 8,466	\$ 8,278	\$ 3,899
Interest rate swap agreements	—	—	(815)	Debt expense	—	—	299
Tax benefit	48	3,460	2,343	Tax expense	(2,180)	(3,220)	(1,632)
Total	<u>\$ (133)</u>	<u>\$ (5,437)</u>	<u>\$ (3,670)</u>		<u>\$ 6,286</u>	<u>\$ 5,058</u>	<u>\$ 2,566</u>

The Company's overall weighted average effective interest rate on the senior secured credit facilities at the end of 2018 was 5.11%, based upon the current margins in effect as of December 31, 2018.

The Company's overall weighted average effective interest rate during the year ended December 31, 2018 was 4.96% and as of December 31, 2018 was 5.19%.

*Debt expense*

Debt expense consisted of interest expense of \$461,897, \$406,341 and \$394,013 and the amortization and accretion of debt discounts and premiums, amortization of deferred financing costs and the amortization of interest rate cap agreements of

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\$25,538, \$24,293 and \$20,103 for 2018, 2017 and 2016, respectively. These interest expense amounts are net of capitalized interest.

**15. Leases**

The majority of the Company's facilities are leased under non-cancellable operating leases ranging in terms from five years to 15 years and which contain renewal options of five years to ten years at the fair rental value at the time of renewal. The Company's leases are generally subject to periodic consumer price index increases or contain fixed escalation clauses. The Company also leases certain facilities and equipment under capital leases.

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

	Operating leases	Capital leases
2019	\$ 483,488	\$ 36,754
2020	462,154	41,044
2021	432,950	34,026
2022	395,462	33,690
2023	349,649	33,845
Thereafter	1,589,949	194,611
	<u>\$ 3,713,652</u>	<u>373,970</u>
Less portion representing interest		(91,233)
Total capital lease obligations, including current portion		<u>\$ 282,737</u>

Rent expense under all operating leases for 2018, 2017, and 2016 was \$596,117, \$530,748 and \$478,531, respectively. Rent expense is recorded on a straight-line basis over the term of the lease for leases that contain fixed escalation clauses or include abatement provisions. Leasehold improvement incentives are deferred and amortized to rent expense over the term of the lease. The net book value of property and equipment under capital leases was \$235,194 and \$257,772 at December 31, 2018 and 2017, respectively. Capital lease obligations are included in long-term debt. See Note 14 to these consolidated financial statements.

**16. Employee benefit plans**

The Company has a 401(k) retirement savings plan for substantially all of its Kidney Care employees which has been established pursuant to the applicable provisions of the Internal Revenue Code (IRC). The plan allows for employees to contribute a percentage of their base annual salaries on a tax-deferred basis not to exceed IRC limitations. Beginning in 2018, the Company implemented a 401(k) matching program under which the Company matches 50% of the employee's contribution up to 6% of the employee's salary, subject to certain limitations. The matching contributions are subject to certain eligibility and vesting conditions. For the year ended December 31, 2018, the Company accrued matching contributions totaling approximately \$67,807. Prior to 2018, the Company did not provide matching contributions in connection with the 401(k) savings plan for its Kidney Care employees.

The Company also maintains a voluntary compensation deferral plan, the Deferred Compensation Plan, as well as other legacy deferral plans. The Deferred Compensation Plan plan is non-qualified and permits certain employees whose annualized base salary equals or exceeds a minimum annual threshold amount as set by the Company to elect to defer all or a portion of their annual bonus payment and up to 50% of their base salary into a deferral account maintained by the Company. Total contributions to this plan in 2018, 2017 and 2016 were \$3,090, \$4,497 and \$5,344, respectively. Deferred amounts are generally paid out in cash at the participant's election either in the first or second year following retirement or in a specified future period at least three to four years after the deferral election was effective. During 2018, 2017 and 2016 the Company distributed \$4,652, \$2,789 and \$1,065, respectively, to participants from its deferred compensation plans. Participants are credited with their proportional amount of annual earnings from the plans. The assets of these plans are held in rabbi trusts and as such are subject to the claims of the Company's general creditors in the event of its bankruptcy. As of December 31, 2018 and 2017, the total fair value of assets held in these plans' trusts was \$36,124 and \$38,895, respectively. The assets of these plans are recorded at fair value with changes in fair value recorded in other comprehensive income prior to 2018 and recognized in "Other income, net" since January 1, 2018. Any fair value changes to the corresponding liability balance are recorded as compensation expense. See Note 5 to these consolidated financial statements.

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Most of the Company's outstanding employee stock plan awards include a provision accelerating the vesting of the award in the event of a change of control. The Company also maintains a change of control protection program for its employees who do not have a significant number of stock awards, which has been in place since 2001, and which provides for cash bonuses to employees in the event of a change of control. Based on the market price of the Company's common stock and shares outstanding at December 31, 2018, these cash bonuses would total approximately \$336,530 if a change of control transaction occurred at that price and the Company's Board of Directors did not modify the program. This amount has not been accrued at December 31, 2018, and would only be accrued upon a change of control. These change of control provisions may affect the price an acquirer would be willing to pay for the Company.

#### **17. Contingencies**

The majority of the Company's revenues are from government programs and may be subject to adjustment as a result of: (i) examination by government agencies or contractors, for which the resolution of any matters raised may take extended periods of time to finalize; (ii) differing interpretations of government regulations by different Medicare contractors or regulatory authorities; (iii) differing opinions regarding a patient's medical diagnosis or the medical necessity of services provided; and (iv) retroactive applications or interpretations of governmental requirements. In addition, the Company's revenues from commercial payors may be subject to adjustment as a result of potential claims for refunds, as a result of government actions or as a result of other claims by commercial payors.

The Company operates in a highly regulated industry and is a party to various lawsuits, claims, *qui tam* suits, governmental investigations and audits (including investigations resulting from its obligation to self-report suspected violations of law) and other legal proceedings. The Company records accruals for certain legal proceedings and regulatory matters to the extent that the Company determines an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. As of December 31, 2018, and December 31, 2017, the Company's total recorded accruals, including DMG, with respect to legal proceedings and regulatory matters, net of anticipated third party recoveries, were immaterial. While these accruals reflect the Company's best estimate of the probable loss for those matters as of the dates of those accruals, the recorded amounts may differ materially from the actual amount of the losses for those matters, and any anticipated third party recoveries for any such losses may not ultimately be recoverable. Additionally, in some cases, no estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made because of the inherently unpredictable nature of legal proceedings and regulatory matters, which also may be impacted by various factors, including that they may involve indeterminate claims for monetary damages or may involve fines, penalties or non-monetary remedies; present novel legal theories or legal uncertainties; involve disputed facts; represent a shift in regulatory policy; are in the early stages of the proceedings; or result in a change of business practices. Further, there may be various levels of judicial review available to the Company in connection with any such proceeding.

The following is a description of certain lawsuits, claims, governmental investigations and audits and other legal proceedings to which the Company is subject.

##### ***Inquiries by the Federal Government and Certain Related Civil Proceedings***

**2016 U.S. Attorney Texas Investigation:** In early February 2016, the Company announced that its pharmacy services' wholly-owned subsidiary, DaVita Rx, LLC (DaVita Rx), received a Civil Investigative Demand (CID) from the U.S. Attorney's Office, Northern District of Texas. The government is conducting a federal False Claims Act (FCA) investigation concerning allegations that DaVita Rx presented or caused to be presented false claims for payment to the government for prescription medications, as well as an investigation into the Company's relationships with pharmaceutical manufacturers. The CID covers the period from January 1, 2006 through the present. In connection with the Company's ongoing efforts working with the government, the Company learned that a *qui tam* complaint had been filed covering some of the issues in the CID and practices that had been identified by the Company in a self-disclosure filed with the Office of Inspector General (OIG) for the U.S. Department of Health and Human Services (HHS) in February 2016. In December 2017, the Company finalized and executed a settlement agreement with the government and relators in the *qui tam* matter that included total monetary consideration of \$63,700, as previously disclosed, of which \$41,500 was an incremental cash payment and \$22,200 was for amounts previously refunded, and all of which was previously accrued. The government's investigation into certain of the Company's relationships with pharmaceutical manufacturers is ongoing, and in July 2018 the OIG served the Company with a subpoena seeking additional documents and information relating to those relationships. The Company is continuing to cooperate with the government in this investigation.

**2017 U.S. Attorney Massachusetts Investigation:** In January 2017, the Company was served with an administrative subpoena for records by the U.S. Attorney's Office, District of Massachusetts, relating to an investigation into possible federal

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health care offenses. The subpoena covers the period from January 1, 2007 through the present, and seeks documents relevant to charitable patient assistance organizations, particularly the American Kidney Fund, including documents related to efforts to provide patients with information concerning the availability of charitable assistance. The Company is continuing to cooperate with the government in this investigation.

2017 U.S. Attorney Colorado Investigation: In November 2017, the U.S. Attorney's Office, District of Colorado informed the Company of an investigation it was conducting into possible federal health care offenses involving DaVita Kidney Care, as well as several of the Company's wholly-owned subsidiaries, including DMG, DaVita Rx, DaVita Laboratory Services, Inc. (DaVita Labs), and RMS Lifeline Inc. (Lifeline). In August 2018, the Company received a CID from the U.S. Attorney's Office. The CID was issued pursuant to the FCA and covers the period from January 2005 through the present. In connection with the resolution of the *2015 U.S. OIG Medicare Advantage Civil Investigation* referred to below, the Company resolved possible claims relating to DMG in this investigation. The Company is continuing to cooperate with the government in this investigation.

2017 U.S. Attorney Florida Investigation: In November 2017, the U.S. Attorney's Office, Southern District of Florida informed the Company of an investigation it was conducting into possible federal healthcare offenses involving the Company's wholly-owned subsidiary, Lifeline. The Company is continuing to cooperate with the government in this investigation.

2018 U.S. Attorney Florida Investigation: In March 2018, DaVita Labs received two CIDs from the U.S. Attorney's Office, Middle District of Florida that were identical in nature but directed to the two different labs. According to the face of the CIDs, the U.S. Attorney's Office is conducting an investigation as to whether the Company's subsidiary submitted claims for blood, urine, and fecal testing, where there were insufficient test validation or stability studies to ensure accurate results, in violation of the FCA. In October 2018, DaVita Labs received a subpoena from the OIG in connection with this matter requesting certain patient records linked to clinical laboratory tests. The Company is continuing to cooperate with the government in this investigation.

\* \* \*

Although the Company cannot predict whether or when proceedings might be initiated or when these matters may be resolved (other than as may be described above), it is not unusual for inquiries such as these to continue for a considerable period of time through the various phases of document and witness requests and on-going discussions with regulators and to develop over the course of time. In addition to the inquiries and proceedings specifically identified above, the Company frequently is subject to other inquiries by state or federal government agencies and/or private civil *qui tam* complaints filed by relators. Negative findings or terms and conditions that the Company might agree to accept as part of a negotiated resolution of pending or future government inquiries or relator proceedings could result in, among other things, substantial financial penalties or awards against the Company, substantial payments made by the Company, harm to the Company's reputation, required changes to the Company's business practices, exclusion from future participation in the Medicare, Medicaid and other federal health care programs and, if criminal proceedings were initiated against the Company, possible criminal penalties, any of which could have a material adverse effect on the Company.

***Shareholder and Derivative Claims***

Peace Officers' Annuity and Benefit Fund of Georgia Securities Class Action Civil Suit: On February 1, 2017, the Peace Officers' Annuity and Benefit Fund of Georgia filed a putative federal securities class action complaint in the U.S. District Court for the District of Colorado against the Company and certain executives. The complaint covers the time period of August 2015 to October 2016 and alleges, generally, that the Company and its executives violated federal securities laws concerning the Company's financial results and revenue derived from patients who received charitable premium assistance from an industry-funded non-profit organization. The complaint further alleges that the process by which patients obtained commercial insurance and received charitable premium assistance was improper and "created a false impression of DaVita's business and operational status and future growth prospects." In November 2017, the court appointed the lead plaintiff and an amended complaint was filed on January 12, 2018. On March 27, 2018, the Company and various individual defendants filed a motion to dismiss. Briefing on the motion is complete. The plaintiffs filed an opposition to the motion to dismiss on June 6, 2018. The Company filed a reply in support of the motion on July 19, 2018. The Company disputes these allegations and intends to defend this action accordingly.

In re DaVita Inc. Stockholder Derivative Litigation: On August 15, 2017, the U.S. District Court for the District of Delaware consolidated three previously disclosed shareholder derivative lawsuits: the Blackburn Shareholder action filed on February 10, 2017, the Gabilondo Shareholder action filed on May 30, 2017, and the City of Warren Police and Fire Retirement

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System Shareholder action filed on June 9, 2017. The complaint covers the time period from 2015 to present and alleges, generally, breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, corporate waste, and misrepresentations and/or failures to disclose certain information in violation of the federal securities laws in connection with an alleged practice to direct patients with government-subsidized health insurance into private health insurance plans to maximize the Company's profits. An amended complaint was filed in September 2017, and on December 18, 2017, the Company filed a motion to dismiss and a motion to stay proceedings in the alternative. The plaintiffs filed an opposition to the motion to dismiss on March 9, 2018. On June 25, 2018, the U.S. District Court for the District of Delaware granted the Company's motion to stay proceedings and stayed the case until January 7, 2019, the date of the next status conference. During the status conference on January 7, 2019 the court further extended the stay until February 8, 2019. The parties submitted a proposed scheduling order on that date. The Company asked the Court to rule on the fully-briefed motion to dismiss before opening discovery. The Company disputes these allegations and intends to defend this action accordingly.

***Other Proceedings***

In addition to the foregoing, from time to time the Company is subject to other lawsuits, demands, claims, governmental investigations and audits and legal proceedings that arise due to the nature of its business, including contractual disputes, such as with payors, suppliers and others, employee-related matters and professional and general liability claims. From time to time, the Company also initiates litigation or other legal proceedings as a plaintiff arising out of contracts or other matters.

***Resolved Matters***

**2011 Suit against the U.S. Department of Veterans Affairs:** As previously disclosed, the Company had a pending lawsuit in the U.S. Court of Federal Claims against the federal government which was originally filed in May 2011. The lawsuit related to the U.S. Department of Veterans Affairs (VA) underpayment of dialysis services the Company provided from 2005 through 2011 to veterans pursuant to VA regulations. In the first quarter of 2017, the Company received a payment of \$538,000 related to the settlement with the VA. The Company's consolidated entities recognized a net gain of \$527,000 on this settlement. The Company's nonconsolidated and managed entities recognized a gain of \$9,000, of which the Company's equity investment share was \$3,000. The net effect was a net increase of \$530,000 to the Company's operating income.

**2015 OIG Medicare Advantage Civil Investigation:** In March 2015, JSA HealthCare Corporation (JSA), a subsidiary of DMG, received a subpoena from the OIG requesting documents and information for the period from January 1, 2008 through December 31, 2013, for certain MA plans for which JSA provided services. It also requested information regarding JSA's communications about patient diagnoses as they related to certain MA plans generally, and more specifically as related to two Florida physicians with whom JSA previously contracted.

In addition to the subpoena described above, in June 2015, the Company received a civil subpoena from the OIG seeking production of a wide range of documents relating to the Company's and its subsidiaries' (including DMG and its subsidiary JSA) provision of services to MA plans and related patient diagnosis coding and risk adjustment submissions and payments. The Company believes that the request was part of a broader industry investigation into MA patient diagnosis coding and risk adjustment practices and potential overpayments by the government. The information requested included information related to patient diagnosis coding practices for a number of conditions, including potentially improper historical DMG coding for a particular condition. With respect to that condition, the guidance related to that coding issue was discontinued following the Company's November 1, 2012, acquisition of HealthCare Partners (now known as the Company's DMG business), and the Company notified Centers for Medicare and Medicaid Services (CMS) in April 2015 of the coding practice and potential overpayments. In that regard, the Company identified certain additional coding practices which may have been problematic, some of which were the subject of the previously disclosed and dismissed *Swoben Private Civil Suit*.

The Company entered into a settlement agreement with the DOJ and OIG to resolve these matters on September 28, 2018. As previously disclosed, an escrow established in connection with the Company's acquisition of HealthCare Partners in 2012 held back a portion of the purchase price to the prior owners of HealthCare Partners as security for the indemnification rights of the Company. The settlement amount of \$270,000 was paid with these escrowed funds.

**White, Kathleen, et al. v. DaVita Healthcare Partners, Inc., Civil Action No. 15-cv-2106, U.S. District Court for the District of Colorado:** Three actions (Menchaca v. DaVita Healthcare Partners, Inc., Saldana v. DaVita Healthcare Partners, Inc. and Hardin v. DaVita Healthcare Partners, Inc.) were consolidated in December 2016 into one action in U.S. District Court for the District of Colorado. In all three actions, the plaintiffs brought claims for wrongful death based on allegations related to Granuflo®, a product used as a component of the dialysis process. The Menchaca and Saldana actions arose out of the treatment of patients in California, while the Hardin action arose out of the treatment of a patient in Illinois. On June 27, 2018,

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the jury returned a verdict in favor of the plaintiffs, collectively awarding \$8,500 in compensatory damages and \$375,000 in punitive damages. Judgment on this verdict was not entered. In November 2018, the parties settled all three of the consolidated actions collectively for \$25,500, and all three cases were dismissed with prejudice. One of the Company's insurance carriers paid \$9,200 of the settlement. The Company believes it is probable that it will be able to recover the remainder of the settlement amount from other insurers, indemnitors, and the like; however, the Company can make no assurances that it will recover the full amount.

\* \* \*

Other than as described above, the Company cannot predict the ultimate outcomes of the various legal proceedings and regulatory matters to which the Company is or may be subject from time to time, including those described in this Note 17 to these consolidated financial statements, or the timing of their resolution or the ultimate losses or impact of developments in those matters, which could have a material adverse effect on the Company's revenues, earnings and cash flows. Further, any legal proceedings or regulatory matters involving the Company, whether meritorious or not, are time consuming, and often require management's attention and result in significant legal expense, and may result in the diversion of significant operational resources, or otherwise harm the Company's business, results of operations, financial condition, cash flows or reputation.

**18. Noncontrolling interests subject to put provisions and other commitments**

*Noncontrolling interests subject to put provisions*

The Company has potential obligations to purchase the equity interests held by third parties in several of its majority-owned joint ventures and other nonconsolidated entities. These obligations are in the form of put provisions that are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, the Company would be required to purchase the third-party owners' equity interests at either the appraised fair market value or a predetermined multiple of earnings or cash flows attributable to the equity interests put to the Company, which is intended to approximate fair value. The methodology the Company uses to estimate the fair values of noncontrolling interests subject to put provisions assumes the higher of either a liquidation value of net assets or an average multiple of earnings, based on historical earnings, patient mix and other performance indicators that can affect future results, as well as other factors. The estimated fair values of noncontrolling interests subject to put provisions are a critical accounting estimate that involves significant judgments and assumptions and may not be indicative of the actual values at which the noncontrolling interests may ultimately be settled, which could vary significantly from the Company's current estimates. The estimated fair values of noncontrolling interests subject to put provisions can fluctuate and the implicit multiple of earnings at which these noncontrolling interests obligations may be settled will vary significantly depending upon market conditions including potential purchasers' access to the capital markets, which can impact the level of competition for dialysis and non-dialysis related businesses, the economic performance of these businesses and the restricted marketability of the third-party owners' equity interests. The amount of noncontrolling interests subject to put provisions that employ a contractually predetermined multiple of earnings rather than fair value is immaterial.

The Company has certain other potential commitments to provide operating capital to a number of dialysis centers that are wholly-owned by third parties or businesses in which the Company owns a noncontrolling equity interest as well as to physician-owned vascular access clinics or medical practices that the Company operates under management and administrative service agreements of approximately \$4,675.

Certain consolidated joint ventures are originally contractually scheduled to dissolve after terms ranging from ten years to 50 years. While noncontrolling interests in these limited life entities qualify as mandatorily redeemable financial instruments, they are subject to a classification and measurement scope exception from the accounting guidance generally applicable to other mandatorily redeemable financial instruments. Future distributions upon dissolution of these entities would be valued below the related noncontrolling interest carrying balances in the consolidated balance sheet.

*Other commitments*

In 2017, the Company entered into a Sourcing and Supply Agreement with Amgen USA Inc. (Amgen) that expires on December 31, 2022. Under the terms of the agreement, the Company will purchase EPO in amounts necessary to meet no less than 90% of its requirements for erythropoiesis-stimulating agents (ESAs) through the expiration of the contract from Amgen. The actual amount of EPO that the Company will purchase will depend upon the amount of EPO administered during dialysis as prescribed by physicians and the overall number of patients that the Company serves.



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The Company has an agreement with Fresenius Medical Care (FMC) to purchase a certain amount of dialysis equipment, parts and supplies from FMC, which was extended through December 31, 2020. During 2018, 2017 and 2016, the Company purchased \$182,446, \$176,212 and \$164,766, respectively, of certain equipment, parts and supplies from FMC.

The Company also has an agreement with Baxter Healthcare Corporation (Baxter) that commits the Company to purchase a certain amount of peritoneal dialysis supplies at fixed prices through 2022. During 2018, 2017 and 2016, the Company purchased \$162,858, \$166,764 and \$162,109 of peritoneal dialysis supplies from Baxter under this agreement.

Other than operating leases disclosed in Note 15 to these consolidated financial statements, the letters of credit disclosed in Note 14 to these consolidated financial statements, and the arrangements as described above, the Company has no off balance sheet financing arrangements as of December 31, 2018.

**19. Long-term incentive compensation and shareholders' equity**

*Long-term incentive compensation*

Long-term incentive program (LTIP) compensation includes both stock-based awards (principally stock-settled stock appreciation rights, restricted stock units and performance stock units) as well as long-term performance-based cash awards. Long-term incentive compensation expense, which was primarily general and administrative in nature, was attributed to the Company's U.S. dialysis and related lab services business, corporate administrative support, and the ancillary services and strategic initiatives.

The Company's stock-based compensation expense for stock-settled awards is measured at the estimated fair value of awards on the date of grant and recognized on a cumulative straight-line basis over the vesting terms of the awards unless the stock awards are based on non-market based performance metrics, in which case expense is adjusted for expected ultimate payouts as of the end of each reporting period. Stock-based compensation expense for cash-settled awards is based on the estimated fair values as of the end of each reporting period. The expense for all stock-based awards is recognized net of expected forfeitures.

Stock-based compensation to be settled in shares is recorded to the Company's shareholders' contributed capital, while stock-based compensation to be settled in cash is recorded to a liability. Shares issued upon exercise of stock awards are issued from authorized but unissued shares.

*Long-term incentive compensation plans*

The Company's 2011 Incentive Award Plan (the 2011 Plan) is the Company's omnibus equity compensation plan and provides for grants of stock-based awards to employees, directors and other individuals providing services to the Company, except that incentive stock options may only be awarded to employees. The 2011 Plan authorizes the Company to award stock options, stock appreciation rights, restricted stock units, restricted stock, and other stock-based or performance-based awards, and is designed to enable the Company to grant equity and cash awards that qualified as performance-based compensation under Section 162(m) of the Internal Revenue Code for tax years 2017 and prior. The 2011 Plan mandates a maximum award term of five years and stipulates that stock appreciation rights and stock options be granted with prices not less than fair market value on the date of grant. The 2011 Plan also requires that full value share awards such as restricted stock units reduce shares available under the 2011 Plan at a ratio of 3.5:1. The Company's nonqualified stock appreciation rights and stock units awarded under the 2011 Plan generally vest over 36 months to 48 months from the date of grant. At December 31, 2018, there were 6,162,797 stock-settled stock appreciation rights, 1,860,475 stock-settled stock units, 23,000 cash-settled stock appreciation rights and 1,600 cash-settled stock units outstanding, and 23,091,764 shares available for future grants, under the 2011 Plan.

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A combined summary of the status of the Company's stock-settled awards under the 2011 Plan, including base shares for stock-settled stock appreciation rights (SSARs) and stock-settled stock unit awards is as follows:

	Year ended December 31, 2018				
	Stock appreciation rights			Stock units	
	Awards	Weighted average exercise price	Weighted average remaining contractual life	Awards	Weighted average remaining contractual life
Outstanding at beginning of year	6,648,199	\$ 67.92		1,075,572	
Granted	1,902,652	\$ 66.54		1,101,388	
Exercised	(2,059,872)	\$ 60.34		(165,543)	
Canceled	(328,182)	\$ 70.44		(150,942)	
Outstanding at end of period	<u>6,162,797</u>	<u>\$ 69.90</u>	<u>2.9</u>	<u>1,860,475</u>	<u>2.2</u>
Exercisable at end of period	1,422,529	\$ 73.39	0.9	—	—
Weighted-average fair value of grants					
2018	\$ 16.24			\$ 66.23	
2017	<u>\$ 14.51</u>			<u>\$ 65.73</u>	
2016	<u>\$ 13.74</u>			<u>\$ 70.99</u>	

Range of SSARs base prices	Awards Outstanding	Weighted average exercise price	Awards exercisable	Weighted average exercise price
\$50.01–\$60.00	131,470	\$ 57.90	—	\$ —
\$60.01–\$70.00	4,083,162	\$ 66.66	757,237	\$ 68.96
\$70.01–\$80.00	1,351,997	\$ 74.78	346,316	\$ 73.81
\$80.01–\$90.00	596,168	\$ 83.60	318,976	\$ 83.47
Total	<u>6,162,797</u>	<u>\$ 69.90</u>	<u>1,422,529</u>	<u>\$ 73.39</u>

The Company did not grant any cash-settled stock-based awards during 2018. Liability-classified stock-based awards contributed \$(20), \$114 and \$376 to stock-based compensation expense for the years ended December 31, 2018, 2017 and 2016, respectively. As of December 31, 2018, the Company had 24,600 liability-classified stock-based awards outstanding, none of which were vested, and a total stock-based compensation liability balance of \$79.

For the years ended December 31, 2018, 2017, and 2016, the aggregate intrinsic value of stock-based awards exercised was \$31,045, \$34,895 and \$73,944, respectively. At December 31, 2018, the aggregate intrinsic value of stock-based awards outstanding was \$95,822 and the aggregate intrinsic value of stock awards exercisable was zero.

*Estimated fair value of stock-based compensation awards*

The Company has estimated the grant-date fair value of stock-settled stock appreciation rights awards using the Black-Scholes-Merton valuation model and stock-settled stock unit awards at intrinsic value on the date of grant, except for portions of the Company's performance stock unit awards for which a Monte Carlo simulation was used to estimate the grant-date fair value. The following assumptions were used in estimating these values and determining the related stock-based compensation expense attributable to the current period:

*Expected term of the awards:* The expected term of awards granted represents the period of time that they are expected to remain outstanding from the date of grant. The Company determines the expected term of its stock awards based on its historical experience with similar awards, considering the Company's historical exercise and post-vesting termination patterns, and the terms expected by peer companies in near industries.

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*Expected volatility:* Expected volatility represents the volatility anticipated over the expected term of the award. The Company determines the expected volatility for its awards based on the volatility of the price of its common stock over the most recent retrospective period commensurate with the expected term of the award, considering the volatility expectations implied by the market price of its exchange-traded options and the volatilities expected by peer companies in near industries.

*Expected dividend yield:* The Company has not paid dividends on its common stock and does not currently expect to pay dividends during the term of stock awards granted.

*Risk-free interest rate:* The Company bases the expected risk-free interest rate on the implied yield currently available on stripped interest coupons of U.S. Treasury issues with a remaining term equivalent to the expected term of the award.

A summary of the weighted average valuation inputs described above used for estimating the grant-date fair value of stock-settled stock appreciation rights awards granted in the periods indicated is as follows:

	Year ended December 31,		
	2018	2017	2016
Expected term	4.2	4.2	4.2
Expected volatility	23.8%	23.9%	21.0%
Expected dividend yield	—%	—%	—%
Risk-free interest rate	2.9%	1.7%	1.0%

The Company estimates expected forfeitures based upon historical experience with separate groups of employees that have exhibited similar forfeiture behavior in the past. Stock-based compensation expense is recorded only for awards that are expected to vest.

*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. This compensatory plan allows employees to purchase stock for the lesser of 100% of its fair market value on the first day of the purchase right period or 85% of its fair market value on the last day of the purchase right period. Purchase right periods begin on January 1 and July 1, and end on December 31. Contributions used to purchase the Company's common stock under this plan for the 2018, 2017 and 2016 participation periods were \$17,398, \$22,131 and \$23,902, respectively. Shares purchased pursuant to the plan's 2018, 2017 and 2016 participation periods were 397,749, 360,368 and 438,002, respectively. At December 31, 2018, there were 6,726,278 shares remaining available for future grants under this plan.

The fair value of participants' purchase rights was estimated as of the beginning dates of the purchase right periods using the Black-Scholes-Merton valuation model with the following weighted average assumptions for purchase right periods in 2018, 2017 and 2016, respectively: expected volatility of 24%, 23% and 22%; risk-free interest rate of 1.9%, 1.3% and 0.8%, and no dividends. Using these assumptions, the weighted average estimated fair value of these purchase rights was \$17.45, \$15.19 and \$16.73 for 2018, 2017 and 2016, respectively.

*Long-term incentive compensation expense and proceeds*

For the years ended December 31, 2018, 2017 and 2016, the Company recognized \$85,759, \$61,978 and \$64,956, respectively, in total long-term incentive program (LTIP) expense, of which \$73,582, \$34,431 and \$34,530, respectively, was stock-based compensation expense for stock appreciation rights, stock units and discounted employee stock plan purchases, which are primarily included in general and administrative expenses. The estimated tax benefits recorded for stock-based compensation in 2018, 2017 and 2016 were \$13,591, \$7,717 and \$12,731, respectively. As of December 31, 2018, there was \$99,935 total estimated unrecognized compensation expense for outstanding LTIP awards, including \$88,596 related to stock-based compensation arrangements under the Company's equity compensation and stock purchase plans. The Company expects to recognize the performance-based cash component of this LTIP expense over a weighted average remaining period of 0.8 years and the stock-based component of this LTIP expense over a weighted average remaining period of 1.5 years.

During the year ended December 31, 2018, the Company adopted a retirement policy (Rule of 65 policy). The Rule of 65 policy generally provides that Section 16 executive officers that are a minimum age of 55 with five years of continuous service with the Company receive certain benefits with respect to their outstanding equity awards upon a qualifying retirement if the

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sum of their age plus years of service is greater than or equal to 65. These benefits generally include accelerated vesting of restricted stock unit awards, continued vesting of stock-settled stock appreciation rights and performance stock unit awards and an exercise window from the original vest date through the original expiration date regardless of continued employment, with pro rata vesting for a Rule of 65 retirement within one year of the award grant date. The adoption of the Rule of 65 policy resulted in a \$14,704 modification charge and a net acceleration of expense of \$9,727 during the year ended December 31, 2018 that is included in the expense amounts reported above.

For the years ended December 31, 2018, 2017 and 2016, the Company received \$7,988, \$13,473 and \$28,397, respectively, in actual tax benefits upon the exercise of stock awards. Since the Company issues stock-settled stock appreciation rights rather than stock options, there have been no cash proceeds from stock option exercises during the years ended December 31, 2018, 2017 and 2016.

*Stock repurchases*

During the years ended December 31, 2018 and 2017, the Company repurchased a total of 16,844,067 shares and 12,966,672 shares of its common stock for \$1,153,511 and \$810,949, or an average price of \$68.48 and \$62.54 per share, respectively, pursuant to previously announced authorizations by the Board of Directors. Subsequent to December 31, 2018, the Company has not repurchased any shares of its common stock through February 22, 2019.

On July 11, 2018, the Company's Board of Directors approved an additional share repurchase authorization in the amount of \$1,389,999. This share repurchase authorization was in addition to the \$110,001 remaining at that time under the Company's Board of Directors' prior share repurchase authorization approved in October 2017. Accordingly, as of February 22, 2019, the Company has a total of \$1,355,605 available under the current Board repurchase authorizations for additional share repurchases. Although these share repurchase authorizations do not have expiration dates, the Company remains subject to share repurchase limitations under the terms of its senior secured credit facilities and the indentures governing its Senior Notes.

The Company retired all shares held in its treasury effective as of December 31, 2018 and December 31, 2017.

*Charter documents & Delaware law*

The Company's charter documents include provisions that may deter hostile takeovers, delay or prevent changes of control or changes in management, or limit the ability of stockholders to approve transactions that they may otherwise determine to be in their best interests. These include provisions prohibiting stockholders from acting by written consent, requiring 90 days advance notice of stockholder proposals or nominations to the Board of Directors and granting the Board of Directors the authority to issue up to 5,000,000 shares of preferred stock and to determine the rights and preferences of the preferred stock without the need for further stockholder approval.

The Company is also subject to Section 203 of the Delaware General Corporation Law which, subject to exceptions, would prohibit the Company 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 the Company.

*Changes in DaVita Inc.'s ownership interest in consolidated subsidiaries*

The effects of changes in DaVita Inc.'s ownership interest in consolidated subsidiaries on the Company's consolidated equity are as follows:

	Year ended December 31,		
	2018	2017	2016
Net income attributable to DaVita Inc.	\$ 159,394	\$ 663,618	\$ 879,874
Changes in paid-in-capital for:			
Sales of noncontrolling interest	79	(114)	—
Purchase of noncontrolling interests	(17,897)	(2,752)	(13,105)
Net transfer in noncontrolling interests	(17,818)	(2,866)	(13,105)
Net income attributable to DaVita Inc. net of transfers in noncontrolling interests	<u>\$ 141,576</u>	<u>\$ 660,752</u>	<u>\$ 866,769</u>

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The Company acquired additional ownership interests in several existing majority-owned joint ventures for \$28,082, \$5,357, and \$21,512 in 2018, 2017, and 2016, respectively.

**20. Accumulated other comprehensive (loss) income**

Charges and credits to other comprehensive (loss) income have been as follows:

	Interest rate cap and swap agreements	Investment securities	Foreign currency translation adjustments	Accumulated other comprehensive (loss) income
<b>Balance at January 1, 2016</b>	\$ (10,925)	\$ 1,361	\$ (50,262)	\$ (59,826)
Unrealized (losses) gains	(6,013)	1,802	(39,614)	(43,825)
Related income tax	2,343	(565)	—	1,778
	(3,670)	1,237	(39,614)	(42,047)
Reclassification of income (loss) into net income	4,198	(690)	10,087	13,595
Related income tax	(1,632)	267	—	(1,365)
	2,566	(423)	10,087	12,230
<b>Balance at December 31, 2016</b>	\$ (12,029)	\$ 2,175	\$ (79,789)	\$ (89,643)
Unrealized (losses) gains	(8,897)	5,075	99,770	95,948
Related income tax	3,460	(1,368)	—	2,092
	(5,437)	3,707	99,770	98,040
Reclassification of income (loss) into net income	8,278	(360)	—	7,918
Related income tax	(3,220)	140	—	(3,080)
	5,058	(220)	—	4,838
<b>Balance at December 31, 2017</b>	\$ (12,408)	\$ 5,662	\$ 19,981	\$ 13,235
Cumulative effect of change in accounting principle <sup>(1)</sup>	(2,706)	(5,662)	—	(8,368)
Unrealized losses	(181)	—	(45,944)	(46,125)
Related income tax	48	—	—	48
	(133)	—	(45,944)	(46,077)
Reclassification of income into net income	8,466	—	—	8,466
Related income tax	(2,180)	—	—	(2,180)
	6,286	—	—	6,286
<b>Balance at December 31, 2018</b>	\$ (8,961)	\$ —	\$ (25,963)	\$ (34,924)

(1) Reflects the cumulative effect of a change in accounting principle for ASUs 2016-01 and 2018-03 on classification and measurement of financial instruments and ASU 2018-02 on remeasurement and reclassification of deferred tax effects in accumulated other comprehensive income associated with the 2017 Tax Act. See Note 5 for further details.

The reclassification of net cap and swap realized losses into income are recorded as debt expense in the corresponding consolidated statements of income. See Note 14 to these consolidated financial statements for further details.

Prior to January 1, 2018, unrealized gains and losses on available-for-sale equity securities were recorded to accumulated other comprehensive income and reclassified to other income when realized. From January 1, 2018, unrealized gains and losses on investment securities are recorded directly to other income rather than to accumulated other comprehensive income.

**21. Acquisitions and divestitures**

*Routine acquisitions*

During 2018, the Company acquired 18 dialysis centers in the U.S. and 28 dialysis centers outside the U.S. for a total of \$176,161 in net cash paid, earn-outs of \$1,246, and deferred purchase price and liabilities assumed of \$34,394. In one of these transactions we acquired a controlling interest in a previously nonconsolidated U.S. dialysis partnership for which we

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recognized a non-cash gain of \$28,152 on our prior interest upon consolidation. During 2017, the Company acquired 30 dialysis centers in the U.S. and 68 dialysis centers outside the U.S. for a total of \$308,550 in net cash, earn-outs of \$2,692, and deferred purchase price of \$23,748. During 2016, the Company acquired eight dialysis centers in the U.S. and 21 dialysis centers outside the U.S. for a total of \$165,108 in net cash, earn-outs of \$1,511 and deferred purchase price of \$17,963. The assets and liabilities for all acquisitions were recorded at their estimated fair values at the dates of the acquisitions and are included in the Company's financial statements and operating results from the effective dates of the acquisitions. For several of the 2018 acquisitions, certain income tax amounts are pending final evaluation and quantification of any pre-acquisition tax contingencies. In addition, valuation of intangibles and certain other working capital items relating to several of these acquisitions are pending final quantification.

The following table summarizes the assets acquired and liabilities assumed in these transactions and recognized at their acquisition dates at estimated fair values, as well as the estimated fair value of noncontrolling interests assumed in these transactions:

	Year ended December 31,		
	2018	2017	2016
Current assets	\$ 23,686	\$ 14,366	\$ 3,996
Property and equipment	11,421	18,192	8,840
Amortizable intangible and other long-term assets	3,079	11,663	5,876
Non-amortizable intangibles	23,656	32,296	—
Goodwill	278,348	318,832	198,927
Deferred income taxes	—	(210)	597
Noncontrolling interests assumed	(80,291)	(44,303)	(30,337)
Liabilities assumed	(19,946)	(15,846)	(3,317)
Aggregate purchase cost	<u>\$ 239,953</u>	<u>\$ 334,990</u>	<u>\$ 184,582</u>

Amortizable intangible assets acquired, primarily related to non-compete agreements, during 2018, 2017 and 2016 had weighted-average estimated useful lives of six years, seven years and seven years, respectively. The total amount of goodwill deductible for tax purposes associated with these acquisitions for 2018, 2017, and 2016 was approximately \$165,013, \$237,363 and \$169,379, respectively.

*Acquisition of Renal Ventures*

On May 1, 2017, the Company completed its acquisition of 100% of the equity of Colorado-based Renal Ventures Management, LLC (Renal Ventures) for approximately \$359,913 in net cash. Renal Ventures operated 36 dialysis centers, one uncertified dialysis center and one home program, that provided services to approximately 2,600 patients in six states. As a part of this transaction, the Company was required to divest three Renal Ventures outpatient dialysis centers, and three outpatient dialysis centers and one uncertified dialysis center of the Company, for approximately \$21,219 in net cash. The Company also incurred approximately \$11,950 in transaction and integration costs during the year ended December 31, 2017 associated with this acquisition that are included in general and administrative expenses.

The purchase price allocation for the Renal Ventures acquisition was finalized in 2018 with no material change to the initial allocation.

The following table summarizes the assets acquired and liabilities assumed in this transaction and recognized at the acquisition date at estimated fair values:

Current assets, net of cash acquired	\$ 22,739
Property and equipment	36,295
Amortizable intangible and other long-term assets	11,547
Goodwill	298,200
Current liabilities	(8,389)
Long-term liabilities	(479)
	<u>\$ 359,913</u>

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Amortizable intangible assets acquired, primarily related to non-compete agreements, had weighted-average estimated useful lives of five years. The total estimated amount of goodwill deductible for tax purposes associated with this acquisition was approximately \$298,200.

*Change in ownership interests in Asia Pacific joint venture*

Upon formation of the APAC JV on August 1, 2016, the Company deconsolidated this Asia Pacific dialysis business based on the governance structure and voting rights put in place at that time and recognized an initial non-cash non-taxable estimated gain of \$374,374 on its retained investment, net of contingent obligations. See further discussion of this joint venture in Note 10.

*Pro forma financial information (unaudited)*

The following summary, prepared on a pro forma basis, combines the results of operations as if all acquisitions within continuing operations in 2018 and 2017 had been consummated as of the beginning of 2017, including the impact of certain adjustments such as amortization of intangibles, interest expense on acquisition financing and income tax effects.

	Year ended December 31,	
	2018	2017
	(unaudited)	
Pro forma net revenues	\$ 11,508,555	\$ 11,176,736
Pro forma net income from continuing operations attributable to DaVita Inc.	\$ 634,326	\$ 922,718
Pro forma basic net income per share from continuing operations attributable to DaVita Inc.	\$ 3.71	\$ 4.89
Pro forma diluted net income per share from continuing operations attributable to DaVita Inc.	\$ 3.68	\$ 4.82

*Contingent earn-out obligations*

The Company has several contingent earn-out obligations associated with acquisitions that could result in the Company paying the former shareholders of acquired companies a total of up to approximately \$11,210 if certain EBITDA, operating income performance targets or quality margins are met over the next one year to five years.

Contingent earn-out obligations are remeasured to fair value at each reporting date until the contingencies are resolved with changes in the liability due to the remeasurement recognized in earnings. See Note 24 to these consolidated financial statements for further details. As of December 31, 2018, the Company estimated the fair value of these contingent earn-out obligations to be \$2,608, of which a total of \$431 is included in other liabilities, and the remaining \$2,177 is included in other long-term liabilities in the Company's consolidated balance sheet.

The following is a reconciliation of changes in contingent earn-out obligations for the year ended December 31, 2018:

Beginning balance December 31, 2017	\$ 6,388
Contingent earn-out obligations associated with acquisitions	1,246
Remeasurement of fair value	(4,729)
Payments of contingent earn-out obligations	(297)
Ending balance December 31, 2018	\$ 2,608

**22. Held for sale and discontinued operations**

*DaVita Medical Group (DMG)*

In December 2017, the Company entered into an equity purchase agreement to sell its DMG division to Optum, a subsidiary of UnitedHealth Group Inc., subject to receipt of required regulatory approvals and other customary closing conditions. On December 11, 2018, the Company entered into an amendment to the equity purchase agreement, which, among other things, reduced the purchase price for DMG from \$4,900,000 to \$4,340,000. The current deadline to close the transaction under the equity purchase agreement is June 30, 2019, and the transaction is expected to close prior to that date. As a result of

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this pending transaction, the DMG business has been classified as held for sale and its results of operations are reported as discontinued operations for all periods presented in these consolidated financial statements.

During 2018, the Company recorded \$468,005 in charges on its DMG business which included a \$316,840 valuation adjustment, a \$41,537 goodwill impairment charge and \$109,628 in related tax expense on this held-for-sale business based on updated assessments of fair value.

The following table presents the financial results of discontinued operations related to DMG:

	Year ended December 31,		
	2018	2017	2016
Net revenues	\$ 4,963,792	\$ 4,676,213	\$ 4,113,414
Expenses	4,962,686	4,634,782	3,994,624
Goodwill and other asset impairment charges	41,537	651,659	253,000
Valuation adjustment on disposal group	316,840	—	—
Loss from discontinued operations before taxes	(357,271)	(610,228)	(134,210)
Income tax expense (benefit)	99,768	(364,856)	24,052
Net loss from discontinued operations, net of tax	<u>\$ (457,038)</u>	<u>\$ (245,372)</u>	<u>\$ (158,262)</u>

The following table presents the financial position of discontinued operations related to DMG:

	December 31, 2018	December 31, 2017
<b>Assets</b>		
Cash and cash equivalents	\$ 414,683	\$ 179,668
Other current assets	557,403	826,608
Property and equipment, net	458,040	379,945
Intangible assets, net	1,316,974	1,316,550
Other long-term assets	112,127	178,894
Goodwill	2,847,178	2,879,977
Valuation allowance on disposal group	(316,840)	—
Total current assets held for sale	<u>\$ 5,389,565</u>	<u>\$ 5,761,642</u>
<b>Liabilities</b>		
Other liabilities	\$ 479,134	\$ 505,734
Medical payables	436,839	457,040
Current portion of long-term debt	3,122	2,845
Long-term debt	33,425	35,003
Other long-term liabilities	291,239	184,448
Total current liabilities held for sale	<u>\$ 1,243,759</u>	<u>\$ 1,185,070</u>

The following table presents cash flows of discontinued operations related to DMG:

	Year ended December 31,		
	2018	2017	2016
Net cash provided by operating activities from discontinued operations	\$ 290,684	\$ 357,274	\$ 287,044
Net cash used in investing activities from discontinued operations	\$ (57,382)	\$ (232,329)	\$ (430,917)



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*DMG acquisitions*

During 2018, the Company's DMG business acquired other medical businesses for a total of \$6,995 in net cash and deferred purchase price of \$1,142. During 2017, the Company's DMG business acquired other medical businesses for a total of \$135,416 in net cash, deferred purchase price of \$1,038, and liabilities assumed of \$10,145. During 2016, the Company's DMG business acquired other medical businesses for a total of \$398,748 in net cash and deferred purchase price and liabilities assumed of \$7,694. For several of the 2018 acquisitions, certain income tax amounts are pending final evaluation and quantification of any pre-acquisition tax contingencies. In addition, valuation of medical claims liabilities and certain other working capital items relating to several of these acquisitions are pending final quantification. The assets and liabilities for all acquisitions were recorded at their estimated fair values at the dates of the acquisitions and are included in the Company's current held for sale assets and liabilities.

*Sale of Tandigm Health investment*

In 2018, DMG sold its 19% ownership interest in the Tandigm Health joint venture and a related supporting business for a gain of \$25,096 and associated taxes of \$6,460, resulting in a net of tax gain of \$18,636.

*Goodwill impairment charges*

The Company recorded goodwill and other asset impairment charges for the DMG business as presented above. As a result of the December 2018 amendment to the equity purchase agreement, discussed above, the Company recorded a goodwill impairment charge in 2018. Goodwill impairment charges for 2017 and 2016 resulted from continuing developments in the Company's DMG business, including recent annual updates to Medicare Advantage benchmark reimbursement rates, changes in expectations concerning future government reimbursement rates and the Company's expected ability to mitigate them, medical cost and utilization trends, commercial pricing pressures, underperformance of certain DMG business units and other market factors.

**23. Variable interest entities**

The Company relies on the operating activities of certain entities that it does not directly own or control, but over which it has indirect influence and of which it is considered the primary beneficiary. These entities are subject to the consolidation guidance applicable to variable interest entities (VIEs).

Under U.S. GAAP, VIEs typically include entities for which (i) the entity's equity is not sufficient to finance its activities without additional subordinated financial support; (ii) the equity holders as a group lack the power to direct the activities that most significantly influence the entity's economic performance, the obligation to absorb the entity's expected losses, or the right to receive the entity's expected returns; or (iii) the voting rights of some investors are not proportional to their obligations to absorb the entity's losses.

The Company has determined that substantially all of the legal entities it is associated with that qualify as VIEs must be included in its consolidated financial statements. A number of these VIEs are within the Company's DMG business, which has been reclassified as held for sale and as a discontinued operation in these financial statements. The Company manages these entities and provides operating and capital funding as necessary for the entities to accomplish their operational and strategic objectives. A number of these entities are subject to nominee share ownership or share transfer restriction agreements that effectively transfer the majority of the economic risks and rewards of their ownership to the Company. In other cases, the Company's management agreements with these entities include both financial terms and protective and participating rights to the entities' operating, strategic and non-clinical governance decisions which transfer substantial powers over and economic responsibility for the entities to the Company. In some cases, such entities are subject to broad exclusivity or noncompetition restrictions that benefit the Company. Further, in some cases, the Company has contractual arrangements with its related party nominee owners that effectively indemnify these parties from the economic losses from, or entitle the Company to the economic benefits of, these entities.

At December 31, 2018, these consolidated financial statements include total assets of VIEs of \$917,922 and total liabilities and noncontrolling interests of VIEs to third parties of \$507,445, including assets of \$658,684 and liabilities and noncontrolling interests of \$355,196 related to the Company's DMG business which is classified as held for sale.

The Company also sponsors certain deferred compensation plans whose trusts qualify as VIEs and the Company consolidates these plans as their primary beneficiary. The assets of these plans are recorded in short-term or long-term investments with related liabilities recorded in accrued compensation and benefits and other long-term liabilities. See Note 16

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to these consolidated financial statements for disclosures on the assets of these consolidated non-qualified deferred compensation plans.

**24. Fair values of financial instruments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are determined based on the principal or most advantageous market for the item being measured, assume that buyers and sellers are independent, willing and able to transact, and knowledgeable, with access to all information customarily available in such a transaction, and are based on assumptions that market participants would use in pricing the item, not assumptions specific to the reporting entity.

The Company measures the fair value of certain assets, liabilities and noncontrolling interests subject to put provisions (temporary equity) based upon certain valuation techniques that include observable or unobservable inputs and assumptions that market participants would use in pricing these assets, liabilities, temporary equity and commitments. The Company has also classified certain assets, liabilities and temporary equity that are measured at fair value into the appropriate fair value hierarchy levels as defined by the FASB.

The following table summarizes the Company's assets, liabilities and temporary equity measured at fair value on a recurring basis as of December 31, 2018 and 2017:

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>December 31, 2018</b>				
<b>Assets</b>				
Investments in equity securities	\$ 36,124	\$ 36,124	\$ —	\$ —
Interest rate cap agreements	\$ 851	\$ —	\$ 851	\$ —
<b>Liabilities</b>				
Contingent earn-out obligations	\$ 2,608	\$ —	\$ —	\$ 2,608
<b>Temporary equity</b>				
Noncontrolling interests subject to put provisions	\$ 1,124,641	\$ —	\$ —	\$ 1,124,641
<b>December 31, 2017</b>				
<b>Assets</b>				
Investments in equity securities	\$ 38,895	\$ 38,895	\$ —	\$ —
Interest rate cap agreements	\$ 1,032	\$ —	\$ 1,032	\$ —
<b>Liabilities</b>				
Contingent earn-out obligations	\$ 6,388	\$ —	\$ —	\$ 6,388
<b>Temporary equity</b>				
Noncontrolling interests subject to put provisions	\$ 1,011,360	\$ —	\$ —	\$ 1,011,360

Investments in equity securities represent investments in various open-ended registered investment companies (mutual funds) and common stock and are recorded at fair value estimated based on reported market prices or redemption prices, as applicable. See Note 5 to these consolidated financial statements for further discussion.

Interest rate cap agreements are recorded at fair value estimated from valuation models utilizing the income approach and commonly accepted valuation techniques that use inputs from closing prices for similar assets and liabilities in active markets as well as other relevant observable market inputs at quoted intervals such as current interest rates, forward yield curves, implied volatility and credit default swap pricing. The Company does not believe the ultimate amount that could be realized upon settlement of these interest rate cap agreements would be materially different from the fair value estimates currently reported. See Note 14 to these consolidated financial statements for further discussion.

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The estimated fair value measurements of contingent earn-out obligations are primarily based on unobservable inputs, including projected EBITDA. The estimated fair value of these contingent earn-out obligations is remeasured as of each reporting date and could fluctuate based upon any significant changes in key assumptions, such as changes in the Company credit risk adjusted rate that is used to discount obligations to present value. See Note 21 to these consolidated financial statements for further discussion.

See Note 18 to these consolidated financial statements for a discussion of the Company's methodology for estimating the fair values of noncontrolling interests subject to put obligations.

Other financial instruments consist primarily of cash, accounts receivable, accounts payable, other accrued liabilities and debt. The balances of non-debt financial instruments are presented in the consolidated financial statements at December 31, 2018 and 2017 at their approximate fair values due to the short-term nature of their settlements. The carrying amount of the Company's senior secured credit facilities totaled \$5,168,815, including a discount of \$6,104 and deferred financing costs of \$12,580, as of December 31, 2018, and the fair value was approximately \$5,194,163 based upon quoted market prices. The carrying amount of the Company's Senior Notes was approximately \$4,466,685, including deferred financing costs of \$33,316, at December 31, 2018 and the fair value was approximately \$4,241,250 at December 31, 2018 based upon quoted market prices. The fair value of all other debt approximates its carrying value.

**25. Segment reporting**

The Company consists of two major divisions, DaVita Kidney Care (Kidney Care) and DaVita Medical Group (DMG). The Kidney Care division is comprised of the Company's U.S. dialysis and related lab services business, various ancillary services and strategic initiatives, including its international operations, and the Company's corporate administrative support. See Note 1 "*Organization*" for a summary description of the Company's businesses.

The Company's operating segments have been defined based on the separate financial information that is regularly produced and reviewed by the Company's chief operating decision maker in making decisions about allocating resources to and assessing the financial performance of the Company's various operating lines of business. The chief operating decision maker for the Company is its Chief Executive Officer.

The Company's separate operating segments include its U.S. dialysis and related lab services business, each of its ancillary services and strategic initiatives, its kidney care operations in each foreign sovereign jurisdiction, its other health operations in each foreign sovereign jurisdiction, and its equity method investment in the Asia Pacific joint venture. The U.S. dialysis and related lab services business qualifies as a separately reportable segment, and all other ancillary services and strategic initiatives operating segments, including the international operating segments, have been combined and disclosed in the other segments category.

The Company's operating segment financial information included in this report is prepared on the internal management reporting basis that the chief operating decision maker uses to allocate resources and assess the financial performance of the Company's operating segments. For internal management reporting, segment operations include direct segment operating expenses but generally exclude corporate administrative support costs, which consist primarily of indirect labor, benefits and long-term incentive-based compensation expenses of certain departments which provide support to all of the Company's various operating lines of business, except to the extent that such costs are charged to and borne by certain ancillary services and strategic initiatives via internal management fees. These corporate administrative support costs are reduced by internal management fees received from the Company's ancillary lines of business.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

The following is a summary of segment revenues, segment operating margin (loss), and a reconciliation of segment operating margin to consolidated income from continuing operations before income taxes:

	Year ended December 31,		
	2018	2017	2016
<b>Segment revenues:<sup>(1)</sup></b>			
<b>U.S. dialysis and related lab services</b>			
Patient service revenues:			
External sources	\$ 10,274,046	\$ 9,767,123	\$ 9,524,067
Intersegment revenues	92,950	55,176	27,355
Total U.S. dialysis and related lab services revenues	10,366,996	9,822,299	9,551,422
Provision for uncollectible accounts	(50,927)	(481,973)	(429,878)
Net U.S. dialysis and related lab services patient service revenues	10,316,069	9,340,326	9,121,544
Other revenues <sup>(2)</sup>	19,880	19,739	16,645
Total net U.S. dialysis and related lab services revenues	10,335,949	9,360,065	9,138,189
<b>Other - Ancillary services and strategic initiatives</b>			
Net patient service revenues	437,275	323,156	201,867
Other external sources	724,577	1,248,589	1,394,766
Intersegment revenues	34,236	24,603	24,739
Total ancillary services and strategic initiatives revenues	1,196,088	1,596,348	1,621,372
Total net segment revenues	11,532,037	10,956,413	10,759,561
Elimination of intersegment revenues	(127,186)	(79,779)	(52,094)
Consolidated net revenues	\$ 11,404,851	\$ 10,876,634	\$ 10,707,467
<b>Segment operating margin (loss):</b>			
U.S. dialysis and related lab services	\$ 1,709,721	\$ 2,297,198	\$ 1,777,014
Other—Ancillary services and strategic initiatives	(93,789)	(439,477)	266,324
Total segment margin	1,615,932	1,857,721	2,043,338
<b>Reconciliation of segment operating margin to consolidated income from continuing operations before income taxes:</b>			
Corporate administrative support	(90,108)	(44,966)	(13,628)
Consolidated operating income	1,525,824	1,812,755	2,029,710
Debt expense	(487,435)	(430,634)	(414,116)
Other income	10,089	17,665	7,511
Income from continuing operations before income taxes	\$ 1,048,478	\$ 1,399,786	\$ 1,623,105

(1) On January 1, 2018, the Company adopted *Revenue from Contracts with Customers* (Topic 606) using the cumulative effect method for those contracts that were not substantially completed as of January 1, 2018. Results related to performance obligations satisfied beginning on and after January 1, 2018 are presented under Topic 606, while results related to the satisfaction of performance obligations in prior periods continue to be reported in accordance with the Company's historical accounting under *Revenue Recognition* (Topic 605). See Notes 1 and 2 of these consolidated financial statements for further discussion of the Company's adoption of Topic 606.

(2) Includes management fee revenues from providing management and administrative services to dialysis ventures in which the Company owns a noncontrolling interest or which are wholly-owned by third parties.

Depreciation and amortization expense by reportable segment is as follows:

	Year ended December 31,		
	2018	2017	2016
U.S. dialysis and related lab services	\$ 558,810	\$ 520,965	\$ 482,768
Other - Ancillary services and strategic initiatives	32,225	38,946	26,729
	\$ 591,035	\$ 559,911	\$ 509,497

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

Summary of assets by reportable segment is as follows:

	Year ended December 31,	
	2018	2017
<b>Segment assets</b>		
U.S. dialysis and related lab services (including equity investments of \$95,290 and \$84,866, respectively)	\$ 12,333,641	\$ 11,802,131
Other - Ancillary services and strategic initiatives <sup>(1)</sup> (including equity investments of \$129,321 and \$160,668, respectively)	1,387,046	1,410,763
DMG - Held for sale (including equity investments of \$4,833 and \$10,321, respectively)	5,389,565	5,761,642
<b>Consolidated assets</b>	<b>\$ 19,110,252</b>	<b>\$ 18,974,536</b>

(1) Includes approximately \$136,052 and \$125,932 in 2018 and 2017, respectively, of net property and equipment related to the Company's international operations.

Expenditures for property and equipment by reportable segment is as follows:

	Year ended December 31,		
	2018	2017	2016
U.S. dialysis and related lab services	\$ 856,108	\$ 769,732	\$ 675,994
Other - Ancillary services and strategic initiatives	45,806	40,377	68,702
DMG - Held for sale	85,224	95,141	84,399
	<b>\$ 987,138</b>	<b>\$ 905,250</b>	<b>\$ 829,095</b>

**26. Supplemental cash flow information**

The table below provides supplemental cash flow information:

	Year ended December 31,		
	2018	2017	2016
<b>Cash paid:</b>			
Income taxes	\$ 92,526	\$ 387,159	\$ 339,411
Interest	\$ 488,974	\$ 424,547	\$ 406,987
<b>Non-cash investing and financing activities:</b>			
Fixed assets under capital lease obligations	\$ 8,828	\$ 48,378	\$ 28,127

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**27. Selected quarterly financial data (unaudited)**

<b>2018</b>	<b>December 31</b>	<b>September 30</b>	<b>June 30</b>	<b>March 31</b>
Total revenues	\$ 2,821,124	\$ 2,847,330	\$ 2,886,953	\$ 2,849,444
Operating income	\$ 387,908	\$ 289,038	\$ 438,192	\$ 410,686
<b>Attributable to DaVita Inc.:</b>				
Net income from continuing operations <sup>(1)</sup>	\$ 160,332	\$ 73,371	\$ 199,603	\$ 191,015
Net (loss) income from discontinued operations <sup>(2)</sup>	\$ (310,104)	\$ (210,167)	\$ 67,673	\$ (12,329)
Net (loss) income	\$ (149,772)	\$ (136,796)	\$ 267,276	\$ 178,686
<b>Per share attributable to DaVita Inc.:</b>				
Basic net income from continuing operations	\$ 0.97	\$ 0.44	\$ 1.16	\$ 1.07
Basic net (loss) income from discontinued operations	\$ (1.87)	\$ (1.26)	\$ 0.40	\$ (0.07)
Basic net (loss) income	\$ (0.90)	\$ (0.82)	\$ 1.56	\$ 1.00
Diluted net income from continuing operations	\$ 0.96	\$ 0.44	\$ 1.15	\$ 1.05
Diluted net (loss) income from discontinued operations	\$ (1.86)	\$ (1.26)	\$ 0.38	\$ (0.07)
Diluted net (loss) income	\$ (0.90)	\$ (0.82)	\$ 1.53	\$ 0.98
<b>2017</b>				
Total revenues	\$ 2,780,913	\$ 2,765,071	\$ 2,699,399	\$ 2,631,251
Operating income	\$ 150,337	\$ 395,294	\$ 391,196	\$ 875,928
<b>Attributable to DaVita Inc.:</b>				
Net income from continuing operations <sup>(1)</sup>	\$ 156,210	\$ 152,870	\$ 151,292	\$ 440,905
Net income (loss) from discontinued operations <sup>(2)</sup>	\$ 147,186	\$ (367,346)	\$ (24,291)	\$ 6,792
Net income (loss)	\$ 303,396	\$ (214,476)	\$ 127,001	\$ 447,697
<b>Per share attributable to DaVita Inc.:</b>				
Basic net income from continuing operations	\$ 0.86	\$ 0.81	\$ 0.79	\$ 2.29
Basic net income (loss) from discontinued operations	\$ 0.80	\$ (1.95)	\$ (0.13)	\$ 0.04
Basic net income (loss)	\$ 1.66	\$ (1.14)	\$ 0.66	\$ 2.33
Diluted net income from continuing operations	\$ 0.85	\$ 0.80	\$ 0.78	\$ 2.26
Diluted net income (loss) from discontinued operations	\$ 0.79	\$ (1.92)	\$ (0.13)	\$ 0.03
Diluted net income (loss)	\$ 1.64	\$ (1.12)	\$ 0.65	\$ 2.29

- (1) Included in the fourth quarter of 2018 is a net gain on changes in ownership interests of \$28,152; an equity investment loss of \$8,715 due to the sale of the APAC JV's India business; and an equity investment loss of \$1,530 due to impairments at the APAC JV. The third quarter of 2018 includes restructuring charges of \$11,366 and other asset impairment charges of \$6,093 related to the Company's pharmacy business; an equity investment loss of \$5,995 due to impairments at the APAC JV; an adjustment to the gain on changes in ownership interests on the sale of the Company's direct primary care business of \$1,506; and \$23,470 in additional stock-based compensation expense related to modification charges and net acceleration of expense. The second quarter of 2018 includes asset impairment charges of \$11,245 related to the pharmacy business; a net gain on changes in ownership interests of \$35,205 on the Company's direct primary care business; a loss of \$1,248 related to the unwinding of a business internationally; and a goodwill impairment charge of \$3,106 at the Company's German other health operations. Included in the fourth quarter of 2017 was an impairment of \$280,066 on the Company's investment in the APAC JV. The third quarter of 2017 included an equity investment loss of \$6,293 for goodwill impairments at the APAC JV and restructuring charges in the Company's international business of \$2,700. The second quarter of 2017 included goodwill impairment charges of \$10,498 related to the vascular access reporting unit. The first quarter of 2017 included a net gain on settlement of \$529,504; goodwill impairment charges of \$24,198 related to the vascular access reporting unit; an asset impairment of \$15,168 related to the restructuring of the pharmacy business; and a gain adjustment on the 2016 ownership change of the APAC JV of \$6,273.

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
**(dollars in thousands, except per share data)**

(2) Included in discontinued operations in the fourth quarter of 2018 is a \$218,639 disposal group valuation adjustment, a \$41,537 goodwill impairment charge and \$8,318 in related tax benefit. The third quarter of 2018 includes a \$216,147 charge on the Company's DMG business which included a \$98,201 disposal group valuation adjustment and \$117,946 in related tax expense on this held-for-sale business. The second quarter of 2018 includes a gain on the sale of the Company's Tandigm investment of \$25,096. The fourth quarter of 2017 includes a net tax benefit of \$163,555 due to a remeasurement of deferred taxes resulting from DMG's reclassification to held for sale. The third quarter of 2017 includes goodwill impairment charges of \$601,040 related to certain DMG reporting units; a non-cash gain associated with the Company's Magan acquisition of \$17,129; restructuring charges of \$9,569; and a reduction in estimated accruals for legal matters of \$11,100. The second quarter of 2017 includes goodwill impairment charges of \$50,619 related to certain DMG reporting units and a reduction in estimated accruals for legal matters of \$3,600.

**28. Consolidating financial statements**

The following information is presented in accordance with Rule 3-10 of Regulation S-X. The operating and investing activities of the separate legal entities included in the Company's consolidated financial statements are fully interdependent and integrated. Revenues and operating expenses of the separate legal entities include intercompany charges for management and other services. The Company's Senior Notes are guaranteed by substantially all of its domestic subsidiaries. Each of the guarantor subsidiaries has guaranteed the Senior Notes on a joint and several basis. However, the guarantor subsidiaries can be released from their obligations in the event of a sale or other disposition of all or substantially all of the assets of such subsidiary, including by merger or consolidation or the sale of all equity interests in such subsidiary owned by the Company, if such subsidiary guarantor is designated as an unrestricted subsidiary or otherwise ceases to be a restricted subsidiary, and if such subsidiary guarantor no longer guarantees any other indebtedness of the Company. Certain domestic subsidiaries, foreign subsidiaries, joint ventures, partnerships and third parties are not guarantors of the Senior Notes.

**Consolidating Statements of Income**

For twelve months ended December 31, 2018	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
Dialysis and related lab patient service revenues	\$ —	\$ 7,263,195	\$ 3,657,456	\$ (210,670)	\$ 10,709,981
Less: Provision for uncollectible accounts	—	(36,377)	(13,210)	—	(49,587)
Net dialysis and related lab patient service revenues	—	7,226,818	3,644,246	(210,670)	10,660,394
Other revenues	799,230	714,489	189,927	(959,189)	744,457
Total net revenues	799,230	7,941,307	3,834,173	(1,169,859)	11,404,851
Operating expenses and charges	646,640	7,100,415	3,301,831	(1,169,859)	9,879,027
Operating income	152,590	840,892	532,342	—	1,525,824
Debt expense	(491,749)	(208,484)	(36,427)	249,225	(487,435)
Other income, net	418,839	10,367	22,195	(441,312)	10,089
Income tax expense	23,482	187,691	47,227	—	258,400
Equity earnings in subsidiaries	103,196	344,025	—	(447,221)	—
Net income from continuing operations	159,394	799,109	470,883	(639,308)	790,078
Net (loss) income from discontinued operations, net of tax	—	(695,913)	46,788	192,087	(457,038)
Net income	159,394	103,196	517,671	(447,221)	333,040
Less: Net income attributable to noncontrolling interests	—	—	—	(173,646)	(173,646)
Net income attributable to DaVita Inc.	\$ 159,394	\$ 103,196	\$ 517,671	\$ (620,867)	\$ 159,394

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Income - (continued)**

<b>For twelve months ended December 31, 2017</b>	<b>DaVita Inc.</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Consolidating Adjustments</b>	<b>Consolidated Total</b>
Dialysis and related lab patient service revenues	\$ —	\$ 6,884,750	\$ 3,393,026	\$ (184,106)	\$ 10,093,670
Less: Provision for uncollectible accounts	—	(340,552)	(151,982)	7,170	(485,364)
Net dialysis and related lab patient service revenues	—	6,544,198	3,241,044	(176,936)	9,608,306
Other revenues	793,751	1,204,467	68,322	(798,212)	1,268,328
Total net revenues	793,751	7,748,665	3,309,366	(975,148)	10,876,634
Operating expenses and charges	527,942	6,475,550	3,035,535	(975,148)	9,063,879
Operating income	265,809	1,273,115	273,831	—	1,812,755
Debt expense	(426,149)	(209,612)	(34,831)	239,958	(430,634)
Other income, net	411,731	11,169	18,467	(423,702)	17,665
Income tax expense	65,965	237,670	20,224	—	323,859
Equity earnings in subsidiaries	478,192	74,375	—	(552,567)	—
Net income from continuing operations	663,618	911,377	237,243	(736,311)	1,075,927
Net (loss) income from discontinued operations, net of tax	—	(433,185)	4,069	183,744	(245,372)
Net income	663,618	478,192	241,312	(552,567)	830,555
Less: Net income attributable to noncontrolling interests	—	—	—	(166,937)	(166,937)
Net income attributable to DaVita Inc.	<u>\$ 663,618</u>	<u>\$ 478,192</u>	<u>\$ 241,312</u>	<u>\$ (719,504)</u>	<u>\$ 663,618</u>

<b>For twelve months ended December 31, 2016</b>	<b>DaVita Inc.</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Consolidating Adjustments</b>	<b>Consolidated Total</b>
Dialysis and related lab patient service revenues	\$ —	\$ 6,665,601	\$ 3,215,085	\$ (153,326)	\$ 9,727,360
Less: Provision for uncollectible accounts	—	(272,426)	(158,878)	—	(431,304)
Net dialysis and related lab patient service revenues	—	6,393,175	3,056,207	(153,326)	9,296,056
Other revenues	767,791	1,378,952	30,184	(765,516)	1,411,411
Total net revenues	767,791	7,772,127	3,086,391	(918,842)	10,707,467
Operating expenses and charges	493,175	6,907,469	2,195,955	(918,842)	8,677,757
Operating income	274,616	864,658	890,436	—	2,029,710
Debt expense	(407,925)	(191,083)	(40,434)	225,326	(414,116)
Other income, net	396,797	3,726	7,694	(400,706)	7,511
Income tax expense	77,334	238,446	115,981	—	431,761
Equity earnings in subsidiaries	693,720	667,278	—	(1,360,998)	—
Net income from continuing operations	879,874	1,106,133	741,715	(1,536,378)	1,191,344
Net (loss) income from discontinued operations, net of tax	—	(412,413)	78,771	175,380	(158,262)
Net income	879,874	693,720	820,486	(1,360,998)	1,033,082
Less: Net income attributable to noncontrolling interests	—	—	—	(153,208)	(153,208)
Net income attributable to DaVita Inc.	<u>\$ 879,874</u>	<u>\$ 693,720</u>	<u>\$ 820,486</u>	<u>\$ (1,514,206)</u>	<u>\$ 879,874</u>



**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Comprehensive Income**

<b>For the year ended December 31, 2018</b>	<b>DaVita Inc.</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Consolidating Adjustments</b>	<b>Consolidated Total</b>
Net income	\$ 159,394	\$ 103,196	\$ 517,671	\$ (447,221)	\$ 333,040
Other comprehensive income (loss)	6,153	—	(45,944)	—	(39,791)
Total comprehensive income	165,547	103,196	471,727	(447,221)	293,249
Less: Comprehensive income attributable to noncontrolling interest	—	—	—	(173,646)	(173,646)
Comprehensive income attributable to DaVita Inc.	<u>\$ 165,547</u>	<u>\$ 103,196</u>	<u>\$ 471,727</u>	<u>\$ (620,867)</u>	<u>\$ 119,603</u>
<b>For the year ended December 31, 2017</b>					
Net income	\$ 663,618	\$ 478,192	\$ 241,312	\$ (552,567)	\$ 830,555
Other comprehensive income	3,106	—	99,770	—	102,876
Total comprehensive income	666,724	478,192	341,082	(552,567)	933,431
Less: Comprehensive income attributable to noncontrolling interest	—	—	—	(166,935)	(166,935)
Comprehensive income attributable to DaVita Inc.	<u>\$ 666,724</u>	<u>\$ 478,192</u>	<u>\$ 341,082</u>	<u>\$ (719,502)</u>	<u>\$ 766,496</u>
<b>For the year ended December 31, 2016</b>					
Net income	\$ 879,874	\$ 693,720	\$ 820,486	\$ (1,360,998)	\$ 1,033,082
Other comprehensive loss	(290)	—	(29,337)	—	(29,627)
Total comprehensive income	879,584	693,720	791,149	(1,360,998)	1,003,455
Less: Comprehensive income attributable to noncontrolling interest	—	—	—	(153,398)	(153,398)
Comprehensive income attributable to DaVita Inc.	<u>\$ 879,584</u>	<u>\$ 693,720</u>	<u>\$ 791,149</u>	<u>\$ (1,514,396)</u>	<u>\$ 850,057</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Balance Sheets**

As of December 31, 2018	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
Cash and cash equivalents	\$ 60,653	\$ —	\$ 262,385	\$ —	\$ 323,038
Restricted cash and equivalents	1,005	12,048	79,329	—	92,382
Accounts receivable, net	—	1,264,290	594,318	—	1,858,608
Other current assets	37,185	601,318	122,063	—	760,566
Current assets held for sale	—	4,440,953	948,612	—	5,389,565
Total current assets	98,843	6,318,609	2,006,707	—	8,424,159
Property and equipment, net	491,462	1,624,835	1,277,372	—	3,393,669
Intangible assets, net	153	42,933	75,760	—	118,846
Investments in subsidiaries	10,102,750	3,239,862	—	(13,342,612)	—
Intercompany receivables	3,419,448	—	1,471,203	(4,890,651)	—
Other long-term assets and investments	53,385	80,537	197,696	—	331,618
Goodwill	—	4,812,365	2,029,595	—	6,841,960
Total assets	\$ 14,166,041	\$ 16,119,141	\$ 7,058,333	\$ (18,233,263)	\$ 19,110,252
Current liabilities	\$ 1,945,943	\$ 1,251,534	\$ 449,925	\$ —	\$ 3,647,402
Current liabilities held for sale	—	722,766	520,993	—	1,243,759
Total current liabilities	1,945,943	1,974,300	970,918	—	4,891,161
Intercompany payables	—	3,327,026	1,563,625	(4,890,651)	—
Long-term debt and other long-term liabilities	7,918,581	715,065	552,406	—	9,186,052
Noncontrolling interests subject to put provisions	598,075	—	—	526,566	1,124,641
Total DaVita Inc. shareholders' equity	3,703,442	10,102,750	3,239,862	(13,342,612)	3,703,442
Noncontrolling interests not subject to put provisions	—	—	731,522	(526,566)	204,956
Total equity	3,703,442	10,102,750	3,971,384	(13,869,178)	3,908,398
Total liabilities and equity	\$ 14,166,041	\$ 16,119,141	\$ 7,058,333	\$ (18,233,263)	\$ 19,110,252

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Balance Sheets - (continued)**

As of December 31, 2017	DaVita Inc.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
Cash and cash equivalents	\$ 149,305	\$ —	\$ 358,929	\$ —	\$ 508,234
Restricted cash and equivalents	1,002	9,384	300	—	10,686
Accounts receivable, net	—	1,208,715	506,035	—	1,714,750
Other current assets	67,025	621,409	86,955	—	775,389
Current assets held for sale	—	4,992,067	769,575	—	5,761,642
Total current assets	217,332	6,831,575	1,721,794	—	8,770,701
Property and equipment, net	408,010	1,560,390	1,180,813	—	3,149,213
Intangible assets, net	250	50,971	62,606	—	113,827
Investments in subsidiaries	10,009,874	3,085,722	—	(13,095,596)	—
Intercompany receivables	3,677,947	—	1,313,213	(4,991,160)	—
Other long-term assets and investments	47,297	68,344	214,875	—	330,516
Goodwill	—	4,732,320	1,877,959	—	6,610,279
Total assets	<u>\$ 14,360,710</u>	<u>\$ 16,329,322</u>	<u>\$ 6,371,260</u>	<u>\$ (18,086,756)</u>	<u>\$ 18,974,536</u>
Current liabilities	\$ 238,706	\$ 1,207,482	\$ 436,262	\$ —	\$ 1,882,450
Current liabilities held for sale	—	739,294	445,776	—	1,185,070
Total current liabilities	238,706	1,946,776	882,038	—	3,067,520
Intercompany payables	—	3,690,042	1,301,118	(4,991,160)	—
Long-term debt and other long-term liabilities	8,857,373	682,630	469,587	—	10,009,590
Noncontrolling interests subject to put provisions	574,602	—	—	436,758	1,011,360
Total DaVita Inc. shareholders' equity	4,690,029	10,009,874	3,085,722	(13,095,596)	4,690,029
Noncontrolling interests not subject to put provisions	—	—	632,795	(436,758)	196,037
Total equity	4,690,029	10,009,874	3,718,517	(13,532,354)	4,886,066
Total liabilities and equity	<u>\$ 14,360,710</u>	<u>\$ 16,329,322</u>	<u>\$ 6,371,260</u>	<u>\$ (18,086,756)</u>	<u>\$ 18,974,536</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Cash Flow**

For the year ended December 31, 2018	DaVita Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>Cash flows from operating activities:</b>					
Net income	\$ 159,394	\$ 103,196	\$ 517,671	\$ (447,221)	\$ 333,040
Changes in operating assets and liabilities and non-cash items included in net income	(86,070)	818,027	259,422	447,221	1,438,600
Net cash provided by operating activities	73,324	921,223	777,093	—	1,771,640
<b>Cash flows from investing activities:</b>					
Additions of property and equipment, net	(175,787)	(534,278)	(277,073)	—	(987,138)
Acquisitions	—	(73,046)	(110,110)	—	(183,156)
Proceeds from asset sales, net of cash divested	—	61,962	88,243	—	150,205
Investments and other items	30,962	(16,362)	(154)	—	14,446
Net cash used in investing activities	(144,825)	(561,724)	(299,094)	—	(1,005,643)
<b>Cash flows from financing activities:</b>					
Long-term debt and related financing costs, net	725,889	(11,437)	(19,675)	—	694,777
Intercompany borrowing	404,897	(311,778)	(93,119)	—	—
Other items	(1,147,934)	(28,067)	(144,130)	—	(1,320,131)
Net cash used in financing activities	(17,148)	(351,282)	(256,924)	—	(625,354)
Effect of exchange rate changes on cash	—	—	(3,350)	—	(3,350)
Net (decrease) increase in cash, cash equivalents and restricted cash	(88,649)	8,217	217,725	—	137,293
Less: Net increase in cash, cash equivalents and restricted cash from discontinued operations	—	5,553	235,240	—	240,793
Net (decrease) increase in cash, cash equivalents and restricted cash from continuing operations	(88,649)	2,664	(17,515)	—	(103,500)
Cash, cash equivalents and restricted cash of continuing operations at beginning of the year	150,307	9,384	359,229	—	518,920
Cash, cash equivalents and restricted cash of continuing operations at end of the year	\$ 61,658	\$ 12,048	\$ 341,714	\$ —	\$ 415,420

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Cash Flow - (continued)**

For the year ended December 31, 2017	DaVita Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>Cash flows from operating activities:</b>					
Net income	\$ 663,618	\$ 478,192	\$ 241,312	\$ (552,567)	\$ 830,555
Changes in operating assets and liabilities and non-cash items included in net income	(533,300)	368,135	695,209	552,567	1,082,611
Net cash provided by operating activities	130,318	846,327	936,521	—	1,913,166
<b>Cash flows from investing activities:</b>					
Additions of property and equipment, net	(155,972)	(490,800)	(258,478)	—	(905,250)
Acquisitions	—	(693,522)	(110,357)	—	(803,879)
Proceeds from asset and business sales, net of cash divested	—	90,340	1,996	—	92,336
Investments and other items	211,619	(7,004)	47,446	—	252,061
Net cash provided by (used in) investing activities	55,647	(1,100,986)	(319,393)	—	(1,364,732)
<b>Cash flows from financing activities:</b>					
Long-term debt and related financing costs, net	173,529	(12,662)	(6,019)	—	154,848
Intercompany borrowing	22,589	218,980	(241,569)	—	—
Other items	(781,697)	(2,493)	(136,915)	—	(921,105)
Net cash (used in) provided by financing activities	(585,579)	203,825	(384,503)	—	(766,257)
Effect of exchange rate changes on cash	—	—	254	—	254
Net (decrease) increase in cash, cash equivalents and restricted cash	(399,614)	(50,834)	232,879	—	(217,569)
Less: Net decrease in cash, cash equivalents and restricted cash from discontinued operations	—	(51,531)	(1,495)	—	(53,026)
Net (decrease) increase in cash, cash equivalents and restricted cash from continuing operations	(399,614)	697	234,374	—	(164,543)
Cash, cash equivalents and restricted cash of continuing operations at beginning of the year	549,921	8,687	124,855	—	683,463
Cash, cash equivalents and restricted cash of continuing operations at end of the year	\$ 150,307	\$ 9,384	\$ 359,229	\$ —	\$ 518,920

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Consolidating Statements of Cash Flow - (continued)**

For the year ended December 31, 2016	DaVita Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
<b>Cash flows from operating activities:</b>					
Net income	\$ 879,874	\$ 693,720	\$ 820,486	\$ (1,360,998)	\$ 1,033,082
Changes in operating assets and liabilities and non-cash items included in net income	(612,706)	359,366	(168,614)	1,360,998	939,044
Net cash provided by operating activities	267,168	1,053,086	651,872	—	1,972,126
<b>Cash flows from investing activities:</b>					
Additions of property and equipment, net	(139,303)	(382,305)	(307,487)	—	(829,095)
Acquisitions	—	(472,413)	(91,443)	—	(563,856)
Proceeds from asset sales	—	70,342	(5,617)	—	64,725
Investments and other items	153,031	(29,038)	2,565	—	126,558
Net cash provided by (used in) investing activities	13,728	(813,414)	(401,982)	—	(1,201,668)
<b>Cash flows from financing activities:</b>					
Long-term debt and related financing costs, net	(92,460)	(27,830)	(4,152)	—	(124,442)
Intercompany borrowing	236,052	(231,800)	(4,252)	—	—
Other items	(1,061,203)	(21,525)	(144,811)	—	(1,227,539)
Net cash used in financing activities	(917,611)	(281,155)	(153,215)	—	(1,351,981)
Effect of exchange rate changes on cash	—	—	4,276	—	4,276
Net (decrease) increase in cash, cash equivalents and restricted cash	(636,715)	(41,483)	100,951	—	(577,247)
Less: Net (decrease) increase in cash, cash equivalents and restricted cash from discontinued operations	—	(50,170)	34,377	—	(15,793)
Net (decrease) increase in cash, cash equivalents and restricted cash from continuing operations	(636,715)	8,687	66,574	—	(561,454)
Cash, cash equivalents and restricted cash of continuing operations at beginning of the year	1,186,636	—	58,281	—	1,244,917
Cash, cash equivalents and restricted cash of continuing operations at end of the year	<u>\$ 549,921</u>	<u>\$ 8,687</u>	<u>\$ 124,855</u>	<u>\$ —</u>	<u>\$ 683,463</u>

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**29. Supplemental data (unaudited)**

The following information is presented as supplemental data as required by the indentures governing the Company's Senior Notes.

**Condensed Consolidating Statements of Income**

For the year ended December 31, 2018	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries <sup>(1)</sup>
Dialysis and related lab patient service revenues	\$ 10,709,981	\$ —	\$ —	\$ 10,709,981
Less: Provision for uncollectible accounts	(49,587)	—	—	(49,587)
Net dialysis and related lab patient service revenues	10,660,394	—	—	10,660,394
Other revenues	744,457	—	—	744,457
Total net revenues	11,404,851	—	—	11,404,851
Operating expenses and charges	9,879,027	—	—	9,879,027
Operating income	1,525,824	—	—	1,525,824
Debt expense	(487,435)	—	—	(487,435)
Other income, net	10,089	—	—	10,089
Income tax expense	258,400	—	—	258,400
Net income from continuing operations	790,078	—	—	790,078
Net (loss) income from discontinued operations, net of tax	(457,038)	37,373	92	(494,503)
Net income	333,040	37,373	92	295,575
Less: Net income attributable to noncontrolling interests	(173,646)	(7,841)	—	(165,805)
Net income attributable to DaVita Inc.	<u>\$ 159,394</u>	<u>\$ 29,532</u>	<u>\$ 92</u>	<u>\$ 129,770</u>

**Condensed Consolidating Statements of Comprehensive Income**

For the year ended December 31, 2018	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries <sup>(1)</sup>
Net income	\$ 333,040	\$ 37,373	\$ 92	\$ 295,575
Other comprehensive loss	(39,791)	—	—	(39,791)
Total comprehensive income	293,249	37,373	92	255,784
Less: Comprehensive income attributable to noncontrolling interest	(173,646)	(7,841)	—	(165,805)
Comprehensive income attributable to DaVita Inc.	<u>\$ 119,603</u>	<u>\$ 29,532</u>	<u>\$ 92</u>	<u>\$ 89,979</u>

(1) After the elimination of the unrestricted subsidiaries and the physician groups

**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Condensed Consolidating Balance Sheets**

As of December 31, 2018	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries <sup>(1)</sup>
Cash and cash equivalents	\$ 323,038	\$ —	\$ —	\$ 323,038
Restricted cash and equivalents	92,382	—	—	92,382
Accounts receivable, net	1,858,608	—	—	1,858,608
Other current assets	760,566	—	—	760,566
Other current assets held for sale	5,389,565	532,050	2,825	4,854,690
Total current assets	8,424,159	532,050	2,825	7,889,284
Property and equipment, net	3,393,669	—	—	3,393,669
Amortizable intangibles, net	118,846	—	—	118,846
Other long-term assets	331,618	—	—	331,618
Goodwill	6,841,960	—	—	6,841,960
Total assets	\$ 19,110,252	\$ 532,050	\$ 2,825	\$ 18,575,377
Current liabilities	\$ 3,647,402	\$ —	\$ —	\$ 3,647,402
Current liabilities held for sale	1,243,759	351,925	—	891,834
Total current liabilities	4,891,161	351,925	—	4,539,236
Payables to parent	—	25,456	2,825	(28,281)
Long-term debt and other long-term liabilities	9,186,052	—	—	9,186,052
Noncontrolling interests subject to put provisions	1,124,641	—	—	1,124,641
Total DaVita Inc. shareholders' equity	3,703,442	154,669	—	3,548,773
Noncontrolling interests not subject to put provisions	204,956	—	—	204,956
Shareholders' equity	3,908,398	154,669	—	3,753,729
Total liabilities and shareholders' equity	\$ 19,110,252	\$ 532,050	\$ 2,825	\$ 18,575,377



**DAVITA INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (continued)**  
(dollars in thousands, except per share data)

**Condensed Consolidating Statements of Cash Flow**

For the year ended December 31, 2018	Consolidated Total	Physician Groups	Unrestricted Subsidiaries	Company and Restricted Subsidiaries <sup>(1)</sup>
<b>Cash flows from operating activities:</b>				
Net income	\$ 333,040	\$ 37,373	\$ 92	\$ 295,575
Changes in operating and intercompany assets and liabilities and non-cash items included in net income	1,438,600	81,722	(92)	1,356,970
Net cash provided by operating activities	1,771,640	119,095	—	1,652,545
<b>Cash flows from investing activities:</b>				
Additions of property and equipment	(987,138)	(2,746)	—	(984,392)
Acquisitions and divestitures, net	(183,156)	—	—	(183,156)
Proceeds from asset sales	150,205	—	—	150,205
Investments and other items, net	14,446	(154)	—	14,600
Net cash used in investing activities	(1,005,643)	(2,900)	—	(1,002,743)
<b>Cash flows from financing activities:</b>				
Long-term debt and related financing costs, net	694,777	—	—	694,777
Intercompany	—	25,296	—	(25,296)
Other items	(1,320,131)	—	—	(1,320,131)
Net cash (used in) provided by financing activities	(625,354)	25,296	—	(650,650)
Effect of exchange rate changes on cash	(3,350)	—	—	(3,350)
Net increase (decrease) in cash, cash equivalents and restricted cash	137,293	141,491	—	(4,198)
Less: Net increase in cash, cash equivalents and restricted cash from discontinued operations	240,793	141,491	—	99,302
Net decrease in cash, cash equivalents and restricted cash from continuing operations	(103,500)	—	—	(103,500)
Cash, cash equivalents and restricted cash of continuing operations at beginning of the year	518,920	—	—	518,920
Cash, cash equivalents and restricted cash of continuing operations at end of the year	<u>\$ 415,420</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 415,420</u>

(1) After the elimination of the unrestricted subsidiaries and the physician groups

## EXHIBIT INDEX

- [2.1](#) Agreement and Plan of Merger, dated as of May 20, 2012, by and among DaVita Inc., Seismic Acquisition LLC, HealthCare Partners Holdings, LLC, and the Member Representative.(28)
- [2.2](#) Amendment, dated as of July 6, 2012, to the Agreement and Plan of Merger, dated as of May 20, 2012, by and among DaVita Inc., Seismic Acquisition LLC, HealthCare Partners Holdings, LLC, and the Member Representative.(25)
- [2.3](#) Amendment No. 2, dated as of August 30, 2013, to the Agreement and Plan of Merger, dated as of May 20, 2012, by and among DaVita Inc., Seismic Acquisition LLC, HealthCare Partners Holdings, LLC, and the Member Representative.✓
- [2.4](#) Amendment No. 3, dated as of June 22, 2018, to the Agreement and Plan of Merger, dated as of May 20, 2012, by and among DaVita Inc., Seismic Acquisition LLC, HealthCare Partners Holdings, LLC, and the Member Representative.(30)
- [3.1](#) Restated Certificate of Incorporation of DaVita Inc., as filed with the Secretary of State of Delaware on November 1, 2016.(1)
- [3.2](#) Amended and Restated Bylaws for DaVita Inc. dated as of September 7, 2016.(1)
- [4.1](#) Indenture, dated August 28, 2012, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee.(4)
- [4.2](#) Form of 5.750% Senior Notes due 2022 and related Guarantee (included in Exhibit 4.1).(4)
- [4.3](#) Indenture, dated June 13, 2014, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee.(26)
- [4.4](#) Form of 5.125% Senior Notes due 2024 and related Guarantee (included in Exhibit 4.3).(26)
- [4.5](#) Second Supplemental Indenture for the 5.750% Senior Notes due 2022, dated June 13, 2014, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee.(21)
- [4.6](#) Indenture for the 5.000% Senior Notes due 2025, dated April 17, 2015, by and among DaVita Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee.(22)
- [4.7](#) Form of 5.000% Senior Notes due 2025 and related Guarantee (included in Exhibit 4.6).(22)
- [10.1](#) Sourcing and Supply Agreement between DaVita Inc. and Amgen USA Inc. effective as of January 6, 2017.(6)\*\*
- [10.2](#) Equity Purchase Agreement, dated as of December 5, 2017, by and among DaVita Inc., Collaborative Care Holdings, LLC, and solely with respect to Section 9.3 and Section 9.18 thereto, UnitedHealth Group Incorporated.(2)
- [10.3](#) Amendment No. 1 dated as of September 20, 2018, to that certain Equity Purchase Agreement, dated as of December 5, 2017, by and among DaVita, Inc., a Delaware corporation, Collaborative Care Holdings, LLC, a Delaware limited liability company and a wholly owned subsidiary of Optum, Inc., and solely with respect to Section 9.3 and Section 9.18 thereto, UnitedHealth Group Incorporated, a Delaware corporation.(31)

- [10.4](#) Second Amendment to Equity Purchase Agreement by and between DaVita, Inc., a Delaware corporation, and Collaborative Care Holdings, LLC, a Delaware limited liability company, dated as of December 11, 2018, amending that certain Equity Purchase Agreement, dated as of December 5, 2017, by and among DaVita, Inc., Collaborative Care Holdings, LLC, and, solely with respect to Section 9.3 and Section 9.18 thereto, UnitedHealth Group Incorporated (as previously amended).(14)
- [10.5](#) Credit Agreement, dated as of June 24, 2014, by and among DaVita Inc., the guarantors the guarantors party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, Barclays Bank PLC, and Wells Fargo Bank, National Association as Co-Syndication Agents, Bank of America, N.A., Credit Suisse AG, Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., and SunTrust Bank, as Co-Documentation Agents, Barclays Bank PLC, Wells Fargo Securities, LLC, Credit Suisse Securities (USA) LLC, Goldman Sachs Bank USA, J.P. Morgan Securities, LLC, Bank of America, N.A., Morgan Stanley Senior Funding, Inc., and SunTrust Robinson Humphrey, Inc. as Joint Lead Arrangers and Joint Bookrunners, The Bank of Nova Scotia, Credit Agricole Securities (USA) Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Sumitomo Mitsui Banking Corporation, as Senior Managing Agents, HSBC Securities (USA) Inc., Fifth Third Bank, and Compass Bank as Managing Agents. (21)
- [10.6](#) Amendment No. 1, dated as of November 21, 2018, to that certain Credit Agreement, dated as of June 24, 2014, by and among DaVita Inc., the guarantors party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, and the other agents from time to time party thereto.(16)
- [10.7](#) Corporate Integrity Agreement, dated as of October 22, 2014, by and among the Office of Inspector General of The Department of Health and Human Services and DaVita Inc.(27)
- [10.8](#) Form of Non-Competition and Non-Solicitation Agreement, dated as of May 20, 2012, between DaVita Inc. and Dr. Robert Margolis, Dr. William Chin, Dr. Thomas Paulsen, Mr. Zan Calhoun, and Ms. Lori Glisson. (28)
- [10.9](#) Employment Agreement, effective July 25, 2008, between DaVita Inc. and Kent J. Thiry.(15)\*
- [10.10](#) Amendment to Employment Agreement, effective December 31, 2014, by and between DaVita Inc. and Kent J. Thiry.\*✓
- [10.11](#) Amendment Number Two to Employment Agreement, effective as of August 20, 2018, by and between DaVita Inc. and Kent J. Thiry (32).\*
- [10.12](#) Employment Agreement, effective March 17, 2010, by and between DaVita Inc. and Javier Rodriguez.(20)\*
- [10.13](#) Amendment to Employment Agreement, effective December 31, 2014, by and between DaVita Inc. and Javier Rodriguez.\*✓
- [10.14](#) Employment Agreement, effective February 21, 2017, by and between DaVita Inc. and Joel Ackerman.(9)\*
- [10.15](#) Employment Agreement, effective April 27, 2016, by and between DaVita HealthCare Partners Inc. and Kathleen A. Waters.(6)\*
- [10.16](#) Employment Agreement, effective September 22, 2005, by and between DaVita Inc. and James Hilger.(8)\*
- [10.17](#) Amendment to Mr. Hilger's Employment Agreement, effective December 12, 2008.(18)\*
- [10.18](#) Second Amendment to Mr. Hilger's Employment Agreement, effective December 27, 2012.(23)\*
- [10.19](#) Third Amendment to Employment Agreement, effective December 31, 2014, by and between DaVita Inc. and James Hilger.\*✓
- [10.20](#) Transition Agreement, dated as of July 31, 2018, by and between DaVita Inc. and James Hilger.(30)\*

- [10.21](#) Amendment to Stock Appreciation Rights Agreements, entered into effective as of March 1, 2018, by and between DaVita Inc. and Carol Anthony Davidson.(29)\*
- [10.22](#) Consulting Agreement, effective June 15, 2017, by and between DaVita Inc. and Roger J. Valine.(3)\*
- [10.23](#) Amendment to Stock Appreciation Rights Agreements, effective June 15, 2017, by and between DaVita Inc. and Roger J. Valine. (3)\*
- [10.24](#) Form of Indemnity Agreement.(12)\*
- [10.25](#) Form of Indemnity Agreement.(7)\*
- [10.26](#) DaVita Deferred Compensation Plan.(9)\*
- [10.27](#) Executive Incentive Plan (as Amended and Restated effective January 1, 2009).(19)\*
- [10.28](#) DaVita Voluntary Deferral Plan.(5)\*
- [10.29](#) Deferred Bonus Plan (Prosperity Plan).(17)\*
- [10.30](#) Amendment No. 1 to Deferred Bonus Plan (Prosperity Plan).(18)\*
- [10.31](#) Amended and Restated Employee Stock Purchase Plan.(13)\*
- [10.32](#) DaVita Inc. Severance Plan for Directors and Above.\*✓
- [10.33](#) Change in Control Bonus Program.(18)\*
- [10.34](#) DaVita Inc. Non-Employee Director Compensation Policy. (29)\*
- [10.35](#) Amended and Restated DaVita Inc. 2011 Incentive Award Plan.(11)\*
- [10.36](#) DaVita Inc. Rule of 65 Policy, adopted on August 19, 2018.(32)\*
- [10.37](#) Form of Stock Appreciation Rights Agreement-Executives (DaVita Inc. 2011 Incentive Award Plan).(30)\*
- [10.38](#) Form of Restricted Stock Units Agreement-Executives (DaVita Inc. 2011 Incentive Award Plan).(30)\*
- [10.39](#) Form of Performance Stock Units Agreement -Executives (DaVita Inc. 2011 Incentive Award Plan).(30)\*
- [10.40](#) Form of Stock Appreciation Rights Agreement-Board members (DaVita Inc. 2011 Incentive Award Plan).(30)\*
- [10.41](#) Form of 2014 Long Term Incentive Program Stock Appreciation Rights Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program.(10)\*
- [10.42](#) Form of 2014 Long Term Incentive Program Restricted Stock Units Agreement under the DaVita Inc. 2011 Incentive Award Plan and Long-Term Incentive Program.(10)\*
- [10.43](#) Form of Stock Appreciation Rights Agreement-Board members (DaVita Inc. 2011 Incentive Award Plan).(24)\*

<a href="#">10.44</a>	Form of Stock Appreciation Rights Agreement-Executives (DaVita Inc. 2011 Incentive Award Plan).(23)*
<a href="#">10.45</a>	Form of Restricted Stock Units Agreement-Executives (DaVita Inc. 2011 Incentive Award Plan).(24)*
<a href="#">10.46</a>	Form of Long-Term Incentive Program Award Agreement (For 162(m) designated teammates) (DaVita Inc. 2011 Incentive Award Plan).(23)*
<a href="#">10.47</a>	Form of Long-Term Incentive Program Award Agreement (DaVita Inc. 2011 Incentive Award Plan).(23)*
<a href="#">21.1</a>	List of our subsidiaries.✓
<a href="#">23.1</a>	Consent of KPMG LLP, independent registered public accounting firm.✓
<a href="#">24.1</a>	Powers of Attorney with respect to DaVita. (Included on Page S-1).
<a href="#">31.1</a>	Certification of the Chief Executive Officer, dated February 22, 2019, pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.✓
<a href="#">31.2</a>	Certification of the Chief Financial Officer, dated February 22, 2019, pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.✓
<a href="#">32.1</a>	Certification of the Chief Executive Officer, dated February 22, 2019, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.✓
<a href="#">32.2</a>	Certification of the Chief Financial Officer, dated February 22, 2019, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.✓
101.INS	XBRL Instance Document - the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.✓
101.SCH	XBRL Taxonomy Extension Schema Document.✓
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.✓
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.✓
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.✓
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.✓

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✓ 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 November 2, 2016 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016.

(2) Filed on December 6, 2017 as an exhibit to the Company's Current Report on Form 8-K.

(3) Filed on November 7, 2017 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017.

(4) Filed on August 28, 2012 as an exhibit to the Company's Current Report on Form 8-K.

(5) Filed on November 8, 2005 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005.

(6) Filed on May 2, 2017 as an exhibit to the Company's Quarterly Report on 10-Q for the quarter ended March 31, 2017.

- (7) Filed on March 3, 2005 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2004.
- (8) Filed on August 7, 2006 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ending June 30, 2006.
- (9) Filed on February 24, 2017 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2016.
- (10) Filed on November 6, 2014 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.
- (11) Filed on April 28, 2014 as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A.
- (12) Filed on December 20, 2006 as an exhibit to the Company's Current Report on Form 8-K.
- (13) Filed on June 4, 2007 as an exhibit to the Company's Current Report on Form 8-K.
- (14) Filed on December 17, 2018 as an exhibit to the Company's Current Report on Form 8-K.
- (15) Filed on July 31, 2008 as an exhibit to the Company's Current Report on Form 8-K.
- (16) Filed on November 26, 2018 as an exhibit to the Company's Current Report on Form 8-K.
- (17) Filed on February 29, 2008 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2007.
- (18) Filed on February 27, 2009 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2008.
- (19) Filed on June 18, 2009 as an exhibit to the Company's Current Report on Form 8-K.
- (20) Filed on April 14, 2010 as an exhibit to the Company's Current Report on Form 8-K.
- (21) Filed on August 1, 2014 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.
- (22) Filed on April 17, 2015 as an exhibit to the Company's Current Report on Form 8-K.
- (23) Filed on March 1, 2013 as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2012.
- (24) Filed on August 4, 2011 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.
- (25) Filed on July 9, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (26) Filed on June 16, 2014 as an exhibit to the Company's Current Report on Form 8-K.
- (27) Filed on October 23, 2014 as an exhibit to the Company's Current Report on Form 8-K.
- (28) Filed on May 21, 2012 as an exhibit to the Company's Current Report on Form 8-K.
- (29) Filed on May 3, 2018 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018.
- (30) Filed on August 1, 2018 as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018.
- (31) Filed on September 24, 2018 as an exhibit to the Company's Current Report on Form 8-K.
- (32) Filed on August 23, 2018 as an exhibit to the Company's Current Report on Form 8-K.

## 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 Denver, State of Colorado, on February 22, 2019.

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, Joel Ackerman, and Kathleen Waters, 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 on behalf of the registrant and 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 22, 2019
/s/ JOEL ACKERMAN Joel Ackerman	Chief Financial Officer (Principal Financial Officer)	February 22, 2019
/s/ JAMES K. HILGER James K. Hilger	Chief Accounting Officer (Principal Accounting Officer)	February 22, 2019
/s/ PAMELA M. ARWAY Pamela M. Arway	Director	February 22, 2019
/s/ CHARLES G. BERG Charles G. Berg	Director	February 22, 2019
/s/ BARBARA J. DESOER Barbara J. Desoer	Director	February 22, 2019
/s/ PASCAL DESROCHES Pascal Desroches	Director	February 22, 2019
/s/ PAUL J. DIAZ Paul J. Diaz	Director	February 22, 2019
/s/ PETER T. GRAUER Peter T. Grauer	Director	February 22, 2019
/s/ JOHN M. NEHRA John M. Nehra	Director	February 22, 2019
/s/ WILLIAM L. ROPER William L. Roper	Director	February 22, 2019
/s/ PHYLLIS R. YALE Phyllis R. Yale	Director	February 22, 2019



**DAVITA INC.**  
**SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS**

Description	Balance at beginning of year	Acquisitions	Amounts charged to income	Amounts written off	Balance at end of year
	(in thousands)				
Allowance for uncollectible accounts:					
Year ended December 31, 2018	\$ 218,399	\$ —	\$ 42,287	\$ 207,762	\$ 52,924
Year ended December 31, 2017	\$ 238,897	\$ —	\$ 478,365	\$ 498,863	\$ 218,399
Year ended December 31, 2016	\$ 251,734	\$ —	\$ 442,985	\$ 455,822	\$ 238,897

**AMENDMENT NO. 2 TO AGREEMENT AND PLAN OF MERGER**

This Amendment, dated as of August 30, 2013 (this "Amendment"), to the AGREEMENT AND PLAN OF MERGER is by and among DAVITA HEALTHCARE PARTNERS INC., a Delaware corporation ("DaVita"), HEALTHCARE PARTNERS HOLDINGS, LLC, a California limited liability company (the "Company"), and ROBERT D. MOSHER, as the member representative (the "Member Representative"). Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in that certain Agreement and Plan of Merger, dated as of May 20, 2012, as amended by that certain Amendment to Agreement and Plan of Merger, dated as of July 6, 2012 (the "Merger Agreement"), by and among DaVita, Seismic Acquisition LLC ("Merger Sub"), the Company, and the Member Representative, relating to the merger of Merger Sub with and into the Company, with the Company continuing as the surviving entity and as a wholly owned subsidiary of DaVita.

**RECITALS**

WHEREAS, pursuant to the Merger Agreement, if the Earn-Out EBITDA for the fiscal year ended December 31, 2013 is equal to or greater than \$600,000,000, then (x) DaVita shall pay to the Members and holders of Company Options the Second Tranche (less the aggregate amount payable pursuant to clause (y) below) in cash, which shall be allocated among the Members and the holders of Company Options pro rata based on the Fully Diluted Units held by such Members or attributable to the Company Options held by such holders of Company Options as of immediately prior to the Closing relative to Total Outstanding Company Units, and (y) DaVita shall pay, or cause to be paid, any Nevada Second Tranche Payment that is due and payable pursuant to Section 1(b) of each of the Nevada Settlement Agreements;

WHEREAS, in light of the uncertainty whether Earn-Out EBITDA for the fiscal year ended December 31, 2013 will be equal to or greater than \$600,000,000, DaVita and the Member Representative agree that, in lieu of waiting to the end of the fiscal year ending December 31, 2013, and making a final Earn-Out EBITDA determination for such period and calculating the resulting Per Unit Earn-Out Payment as described in Section 3.06 of the Merger Agreement, DaVita will pay the amounts as specified in this Amendment;

WHEREAS, it is the desire of DaVita and the Member Representative by entering into this Amendment to fully, completely, and permanently resolve all of the Member Representative's, and the Members' and holders of Company Options' claims, against DaVita and the Company, together with the subsidiaries, affiliates, officers, managers, employees, and agents of each (collectively the "Released Parties"), whether such claims are presently known or unknown, related to the Second Tranche;

WHEREAS, the parties hereby agree that any claims that the Member Representative, or the Members or holders of Company Options, may have against the Released Parties related to

the Second Tranche are fully released upon the execution of this Amendment and the payment of the amounts detailed below;

WHEREAS, JSA Healthcare Nevada, L.L.C., a Nevada limited liability company ("JSA"), and Sherif W. Abdou, M.D., a resident of the State of Nevada, are entering into an Amendment to Settlement Agreement, dated as of August 30, 2013 (the "Abdou Amendment"), pursuant to which the parties have agreed that they will release all claims against each other with respect to the Transaction Settlement Payment (as defined in the Abdou Amendment) and JSA will pay Dr. Abdou the amounts specified in the Abdou Amendment in full and final settlement of all claims relating to or arising out of the Transaction Settlement Payment;

WHEREAS, JSA and Amir Bacchus, M.D., a resident of the State of Nevada, are entering into an Amendment to Settlement Agreement, dated as of August 30, 2013 (the "Bacchus Amendment" and together with the Abdou Amendment, the "Doctor Amendments"), pursuant to which the parties have agreed that they will release all claims against each other with respect to the Transaction Settlement Payment (as defined in the Bacchus Amendment) and JSA will pay Dr. Bacchus the amounts specified in the Bacchus Amendment in full and final settlement of all claims relating to or arising out of the Transaction Settlement Payment; and

WHEREAS, pursuant to Section 10.07 of the Merger Agreement, the Merger Agreement may be amended or modified by an instrument in writing signed by, or on behalf of, DaVita, the Company, and the Member Representative.

NOW, THEREFORE, for and in consideration of the promises, covenants, and agreements contained herein and for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

#### AGREEMENTS

1. Earn-Out Payments.

- a. DaVita and the Member Representative agree that, in lieu of waiting to the end of the fiscal year ending December 31, 2013, making a final Earn-Out EBITDA determination for such period and calculating the resulting Per Unit Earn-Out Payment as described in Section 3.06 of the Merger Agreement, and making payment of the Second Tranche or any other payment pursuant to or in respect of Section 3.06 of the Merger Agreement, DaVita will pay the amounts specified in Section 1b and (if applicable) 1c of this Amendment as full and final settlement of the Second Tranche and any and all other payments that may be required pursuant to Section 3.06 of the Merger Agreement.
- b. As soon as practicable following the execution of this Amendment, DaVita shall pay to the Members and holders of Company Options \$68,750,000 (less \$5,000,000 payable to Drs. Abdou and Bacchus pursuant to Section 1(a) of the Doctor Amendments) in cash.

- c. In the event ABQ Health Partners, LLC (“ABQ”) or any of its affiliates enters into a binding agreement (or other arrangement satisfactory to DaVita) with Health Care Service Corporation (operating Blue Shield of New Mexico) (“HCSC”) to retain any portion of the Network Stability Payments described in that certain Coordinated Care Strategic Alliance Agreement, by and between ABQ and HCSC, effective July 23, 2012, then DaVita and the Member Representative will engage in negotiations to determine if, how much and when any additional payments will be made to the Members, holders of Company Options and Drs. Abdou and Bacchus.

2. Shareholder Releases.

- a. Effective as of the date of this Amendment, the Member Representative, on behalf of each Member and holder of Company Options, agrees not to sue and fully releases and discharges the Released Parties with respect to and from any and all claims, demands, rights, liens, contracts, covenants, proceedings, causes of action, obligations, debts, and losses of whatever kind or nature in law, equity, or otherwise, whether now known or unknown, and whether or not concealed or hidden, all of which each such person now owns or holds or has at any time owned or held against the Released Parties connected with or relating to any matter occurring on or prior to the date of this Amendment related to the Second Tranche, or any other payments that may be required pursuant to Section 3.06 of the Merger Agreement; provided, however, that nothing in this Section 2(a) will be deemed to constitute a release by the Member Representative, or any Member or holder of Company Options, of any right of such person under this Amendment or any right of such person under the Merger Agreement other than those related to the Second Tranche.
- b. It is the intention of the Member Representative, on behalf of each Member and holder of Company Options, that such release be effective as a bar to each and every claim, demand, and cause of action specified in Section 2(a).
- c. The Member Representative, on behalf of each Member and holder of Company Options, acknowledges and intends that the Released Parties are being released from unknown and unforeseen claims to the fullest extent permitted by law and the Member Representative, on behalf of each Member and holder of Company Options, waives any defenses based thereon. The Member Representative, on behalf of each Member and holder of Company Options, acknowledges that such person has been advised by his attorneys with respect to this release.

- 3. Transaction Settlement Payments. DaVita covenants and agrees that it shall timely make or pay any amounts required to be paid pursuant to Section 1 of each of the Doctor Amendments, and the Member Representative hereby authorizes such payments.

- 4. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York. All Actions arising out of or relating to this

Amendment shall be heard and determined exclusively in any federal court sitting in the Borough of Manhattan of the City of New York; provided, however, that, if such federal court does not have jurisdiction over such Action, such Action shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of the City of New York. Consistent with the preceding sentence, the parties hereto hereby (a) submit to the exclusive jurisdiction of any federal or state court sitting in the Borough of Manhattan of the City of New York for the purpose of any Action arising out of or relating to this Amendment brought by any party hereto; (b) consent to service of process in accordance with the procedure set forth in Section 10.02 of the Merger Agreement; and (c) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Amendment or the Transactions may not be enforced in or by any of the above-named courts.

5. Severability. If any term or other provision of this Amendment is invalid, illegal, or incapable of being enforced under any Law or public policy, all other terms and provisions of this Amendment shall nevertheless remain in full force and effect, provided that the economic and legal substance of the actions set forth herein is not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Amendment so as to effect the original intent of the parties hereto as closely as possible in a mutually acceptable manner in order that the Transactions are consummated as originally contemplated to the greatest extent possible.
6. Counterparts. This Amendment may be executed and delivered (including by facsimile or other means of electronic transmission, such as by electronic mail in "pdf" form) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.
7. No Other Amendment and Agreements. Except to the extent expressly amended by this Amendment, all terms of the Merger Agreement shall remain in full force and effect without further amendment, change, or modification.

*[Signature page follows]*

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be executed as of the date first written above by its representative thereunto duly authorized.

DAVITA INC.

By: /s/ Kent J. Thiry  
Name: Kent J. Thiry  
Title: Chief Executive Officer

HEALTHCARE PARTNERS HOLDINGS LLC

By: /s/ Robert J. Margolis  
Name: Robert J. Margolis, M.D.  
Title: Chief Executive Officer

MEMBER REPRESENTATIVE

/s/ Robert D. Mosher  
Name: Robert D. Mosher

[Signature Page to Amendment No. 2 to Agreement and Plan of Merger]

**AMENDMENT TO EMPLOYMENT AGREEMENT**

This Amendment to Employment Agreement ("Third Amendment ") amends the Employment Agreement (the "Agreement"), entered into as of July 25, 2008 (the "Agreement"), by and between DaVita Inc. (now called DaVita HealthCare Partners Inc. and referred to in this Amendment "Employer") and Kent J. Thiry ("Employee" ). Specifically, effective December 31, 2014, the parties agree to amend the Agreement as follows:

1. A new Section 2.1 is hereby added to the Agreement as follows:

"Possible Recoupment of Certain Compensation. Notwithstanding any other provision in this Agreement to the contrary, Employee shall be subject to the written policies of the Board of Directors as well as laws and regulations applicable to executives of the Employer, including without limitation the DaVita HealthCare Partners Inc. Incentive Compensation Clawback Policy approved by the Board of Directors on December 4, 2014 and rules adopted pursuant to the Dodd-Frank Act, and any other Board policy, law or regulation relating to recoupment or "clawback" of compensation that may exist from time to time during the Employee's employment by the Employer and thereafter."

In all other respects, and with the exception of any all previous amendments, the Agreement remains unchanged and in full force and effect.

EMPLOYER / DAVITA HEALTHCARE      EMPLOYEE/  
PARTNERS INC.

By /s/ Laura Mildenerger      /s/ Kent Thiry  
Laura Mildenerger      Kent J. Thiry  
Chief People Officer

Approved as to Form

/s/ Michael Freimann  
Michael A. Freimann  
Assistant General Counsel – Labor & Employment

**AMENDMENT TO EMPLOYMENT AGREEMENT**

This Amendment to Employment Agreement ("Amendment") amends the Employment Agreement (the "Agreement" ), entered into as of March 17, 2010 (the "Agreement " ), by and between DaVita Inc. (now called DaVita HealthCare Partners Inc. and referred to in this Amendment " Employer") and Javier Rodriguez ("Employee"). Specifically, effective December 31, 2014, the parties agree to amend the Agreement as follows:

1. A new Section 2.8 is hereby added to the Agreement as follows:

"Possible Recoupment of Certain Compensation. Notwithstanding any other provision in this Agreement to the contrary, Employee shall be subject to the written policies of the Board of Directors as well as laws and regulations applicable to executives of the Employer, including without limitation the DaVita HealthCare Partners Inc. Incentive Compensation Clawback Policy approved by the Board of Directors on December 4, 2014 and rules adopted pursuant to the Dodd-Frank Act, and any other Board policy, law or regulation relating to recoupment or "clawback" of compensation that may exist from time to time during the Employee's employment by the Employer and thereafter."

In all other respects, and with the exception of any all previous amendments, the Agreement remains unchanged and in full force and effect.

EMPLOYER / DAVITA HEALTHCARE      EMPLOYEE/  
PARTNERS INC.

By /s/ Laura Mildenberger      /s/ Javier Rodriguez  
    Laura Mildenberger      Javier Rodriguez  
    Chief People Officer

Approved as to Form

/s/ Michael Freimann  
Michael A. Freimann  
Assistant General Counsel – Labor & Employment



**THIRD AMENDMENT TO EMPLOYMENT AGREEMENT**

This Third Amendment to Employment Agreement ("Third Amendment") amends the Employment Agreement (the "Agreement"), entered into as of September 22, 2005 (the "Agreement"), by and between DaVita Inc. (now called DaVita HealthCare Partners Inc. and referred to in this Amendment "Employer") and James Hilger ("Employee"). Specifically, effective December 31, 2014, the parties agree to amend the Agreement as follows:

1. A new Section 2.10 is hereby added to the Agreement as follows:

"Possible Recoupment of Certain Compensation. Notwithstanding any other provision in this Agreement to the contrary, Employee shall be subject to the written policies of the Board of Directors as well as laws and regulations applicable to executives of the Employer, including without limitation the DaVita HealthCare Partners Inc. Incentive Compensation Clawback Policy approved by the Board of Directors on December 4, 2014 and rules adopted pursuant to the Dodd-Frank Act, and any other Board policy, law or regulation relating to recoupment or "clawback" of compensation that may exist from time to time during the Employee's employment by the Employer and thereafter."

In all other respects, and with the exception of any all previous amendments, the Agreement remains unchanged and in full force and effect.

EMPLOYER / DAVITA HEALTHCARE      EMPLOYEE/  
PARTNERS INC.

By /s/ Laura Mildenerger      /s/ James Hilger  
Laura Mildenerger      James Hilger  
Chief People Officer

Approved as to Form

/s/ Michael Freimann  
Michael A. Freimann  
Assistant General Counsel – Labor & Employment

**DAVITA INC.  
SEVERANCE PLAN FOR DIRECTORS AND ABOVE**

DaVita Inc., a Delaware corporation (the “Company”), hereby restates the DaVita Inc. Severance Plan for Directors and Above (this “Plan”), effective September 1, 2016, for the benefit of certain Teammates of the Company and its subsidiaries.

This Plan is intended to secure the continued services and ensure the continued dedication of the Teammates (as defined in Section 1(d)) by providing to such Teammates certain protections in the event of a Qualifying Termination (as defined in Section 1(f)).

This Plan is intended to qualify as an employee welfare benefit plan as described in section 3(1) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

1. Definitions. As used in this Plan, the following terms shall have the respective meanings set forth below:

(a) “Base Salary” means the Teammate’s weekly base wage at the rate in effect on the Termination Date, excluding for this purpose all categories of pay that are not base wages (including, but not limited to overtime, bonuses, commissions, incentive pay and any taxable or nontaxable fringe benefit or payment).

(b) “Code” means the Internal Revenue Code of 1986, as amended.

(c) “Company” means DaVita Inc., a Delaware corporation.

(d) “Teammate” means any person who at the time of the Qualifying Termination is employed by the Company or any of its wholly owned subsidiaries in a position of Vice President or Director, as reflected on the Company’s records, but excluding:

i) independent contractors or consultants of the Company,

ii) teammates who are employed by DaVita DPC Holding Co., LLC or any of their subsidiaries, including Paladina Health LLC or any other subsidiaries of the Company operating as part of or included within the business unit of the Company known as Paladina Health or direct primary care,

iii) teammates who are employed by HealthCare Partners Holdings LLC, or any of its subsidiaries, or any other subsidiaries of the Company operating as part of or included

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within the business unit known as HealthCare Partners or integrated health care delivery and management, and

iv) teammates who are employed by entities that are a part of or included within the international business operations of the Company, except to the extent that such teammates are employed by an entity incorporated in and are residents of one of the states of the United States of America.

(e) "Period of Service" means a consecutive period measured from a Teammate's hire date with the Company, as reflected in the payroll records of the Company, during which the Teammate is employed by the Company, without interruption by quit, discharge, layoff, or other termination of employment.

(f) "Qualifying Termination" means the involuntary termination of a Teammate's employment by the Company under circumstances for which the payment of severance payments and benefits under this Plan is approved by the Senior Vice President of People Services and the Assistant General Counsel-Labor of the Company; provided, however, that a Teammate will not incur a Qualifying Termination and will not receive severance payments and benefits under this Plan if the Teammate's employment is terminated by the Company for any action which the Company, in its sole discretion, determines is for material cause, including, but not limited to, failure to perform job responsibilities, violation of the Company's policies and procedures, an act of fraud or dishonesty affecting or involving the Company, or a breach of a material provision of the Teammate's employment agreement or other similar agreement with the Company.

(g) "Termination Date" with respect to a Teammate means the last day of work for which the Teammate will be paid for work as designated in the notice advising the Teammate that he or she will be subject to a Qualifying Termination. Neither unused time off benefits nor the payment of severance pay under this Plan will extend a Teammate's Termination Date.

2. Payments and Benefits Upon Qualifying Termination. If a Teammate shall incur a Qualifying Termination, and the Teammate (or the Teammate's executor or other legal representative in the case of the Teammate's death or disability following such termination) executes and does not revoke a waiver and release agreement substantially in the form of Exhibit A hereto (the "Severance Agreement") and a noncompetition and confidentiality agreement substantially in the form of Exhibit B hereto (the "Noncompetition Agreement") by the deadline specified in the agreements to sign and not revoke such agreements, the Company shall provide to the Teammate as compensation for services rendered to the Company, and in consideration of the covenants set forth in the Severance Agreement and Noncompetition Agreement, the payments and benefits described in this Section 2. Notwithstanding the foregoing provisions of this Section 2, if, as a result of a Teammate's termination of employment on the Termination Date, a Teammate is entitled

to severance payments and benefits from the Company or any of its subsidiaries which are not payable pursuant to this Plan, but are payable pursuant to an employment agreement or other compensation arrangement entered into between such Teammate and the Company or any of its subsidiaries (“Other Severance Payments and Benefits”), the payments and benefits to be received by the Teammate pursuant to this Section 2 shall be reduced, but not below zero, on a dollar-for-dollar basis for every dollar of the Other Severance Payments and Benefits, if any, received by the Teammate.

(a) Subject to Section 3 of this Plan, the Company shall pay to the Teammate (or the Teammate’s beneficiary or estate, as the case may be), commencing within 14 days following the date of execution of the Severance Agreement and Noncompetition Agreement, the Teammate’s Base Salary for the applicable period set forth below based on the Teammate’s job classification and Period of Service:

:

<u>Job Classification</u>	<u>Period of Service</u>	<u>Salary Continuation Period</u>
Vice President and Above	Less than one year	6 months
Vice President and Above	One year or more	12 months
Director	Less than 1 months	1 month
Director	1 to less than 3 months	2 months
Director	3 to 24 months	3 months
Director	More than 24 months	6 months

Such payments will be subject to all applicable tax and other withholdings, except that no withholding shall be made for the DaVita Retirement Savings Plan, or any other 401(k) plan, or for premiums for continued insurance coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act (“COBRA”).

(b) The Company shall provide outplacement assistance to the Teammate, the nature of which will be at the Company’s discretion, and which shall, in no event be provided after the last day of the second calendar year following the calendar year in which the termination date occurs.

(c) The Teammate’s stock options, restricted stock units, other stock-based awards, and other long-term incentives shall be treated in accordance with the terms of any agreements that Teammate has previously entered into with the Company concerning these benefits.

3. Section 409A of the Code. This Plan is intended to fall within the exemptions to Section 409A of the Code for separation pay plans and short-term deferrals that meet the

requirements of the exemption from Section 409A of the Code and shall be interpreted and construed consistent with that intent. Notwithstanding any other provision of this Plan, to the extent that the right to any payment (including the provision of benefits) to a Teammate hereunder provides for the “deferral of compensation” within the meaning of Section 409A(d)(1) of the Code, the payment shall be made (or provided) in accordance with the following:

If the Teammate is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code on the date of the Teammate’s Termination Date, then no such payment shall be made during the period beginning on the Termination Date and ending on the date that is six months following the Termination Date or, if earlier, on the date of the Teammate’s death, if the earlier making of such payment would result in tax penalties being imposed on the Teammate under Section 409A of the Code. The amount of any payment that would otherwise be made during this period shall instead be made on the first business day following the date that is six months following the Termination Date or, if earlier, the date of the Teammate’s death. Each payment and benefit hereunder shall constitute a “separately identified” amount within the meaning of Treasury Regulation Section 1.409A-2(b)(2).

With respect to any payments due under Section 2(a) of this Plan as a result of the Teammate’s Qualifying Termination made pursuant to the terms of this Plan, and which are subject to the Teammate’s execution and delivery of the Severance Agreement and Noncompetition Agreement described in Section 2 hereof, in any case where the Termination Date and the Release Expiration Date fall in two separate taxable years, any payments required to be made to the Teammate which are conditioned on the timely execution of the Severance Agreement and Noncompetition Agreement and are treated as nonqualified deferred compensation for purposes of Section 409A shall be made in the later taxable year. For purposes of this section, “Release Expiration Date” shall mean deadline following the Termination Date as described in Section 2 hereof, during which the Teammate may timely deliver an executed Severance Agreement and Noncompetition Agreement and not revoke such agreements in order to receive payments and benefits under this Plan.

4. Plan Administration; Claims Procedure.

(a) This Plan shall be interpreted and administered by the Company, or if the Company has delegated its authority to interpret and administer this Plan, by the person or persons appointed by the Company from time to time to interpret and administer this Plan (the “Plan Administrator”), who shall have complete authority, in his or her sole discretion subject to the express provisions of this Plan, to make all determinations necessary or advisable for the administration of this Plan. At the time of this restatement, the Company has delegated its authority as the Plan Administrator to the Welfare Benefits Committee. Such determinations shall include, but are not limited to, determination of eligibility, the Termination Date, termination of eligibility, and the amount payable to the Teammate. All questions arising in connection with the interpretation

of this Plan or its administration shall be submitted to and determined by the Plan Administrator in a fair and equitable manner in accordance with the procedure for claims and appeals described in Section 4(b).

(b) Any Teammate whose employment has been terminated who believes that he or she is entitled to receive benefits under this Plan, including benefits other than those initially determined by the Plan Administrator to be payable, may file a claim in writing with the Plan Administrator, specifying the reasons for such claim. The Plan Administrator shall, within 90 days after receipt of such written claim (unless special circumstances require an extension of time, but in no event more than 180 days after such receipt), send a written notification to the Teammate as to the disposition of such claim. Such notification shall be written in a manner calculated to be understood by the claimant and in the event that such claim is denied in whole or in part, shall (i) state the specific reasons for the denial, (ii) make specific reference to the pertinent Plan provisions on which the denial is based, (iii) provide a description of any additional material or information necessary for the Teammate to perfect the claim and an explanation of why such material or information is necessary, and (iv) set forth the procedure by which the Teammate may appeal the denial of such claim. The Teammate (or his or her duly authorized representative) may request a review of the denial of any such claim or portion thereof by making application in writing to the Plan Administrator within 60 days after receipt of such denial. Such Teammate (or his or her duly authorized representative) may, upon written request to the Plan Administrator, review any documents pertinent to such claim, and submit in writing issues and comments in support of such claim. Within 60 days after receipt of a written appeal (unless special circumstances require an extension of time, but in no event more than 120 days after such receipt), the Plan Administrator shall notify the Teammate of the final decision with respect to such claim. Such decision shall be written in a manner calculated to be understood by the claimant and shall state the specific reasons for such decision and make specific references to the pertinent Plan provision on which the decision is based.

(c) The Plan Administrator may from time to time delegate any of his or her duties hereunder to such person or persons as the Plan Administrator may designate. The Plan Administrator is empowered, on behalf of this Plan, to engage accountants, legal counsel and such other persons as the Plan Administrator deems necessary or advisable for the performance of his or her duties under this Plan. The functions of any such persons engaged by the Plan Administrator shall be limited to the specified services and duties for which they are engaged, and such persons shall have no other duties, obligations or responsibilities under this Plan. Such persons shall exercise no discretionary authority or discretionary control respecting the administration of this Plan. All reasonable fees and expenses of such persons shall be borne by the Company.

5. Withholding Taxes. The Company will withhold from all payments due under this Plan to each Teammate (or the Teammate's beneficiary or estate) all taxes which, by applicable federal, state, local or other law, the Company is required to withhold therefrom.

6. Amendment. The Company shall have the right, in its sole discretion, pursuant to action by the Company's Board of Directors or its delegate, to amend this Plan in any respect; provided, however, that no amendment may reduce any severance payments or benefits due hereunder with respect to a Teammate who previously incurred a Qualifying Termination and who has not forfeited such payments and benefits pursuant to the Noncompetition Agreement or the offset provisions of Sections 2 or 8. In the event that this Plan is determined to be a "deferred compensation plan" subject to Section 409A of the Code, the Company's Board of Directors or its delegate shall, as necessary, adopt such conforming amendments as are necessary to comply with Section 409A of the Code without reducing the payments and benefits due to the Teammates hereunder.

7. Effect of Plan. Any amount payable pursuant to this Plan shall be reduced by any other amount of severance relating to salary continuation or any other continuation of medical coverage to be received by the Teammate upon termination of employment of the Teammate under any severance plan, policy or arrangement of the Company. Subject to the foregoing and to the provisions of Sections 2 and 8 hereof, the rights of, and benefits payable to, a Teammate pursuant to this Plan are in addition to any rights of, or benefits payable to, a Teammate under any other Teammate benefit plan or compensation program of the Company. All rights of a Teammate under any such plan or program shall be determined in accordance with the provisions of such plan or program.

8. Offset; Mitigation.

(a) If the Company is obligated by law or contract to pay severance pay, notice pay or other similar benefits, or if the Company is obligated by law to provide advance notice of separation ("Notice Period"), then any payments hereunder shall be reduced, but not below zero, on a dollar-for-dollar basis by the amount of any such severance pay, notice pay or other similar benefits, as applicable, and by the amount of any severance pay, notice pay or other similar benefits received during any Notice Period.

(b) To the extent permitted by applicable law, the Company may, at its sole discretion, apply any payment amounts otherwise due and payable under this Plan against any Teammate loans outstanding to the Company or other debts of the Teammate to the Company existing on the Termination Date.

(c) Any amount payable pursuant to this Plan shall also be reduced, but not below zero, on a dollar-for-dollar basis by any amount of compensation received by the Teammate from another employer (as an employee, consultant, or independent contractor) during the applicable salary continuation period set forth in Section 2(a) hereof. Teammate may not defer compensation with his new employer or client or take any other action in an effort to avoid the dollar-for-dollar reduction required by this Plan, and that if Teammate does take such action, the benefits under this Plan may be reduced by the Plan Administrator in its sole discretion.

(d) A Teammate who is entitled to receive severance payments and benefits hereunder shall be obligated to seek other employment and to take all other reasonable actions so as to mitigate the amounts payable and the benefits to be provided to such Teammate under any of the provisions of this Plan. In order to receive payments pursuant to this Plan, a Teammate must:

i) attest, on a monthly basis, that he or she is actively seeking other employment, and provide any additional information as determined in the discretion of the Plan Administrator; and

ii) agree to advise the Company immediately whether he or she has obtained new employment (either as an employee, consultant, or independent contractor) or received any other earnings, and what his or her overall compensation is, including salary, all forms of bonuses, any deferred compensation, and any equity in lieu of cash compensation.

If a Teammate fails to meet the attestation and notification requirements, the Teammate will not be paid any remaining portion of the payments under this Plan, and any remaining payments will be cancelled.

9. Unfunded Plan. This Plan shall not be funded. No Teammate entitled to benefits hereunder shall have any right to, or interest in, any specific assets of the Company, but a Teammate shall have only the rights of a general creditor of the Company to receive benefits on the terms and subject to the conditions provided in this Plan.

10. Payments to Minors, Incompetents and Beneficiaries. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of giving a receipt therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Company, the Plan Administrator and all other parties with respect thereto. If a Teammate shall die while any amounts would be payable to the Teammate under this Plan had the Teammate continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to such person or persons appointed in writing by the Teammate to receive such amounts or, if no person is so appointed, to the estate of the Teammate.



11. Non-Assignability. None of the payments, benefits or rights of any Teammate shall be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee's process or any other legal or equitable process available to any creditor of such Teammate. Except as otherwise provided herein or by law, no right or interest of any Teammate under this Plan shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including without limitation by execution, levy, garnishment, attachment or pledge; no attempted assignment or transfer thereof shall be effective; and no right or interest of any Teammate under this Plan shall be subject to any obligation or liability of such Teammate.

12. No Rights to Continued Employment. Neither the adoption of this Plan, nor any amendment hereof, nor the creation of any fund, trust or account, nor the payment of any benefits, shall be construed as giving any Teammate the right to be retained in the service of the Company, and all Teammates shall remain subject to discharge to the same extent as if this Plan had not been adopted.

13. Successors; Binding Agreement. This Plan shall inure to the benefit of and be binding upon the beneficiaries, heirs, executors, administrators, successors and assigns of the parties, including each Teammate, present and future, and any successor to the Company or one of its subsidiaries. This Plan shall not be terminated by any merger or consolidation of the Company whereby the Company is or is not the surviving or resulting corporation or as a result of any transfer of all or substantially all of the assets of the Company. In the event of any such merger, consolidation or transfer of assets, the provisions of this Plan shall be binding upon the surviving or resulting corporation or the person or entity to which such assets are transferred. The Company agrees that concurrently with any merger, consolidation or transfer of assets referred to in this Section 13, it will cause any surviving or resulting corporation or transferee unconditionally to assume all of the obligations of the Company hereunder.

14. Headings. The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Plan and shall not be employed in the construction of this Plan.

15. Notices. Any notice or other communication required or permitted pursuant to the terms hereof shall have been duly given when delivered or mailed by United States mail, first class, postage prepaid, addressed to the intended recipient at his, her or its last known address.

16. Effective Date and Term. This Plan shall be effective as of the date hereof and shall end on the date on which this Plan is terminated by the Company; provided that this Plan and the obligations of the Company hereunder shall not terminate with respect to any severance payments or benefits due hereunder with respect to a Teammate who previously incurred a Qualifying Termination and who has not forfeited such payments and benefits pursuant to the Noncompetition Agreement until such obligations have been fully satisfied by the Company.

17. Employment with, and Action by, Subsidiaries. For purposes of this Plan, subject to Section 1(d), employment with the Company or actions taken by the Company with respect to the Teammate shall include employment with or actions taken by any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities of such corporation or other entity entitled to vote generally in the election of directors.

18. Governing Law; Validity. This Plan shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware (without regard to principles of conflicts of laws) to the extent not preempted by ERISA or other Federal law, which shall otherwise control. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and this Plan shall be construed and enforced as if such provision had not been included.

IN WITNESS WHEREOF, the Company has caused this Plan to be adopted as of the 2<sup>nd</sup> day of September, 2016.

DAVITA INC.

By: /s/ Susan Rutherford

**SEVERANCE AGREEMENT**

This Severance Agreement (“Agreement”) is entered into by [NAME OF EMPLOYEE] (“Employee”) and DaVita Inc. (“DaVita”), together the “Parties” on the date specified below, pursuant to Section 2 of the DaVita Inc. Severance Plan for Directors and Above (the “Plan”). This Severance Agreement is considered an integral part of the Plan.

1. Termination of Employment. Employee’s employment with DaVita will end on [INSERT DATE], the “Termination Date.”
  
2. Payment and Notices. Regardless of whether Employee signs this Agreement, Employee will receive payment of final wages for work through the Employee’s last day of employment; notice of the terms under which Employee may elect to continue health insurance coverage, and other notifications required by law.
  
3. Severance Payment. In exchange for Employee’s acceptance and agreement to all the terms of this Agreement, and Employee’s compliance with obligations contained in this Agreement and the Plan, DaVita will continue to pay Employee’s base salary for up to a period of \_\_\_\_ months (the “Severance Payment”) from which DaVita will deduct all withholding taxes required by federal, state and local laws. All Employee obligations in this Agreement and in the Plan are material terms, including but not limited to the following: Employee’s (i) release, waiver and covenant not to sue, (ii) obligation to return property, (iii) acknowledgements, (iv) exit-interview and disclosure obligations, (v) non-competition agreement, non-solicitation and confidentiality obligations, (vi) representations and warranties, and (vii) offset and mitigation provisions in Section 8 of the Plan (including, but not limited to, the notification and monthly attestation requirements) which may impact the duration and amount of such Severance Payments.
  
4. Return of Property. Employee has returned and/or will immediately return to DaVita within five business days of Employee’s termination date, unless prohibited by any applicable federal, state or local law or regulation, all DaVita-owned property in Employee’s possession, including, but not limited to, (i) credit cards, (ii) keys and access cards to DaVita buildings or property, (iii) DaVita-owned equipment, (iv) DaVita documents, papers, manuals, files, and price lists, and (v) trade secret and confidential DaVita information in paper or electronic form.
  
5. Waiver and Release of Claims by Employee. Employee, on his or her own behalf and on behalf of his or her heirs, family members, executors, agents, and assigns, agrees to fully

and forever release DaVita and its current and former successors, subrogees, assigns, principals, agents, attorneys, partners, heirs, employees, officers, subsidiaries and affiliates, shareholders, and directors, all in both their individual and representative capacities, (together the "Released Parties") from any and all claims, actions, causes of action, liabilities, demands, rights, damages, costs, attorneys' fees, expenses and controversies of every kind and description through the date of this Agreement. This general release and waiver shall include, but not be limited to, the following:

- a. any and all claims relating to or arising from Employee's employment relationship with DaVita and the end of that relationship;
- b. any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of DaVita, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;
- c. any and all claims for violation of any federal, state, or municipal statute, regulation or constitutional provision, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; Section 1981 of the Civil Rights Act; the National Labor Relations Act; the Americans with Disabilities Act as amended; the ADA Amendments Act of 2008; the Fair Labor Standards Act, except as prohibited by law; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967;; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Lilly Ledbetter Fair Pay Act;; and
- d. [For California Employees only]. Certain California civil rights provided by the Ralph Civil Rights Act (Civil Code 51.7) and the Tom Bane Civil Rights Act (Civil Code 52.1).

6. Unknown Claims. This Agreement includes claims of every nature and kind, known or unknown, and suspected or unsuspected. Employee acknowledges that he or she may hereafter discover facts different from, or in addition to, those which they now know to be or believe to be true with respect to the Agreement, and he or she agrees that this Agreement and the releases contained herein shall be and remain effective in all respects, notwithstanding such different or additional facts or the discovery thereof.

7. [For California Employees only]. Employees in California, or to whom California law applies, knowingly voluntarily and expressly waive, relinquish and forfeit all rights and benefits accorded by the provisions of Section 1542 of the California Civil Code and furthermore waive any rights that he or she might have to invoke said provisions and furthermore waives any rights to invoke said provisions or other States' laws of similar effect now or in the future with

respect to the releases contained herein or other States' laws of similar effect now or in the future with respect to the releases contained herein. Section 1542 states:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

8. Limitation on Release. Notwithstanding the generality of the releases contained in this Agreement, it does not include a release of any claim which may not be released by private agreement without judicial or governmental supervision or any claim for DaVita benefits under a DaVita employee benefit plan that have accrued and vested as of Employee's termination date and that, by their express terms, survive any termination of employment.

9. Other litigation. Employee covenants that he or she will not initiate any lawsuit asserting any claim, action or cause of action, of any kind that he or she has herein released, except for those administrative matters permitted in paragraph 20 below.

10. Medicare Coverage/Acknowledgement. Employee affirms, covenants, and warrants he/she is not a Medicare beneficiary and is not currently receiving, has not received in the past, will not have received at the time of payment pursuant to this Agreement, is not entitled to, is not eligible for, and has not applied for or sought Social Security Disability or Medicare benefits. In the event any statement in the preceding sentence is incorrect (for example, but not limited to, if Employee is a Medicare beneficiary, etc.), the following sentences (i.e., the remaining sentences of this paragraph) apply. Employee affirms, covenants, and warrants he/she has made no claim for illness or injury against, nor is he/she aware of any facts supporting any claim against, the released parties under which the released parties could be liable for medical expenses incurred by the Employee before or after the execution of this agreement. Furthermore, Employee is aware of no medical expenses which Medicare has paid and for which the released parties are or could be liable now or in the future. Employee agrees and affirms that, to the best of his/her knowledge, no liens of any governmental entities, including those for Medicare conditional payments, exist. Employee will indemnify, defend, and hold the released parties harmless from Medicare claims, liens, damages, conditional payments, and rights to payment, if any, including attorneys' fees, and Employee further agrees to waive any and all future private causes of action for damages pursuant to 42 U.S.C. § 1395y(b)(3)(A) et seq.

11. Employee Representations and Warranties. Employee makes the following general representations and warranties:

- a. He or she has had a reasonable time to consider the terms of this Agreement.
- b. He or she has voluntarily executed this Agreement without being pressured or influenced by any statement or representation of any person acting on behalf of another Party including the officers, agents and attorneys for any other Party.
- c. He or she has no pending lawsuit, against DaVita or any of its officers, directors, agents or employees arising out of or otherwise connected with any of the matters herein released.
- d. He or she has not previously disclosed any information which, if disclosed after execution of this Agreement, would be a violation of the Confidentiality provisions as outlined in paragraph 22.
- e. He or she has full and complete legal capacity to enter into this Agreement.
- f. In making the decision to enter into this Agreement, he or she has not relied on any statement made by DaVita, either expressed or implied, either by statement or omission.

12. [For Employees age 40 or over.] Waiver and Release of Claims under ADEA. Employee acknowledges, warrants and represents the following:

- a. He or she is waiving and releasing any rights he or she may have under the Age Discrimination in Employment Act of 1967 ("ADEA"),
- b. This waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement.
- c. The consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled.
- d. Employee has been advised by this writing that he or she should consult with an attorney prior to executing this Agreement.
- e. Employee has been provided with at least 21 days from the date he or she received this Agreement to consider whether to sign this Agreement, and that if Employee signs the Agreement in less than 21 days, that signature shall constitute a knowing and voluntary

waiver of his or her right to consider the agreement for the full 21 days. [~~Should this be a reduction in force for two or more employees delete e. above and add the following as e.~~: Employee has been provided with at least 45 days from the date he or she received this Agreement to consider whether to sign this Agreement, and that if Employee signs the Agreement in less than 45 days, that signature shall constitute a knowing and voluntary waiver of his or her right to consider the agreement for the full 45 days.]

f. After Employee accepts this Agreement, Employee will have an additional 7 days (15 days in Minnesota) in which to revoke his or her acceptance, which Employee may do by returning to DaVita a written notice of revocation. Any such revocation notice shall be by hand delivery, fax or by priority mail, and it must be addressed to and received by the following within the revocation period:

**Jan Schneider**  
**DaVita Inc.**  
**1551 Wewatta Street**  
**Denver, CO 80202**  
**eFax: (866) 894-2611**

g. This Agreement shall not be effective until after the revocation period has expired.

h. [~~Should this be a reduction in force for two or more employees add as h:~~ Employee acknowledges that he or she has received the information attached hereto as Exhibit A concerning the selection of teammates for layoff.]

13. Acknowledgment with Respect to Payments. Employee hereby admits, acknowledges and agrees that with payments hereunder he or she has received, or will receive, full and final payment of any wages and/or bonus amounts and/or other benefits that are or could be due under the terms of his or her employment with DaVita.

14. Transfer into Regular Position Prior to Termination Date. If Employee transfers into a regular position at DaVita, or any of its affiliated companies, prior to the Termination Date, and thus is not terminated by DaVita, Employee is ineligible to sign this Agreement, this Agreement is void, and no payments or benefits will be provided under this Agreement. Furthermore, if after the Termination but before DaVita's receipt of this Agreement, Employee begins another regular position at DaVita or any of its affiliated companies, Employee will no longer be eligible for payments or benefits under this Agreement.

15. Offset/Termination of Severance Payments. DaVita reserves the right to offset from the Severance Payment any amount legally owed by Employee to DaVita on or after

termination of Employee's employment. DaVita also reserves the right to offset from the Severance Payment any compensation received by the Employee from any other employer (as an employee, consultant or independent contractor) for the period specified in the Plan. DaVita also reserves the right to cancel any remaining Severance Payments if the Employee fails to meet the attestation and notification requirements of the Plan.

16. Entire Agreement. The Agreement, including all forms and notices and the Plan referenced herein, together with the provisions of any written agreements with DaVita that survive termination of Employee's employment, e.g., provisions on post-employment non-competition, non-solicitation and confidentiality, constitute the entire agreement and understanding of the parties on the subjects contained herein and this Agreement and those provisions supersede and replace all prior negotiations and all prior agreements, proposed or otherwise, whether oral or written.

17. Cooperation. After the termination of Employee's employment with DaVita, Employee agrees to fully cooperate with DaVita with any actual or potential legal proceedings, or internal investigations, in which DaVita requests his or her assistance. Such assistance shall include, but is not limited to, participating in interviews with representatives of DaVita, attending, as a witness, depositions, trials, or other similar proceedings without requiring a subpoena, and producing and/or providing any documents.. This cooperation shall be at no additional cost to DaVita, with the exception of reasonable out-of-pocket expenses which must have been pre-approved in writing by DaVita.

18. Compliance Exit Questionnaire and Interview. Employee agrees to be available to participate in an exit interview with the Company's Corporate Compliance Department or its designee. Employee further agrees that he or she is required to answer any questions fully and completely and that a failure to do so is a material breach of this Agreement.

19. Compliance Obligations. Employee acknowledges that he or she has fulfilled all obligations to raise any and all compliance concerns while employed with DaVita and that he or she is not currently aware of any compliance-related issues that he or she has not previously raised with the company. If he or she is currently aware of a compliance-related issue, Employee acknowledges his or her obligation to raise the concern(s) during his or her compliance exit interview and that failure to do so is a material breach of this Agreement.

20. Non-disparagement. Employee agrees not to disparage DaVita or any other Released Party, orally or in writing; provided that Employee may respond accurately and fully to compulsory legal process. Employee agrees to notify immediately DaVita upon receipt of any subpoena or court order related to any of the Released Parties. However, nothing in this paragraph or paragraph 22 below shall limit Employee's right to engage in legally protected



conduct including the filing of administrative charges with governmental agencies or participating in the investigation of any such charges by governmental agencies, including providing documents or other information to such agencies.

21. No Admission of Liability. Nothing contained herein, and no action taken by any party hereto with regard to the Agreement, shall be construed as an admission by any party of liability for any purpose whatsoever.

22. Confidentiality of this Agreement. Employee agrees that from the date of this Agreement forward, he or she will keep the terms of this Agreement confidential and will not disclose the fact or terms to anyone except to members of his or her immediate family, his or her attorney or counselor, and persons assisting him/her in financial planning or income tax preparation, provided that these people agree to keep such information confidential.

23. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware (without regard to principles of conflicts of laws) to the extent not preempted by the Employee Retirement Income Security Act of 1974, as amended, or other Federal law, which shall otherwise control. **In any such proceeding, Employee hereby knowingly and voluntarily waives his or her right to a jury trial.**

24. Changes to Agreement. This Agreement may not be changed orally, but only in writing signed by all parties.

25. Severability. Should one or more of the terms of this Agreement be declared invalid by a court of competent jurisdiction, the rest will continue to be valid and interpreted to be fully effective to the maximum extent permitted by law, except that if Employee's release of claims is declared invalid, DaVita at its option may discontinue making any payments under this Agreement and recover any payments already made.

26. Effective Date of Agreement. This Agreement shall be effective 8 days after it has been dated and signed by all parties, and returned to DaVita via DocuSign.

27. Timing of Severance Payments. After DaVita has received this signed Agreement, and the time for revocation has passed without revocation being made, the payments under this Agreement will be made to Employee, at Employee's home address, as soon as administratively practicable in the payroll cycle. However, any severance obligations by DaVita does not arise until at a minimum of 14 days after the company receives an executed copy of both this Agreement and the Compliance Questionnaire and after Employee has returned all company

property. Any Agreements signed and received by DaVita prior to the Employee's termination date will be returned for signature after termination.

Employee acknowledges and represents that Employee has read this Agreement, understands its terms and effect, and freely and knowingly agrees to it on the date set out below.

DAVITA INC.

EMPLOYEE SIGNATURE

By: \_\_ \_\_  
Name: \_\_ Name: \_\_  
Title: \_\_

Date: \_\_

Employee's personal email address (required to receive severance benefits):

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Approved as to Form

By: \_\_\_\_  
Name: \_\_  
Assistant General Counsel - Labor and Employment

**Exhibit B1 to Plan  
CONFIDENTIALITY, NONCOMPETITION,  
NONSOLICITATION, AND INTELLECTUAL PROPERTY AGREEMENT  
(DIRECTOR LEVEL)**

THIS CONFIDENTIALITY, NONCOMPETITION, NONSOLICITATION, AND INTELLECTUAL PROPERTY AGREEMENT (this "Agreement") is made and entered into as of \_\_\_\_\_, 201\_ by and between DaVita Inc., which includes its subsidiaries and affiliated companies ("DaVita"), and \_\_\_\_\_ ("Teammate").

WHEREAS, DaVita is engaged in the highly competitive business of providing kidney care and related services to its Patients and Customers and has offered to hire or continue to employ Teammate and Teammate has agreed to work or continue to work for DaVita;

WHEREAS, DaVita will expend a great deal of time, money, and effort to develop Teammate's skills to assist Teammate in performing his or her duties for DaVita and will disclose to Teammate its proprietary, Confidential, and Trade Secret Information (defined below), all of which Teammate agrees are valuable assets of DaVita that are developed at great effort and expense to DaVita, and;

WHEREAS, Teammate understands that DaVita has a valid interest in protecting its valuable assets, including its Confidential Information and Trade Secrets, the goodwill and business relationships with its Patients and Customers, other employees, and the general public, and the specialized training of its employees, and acknowledges that the covenants and restrictions contained herein are necessary to protect these valuable assets of DaVita; and

NOW, THEREFORE, in consideration of DaVita's initial or continued employment of Teammate, DaVita's promise to disclose to Teammate Confidential Information and Trade Secrets and provide specialized training to allow Teammate to perform Teammate's duties for DaVita, and the mutual benefits conferred herein (the sufficiency of all of which are hereby acknowledged by Teammate), DaVita and Teammate agree as follows:

**1. Definition of Key Terms.**

- a. **"Business Contact"** means contact that is intended to establish or strengthen a business or professional relationship for DaVita, regardless of whether the contact is with a patient directly assigned to Teammate or a patient with which Teammate otherwise has contact in furtherance of the Teammate's job duties.
- b. **"Business of DaVita"** means providing a variety of health care services to patient populations throughout the United States and abroad through its various Business Units (as defined below and in Appendix A), including, but not limited to, dialysis and other services for Patients with chronic kidney failure and end stage renal disease, innovative clinical care, integrated treatment plans, personalized care teams, and health-management services for Patients and Customers.

- c. **“Business Units”** means one or more of the businesses within DaVita listed in Appendix A. Teammate understands that this list of Business Units may expand or contract during Teammate’s employment and is not meant to be all-inclusive or final. Teammate understands that DaVita intends to keep the restrictions in this Agreement narrow by defining the Business Units as a means of identifying the actual work Teammate performs for the Company and potential competitive activity as it relates to Teammate’s employment and post-employment activities and not as a means of broadening such activity to Business Units for which Teammate did not work.
- d. **“Competing Business”** means any individual (including Teammate), corporation, limited liability company, partnership, joint venture, association, or other entity, regardless of form, that is directly engaged in whole or in relevant part in any business or enterprise that is the same as, or substantially the same as, the Business of DaVita, or that is taking material steps to engage in such business.
- e. **“Confidential Information”** means (i) competitively sensitive information, (ii) of importance to DaVita, (iii) that is kept in confidence by DaVita, (iv) that becomes known to Teammate through his or her employment with DaVita, and (v) that is not a trade secret under the Colorado Trade Secrets Act, Defend Trade Secrets Act of 2016 or other applicable law, as trade secrets are and shall remain separately protected and enforceable pursuant to applicable law. Assuming the foregoing criteria are met, Confidential Information includes, but is not limited to, information about DaVita’s operations, services, research and development of DaVita’s operations or services, names and other listings of current or prospective Patients or Customers, proposals to any current or prospective Patients or Customers, the terms of any arrangements or agreements with any Patients or Customers, including payment and pricing information, the implementation of patient or Customer-specific projects, the composition or description of future services that will or may be offered by DaVita, marketing strategies, financial and sales information, and technical expertise and know-how developed by DaVita, including the unique manner in which DaVita conducts its business. Confidential Information also includes information disclosed to DaVita by any third party (including, but not limited to, current or prospective Customers) that DaVita is required to treat as confidential. Confidential Information shall not include information readily available in the public domain so long as such information was not made available through the wrongdoing or fault of Teammate or any other individual.
- f. **“Creative Works”** means any and all works of authorship including, for example, written documents, spreadsheets, graphics, designs, trademarks, service marks, algorithms, computer programs or code, protocols, formulas, mask works, brochures, presentations, photographs, music or compositions, manuals, reports, and compilations of various elements, whether patentable or registrable under copyright, trademark, or similar domestic and international laws.

- g. **“Patients and Customers”** means those individuals, companies, or other entities for whom DaVita has provided or does provide products or services in connection with the Business of DaVita or whom DaVita has provided written proposals concerning the Business of DaVita in the one (1) year period preceding the voluntary or involuntary termination of Teammate’s employment with DaVita for any reason and with or without cause, including but not limited to, hospitals, clinics, and other health care providers.
  - h. **“Indirectly,”** as used in paragraphs 2 and 4-7 below, means that Teammate will not assist others in performing those activities Teammate is prohibited from engaging in directly in paragraphs 2 and 4-7.
  - i. **“Intellectual Property”** means those ownership and other legal rights associated with any Invention or Creative Works.
  - j. **“Invent”** means to conceive of, develop, reduce to practice, or otherwise invent, as that term is commonly understood, and is not limited to its general usage under U.S. or foreign patent law.
    - i. **“Invention”** means inventions, developments, concepts, improvements, designs, discoveries, inventive ideas, algorithms, computer software code, protocols, formulas, mask works, compositions, trademarks, service marks, or trade secrets, whether or not reduced to practice, patentable, or registrable under patent, copyright, trademark, or similar laws, which Teammate Invents, either solely or jointly during normal working hours or when Teammate is expected to be working, or that relate to the Business of DaVita or to DaVita’s actual or demonstrably anticipated research or development, or that are substantially aided by Teammate’s use of DaVita’s equipment, supplies, facilities, or confidential information, or contains **any** of DaVita’s Trade Secrets or Confidential Information, or that are the direct or substantial result of any work performed by Teammate for DaVita.
  - k. **“Prior Inventions”** means all Inventions that were made by Teammate prior to his or her employment with DaVita, which belong to Teammate and which relate to DaVita’s current or proposed business, products, or research and development, and are not presently assigned to DaVita under this Agreement.
  - l. **“Restricted Territory”** means the geographic territory in which Teammate worked, represented DaVita, or had Business Contact with DaVita’s Patients and Customers in the five (5) year period preceding the voluntary or involuntary termination of Teammate’s employment with DaVita for any reason and with or without cause.
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- m. **“Trade Secret(s)”** means information defined as a trade secret by the Colorado Trade Secrets Act or other applicable law.
- n. **“Vendors and Suppliers”** means any individuals, companies, or government entities that supply materials or services to DaVita in furtherance of the Business of DaVita, regardless of whether or not they are also a Competing Business.

2. **Non-Disclosure and Non-Use of Confidential Information and Trade Secrets.** During the term of Teammate’s employment and following the voluntary or involuntary termination of Teammate’s employment for any reason and with or without cause, Teammate will not, except as authorized and required to perform Teammate’s duties for DaVita, directly or indirectly: use, disclose, reproduce, distribute, or otherwise disseminate DaVita’s Confidential Information or Trade Secrets, or take any action causing, or fail to take any action necessary, to prevent any such information to lose its character or cease to qualify as Confidential Information or a Trade Secret. Teammate agrees to ask DaVita, both during and after employment, if Teammate has any questions about whether particular information is Confidential Information or a Trade Secret before using or disclosing such information. For example, Teammate agrees to contact DaVita if Teammate takes a job with an entity that is not a Competing Business (e.g., a vendor, insurance provider, or government agency) where that job will require Teammate to use or disclose Confidential Information or Trade Secrets such as pricing or contracting information in a manner that could adversely affect DaVita. Teammate shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (1) is made (a) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. § 1833.

3. **Return of Company Records and Property.** Teammate agrees to immediately return to DaVita all property belonging to DaVita, including but not limited to, keys, credit cards, phones, computers, documents, data, as well as originals, copies, or other physical embodiments of DaVita’s Confidential Information and Trade Secrets (regardless of whether it is in paper, electronic, or any other format), at the termination of his or her employment or at any other time when DaVita so requests, and Teammate agrees not to retain or distribute any copies of any of the foregoing.

4. **Non-Solicitation of Patients and Customers.** Teammate agrees that during Teammate’s employment and for a period of one (1) year following the voluntary or involuntary termination of Teammate’s employment for any reason and with or without cause, Teammate will not, either on behalf of Teammate or for any Competing Business, directly or Indirectly solicit, divert, or appropriate, or attempt to solicit, divert, or appropriate any Patient or Customer with whom Teammate has had Business Contact in the twelve (12) month period preceding the termination of Teammate’s employment, or about whom Teammate has any Confidential Information or Trade Secrets, for the purposes of providing services that are the same as or substantially similar to those provided in the Business of DaVita.

5. **Non-Competition.** Teammate agrees that during Teammate's employment and for a period of six (6) months following the voluntary or involuntary termination of Teammate's employment for any reason and with or without cause, Teammate will not, directly or Indirectly, own, manage, operate, join, control, be employed by or with, or participate in any manner with a Competing Business that competes with any Business Unit for which Teammate worked during the last five (5) years of his or her employment anywhere in the Restricted Territory where doing so will require Teammate to provide the same or substantially similar services to any such Competing Business as those which he or she provided to those Business Units at DaVita where he or she worked during the last five (5) years of his or her employment.

6. **Non-Solicitation of Teammates.** Teammate agrees that during his or her employment with DaVita and for one (1) year following the voluntary or involuntary termination of his or her employment for any reason and with or without cause, Teammate will not directly or Indirectly solicit, recruit, or encourage current Teammates of DaVita or Teammates who have terminated their employment with DaVita within twelve (12) months of the solicitation, recruitment, or encouragement, to provide to a Competing Business the same or substantially similar services they provided to DaVita.

7. **Non-Interference of Vendors and Suppliers.** Teammate agrees that during his or her employment with DaVita and following the termination of his or her employment, Teammate will not directly or indirectly interfere with DaVita's relationships with its vendors and suppliers in any manner that is prohibited by contract or law.

8. **Ownership of Intellectual Property.**

a. **Prior Inventions Retained and Licensed by Teammate.** Teammate has attached hereto, as Exhibit A, a list describing all Prior Inventions. If no such list is attached, Teammate represents that there are no such Prior Inventions. Teammate agrees not to incorporate, or permit to be incorporated, any Prior Invention owned by Teammate, or in which Teammate has an interest, into a Company product, process, program, or machine without DaVita's prior written consent.

b. **Assignment of Inventions.** Teammate agrees to promptly make full written disclosure to DaVita of, to hold in trust for the sole right and benefit of DaVita, and **hereby presently assigns** to DaVita, or its designees, without any additional consideration, all of Teammate's right, title, and interest in and to any and all Inventions that are Invented **during Teammate's employment or for a period of one (1) year following the voluntary or involuntary termination of Teammate's employment.** Teammate understands that the obligations under this paragraph 8(b) do not apply to any Invention that is Invented that: (1) does not involve the use of any DaVita Trade Secrets or Confidential Information, DaVita equipment, supplies, or facilities; (2) that were developed by Teammate entirely on Teammate's own time; **and** (3) do not relate to the Business of DaVita.

- c. **Works Made For Hire.** Teammate acknowledges that all Creative Works that are made by Teammate (solely or jointly with others) within the scope of and during the period of Teammate's employment with DaVita and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act.
- d. **Patent and Copyright Registrations.** Teammate agrees to assist DaVita (both during and after employment), or its designees, at DaVita's expense, but without additional compensation to Teammate, to secure DaVita's rights in any Inventions, copyrights, or other intellectual property rights relating thereto in any and all countries, hereby irrevocably designates and appoints DaVita, through its duly authorized officers and agents, as Teammate's agent and attorney in fact, to act for and on Teammate's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright or trademark registrations thereon anywhere in the world with the same legal force and effect as if executed by Teammate.

9. **Tolling.** Employee agrees that if either party institutes litigation to enforce or challenge the protective covenants in paragraphs four (4) through eight (8) of this agreement, and Employee is not enjoined from breaching one or more of the protective covenants contained herein, and a court thereafter determines that one or more of the protective covenants are enforceable, the restricted time periods in this Agreement shall be tolled beginning on the date the litigation was instituted until the litigation is finally resolved and all periods of appeal have expired.

10. **Prior Agreements and Disclosure of Agreement to Third Parties.** Teammate represents that he or she is not a party to any agreement with any former employer or any other person or entity containing any non-disclosure, non-compete, non-solicitation, non-recruitment, intellectual property assignment, or other covenants that will affect Teammate's ability to devote his or her full time and attention to the Business of DaVita, that has not already been disclosed to DaVita in writing. Teammate also agrees to provide a copy of this Agreement to any subsequent employer, person, or entity to which Teammate intends to provide services that may conflict with any of Teammate's obligations in this Agreement prior to engaging in any such activities. Teammate agrees that DaVita may also provide a copy of this Agreement or a description of its terms to any Patient or Customer, subsequent employer, or other third party at any time as it deems necessary to protect its interests, and Teammate agrees to indemnify DaVita against any claims and hold DaVita harmless from any losses, costs, fees, expenses, and damages arising out of Teammate's failure to comply with this paragraph.

11. **Additional Teammate Disclosure Exceptions.** Nothing in this Agreement (including with respect to Confidential Information, Trade Secrets, and Inventions obligations) is intended to be or will be construed to prevent, impede, or interfere with Teammate's right to respond accurately and fully to any question, inquiry, or request for information regarding Teammate's employment with DaVita when required by legal process by a Federal, State or other legal authority, or from initiating communications directly with, or responding to any inquiry from, or providing truthful testimony and information to, any Federal, State,



or other regulatory authority in the course of an investigation or proceeding authorized by law and carried out by such agency. Teammate is not required to contact DaVita regarding the subject matter of any such communications before Teammate engages in such communications. In addition, nothing in this Agreement is intended to restrict Teammate's legally protected right to discuss wages, hours or other working conditions with co-workers or in any way limit Teammate's rights under the National Labor Relations Act or any whistleblower act.

**12. Severability and Enforceability.** Teammate and DaVita agree that if any particular paragraphs, subparagraphs, phrases, words, or other portions of this Agreement are determined by an appropriate court to be invalid or unenforceable as written, they shall be modified as necessary to be valid or enforceable, and such modification shall not affect the remaining provisions of this Agreement, or if they cannot be modified to be made valid or enforceable, then they shall be severed from this Agreement, and all remaining terms and provisions shall remain enforceable.

**13. Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware (without regard to principles of conflicts of laws) to the extent not preempted by the Employee Retirement Income Security Act of 1974, as amended, or other Federal law, which shall otherwise control.

**14. Relief, Remedies, and Enforcement.** The parties acknowledge that DaVita is engaged in a highly competitive business and the covenants and restrictions contained in this Agreement, including the geographic and temporal restrictions, are reasonably designed to protect DaVita's legitimate business interests, including Company goodwill and Patient and Customer relationships, Confidential Information and Trade Secrets, and the specialized skills and knowledge gained by Teammate and DaVita's other employees during their employment. Teammate acknowledges and agrees that a breach of any provision of this Agreement by the Teammate will cause serious and irreparable injury to DaVita that will be difficult to quantify and which may not be adequately compensated by monetary damages alone. Thus, in the event of a breach or threatened or intended breach of this Agreement by Teammate, DaVita shall be entitled to injunctive relief, both temporary and final, enjoining and restraining such breach or threatened or intended breach, despite any agreement between two parties to arbitrate any disputes related to any aspect of Teammate's employment. Teammate further agrees that nothing in this Agreement, or in any agreement between the parties to arbitrate any other aspect of Teammate's employment, shall be construed to prohibit DaVita from pursuing any and all other legal or equitable remedies available to it for breach of any of the provisions of this Agreement, including the disgorgement of any profits, commissions, or fees realized by Teammate, any subsequent employers, any business owned or operated by Teammate, or any of Teammate's agents, heirs, or assigns, as well as all costs and attorneys' fees incurred because of Teammate's breach of any provisions of this Agreement. Teammate also agrees that that the knowledge, skills, and abilities he or she possesses at the time of commencement of employment are sufficient to permit Teammate to earn a livelihood satisfactory to Teammate without violating any provision of this Agreement.

**15. Entire Agreement and Validity of Terms.** Teammate and DaVita agree that this Agreement contains the entire agreement by and between them on the subjects covered by this Agreement, that all sections of prior agreements concerning these subjects are replaced by this Agreement, that Teammate does

not rely, and has not relied, upon any representation or statement not set forth herein by DaVita or any of DaVita's agents, representatives, or attorneys, and that this Agreement may be changed only by a subsequent agreement in writing signed by both parties.

**16. Survival.** All non-competition, non-solicitation, non-disclosure and use, non-recruiting, and Agreement disclosure obligations in this Agreement shall survive the voluntary or involuntary termination of Teammate's employment for any reason and with or without cause, and no dispute regarding any other provisions of this Agreement or regarding Teammate's employment or the termination of Teammate's employment shall prevent the operation and enforcement of these obligations.

**17. Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original, but all of which construed together shall constitute one and the same Agreement. Teammate agrees that DaVita may enforce this Agreement with a copy that is only signed by Teammate.

**18. Assignment and Successorship.** This Agreement and the rights and obligations of DaVita hereunder may be assigned by DaVita and shall inure to the benefit of and shall be enforceable by any such assignee, as well as any of DaVita's successors in interest. This Agreement and the rights and obligations of Teammate hereunder may not be assigned by Teammate, but are binding upon Teammate's heirs, administrators, executors, and personal representatives.

**19. Waiver.** The waiver by DaVita of any breach of this Agreement by Teammate shall not be effective unless in writing signed by an officer of DaVita, and no such waiver with regards to Teammate or any other person under a similar agreement shall operate or be construed as a waiver of the same type of breach or any other breach on a subsequent occasion by Teammate or any other person or entity.

**20. Headings.** The Section headings are for convenience only and shall not affect the meaning of the provisions contained in this Agreement.

**TEAMMATE ACKNOWLEDGES THAT HE OR SHE HAS READ AND UNDERSTANDS THE TERMS OF THIS AGREEMENT AND HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND HAVE THE AGREEMENT REVIEWED BY AN ATTORNEY, IF HE OR SHE SO CHOOSES, PRIOR TO ITS EXECUTION.**

IN WITNESS THEREOF, DaVita and Teammate have caused this Agreement to be executed as of the day and year first written above.

**Teammate**

**DaVita Inc.**

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Name: \_\_\_\_\_

Residency Address: \_\_\_\_\_

Title: \_\_\_\_\_

Approved by DaVita Inc. as to Form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Assistant General Counsel – Labor & Employment

#### **APPENDIX A**

- a. **DaVita Kidney Care “DKC”**: provides a variety of health care services to patient populations throughout the United States and abroad. A leading provider of dialysis services in the United States, DaVita Kidney Care treats patients with chronic kidney failure and end stage renal disease. This Business Unit includes and covers all aspects of the business that are not separately identified in sections b through i below.
- b. **DaVita Clinical Research “DCR”**: Provides early phase clinical research, late phase clinical research, biorepository, health economics outcomes research, and medical communications services.
- c. **DaVita Health Solutions “DHS”**: Provides an integrated care, multidisciplinary delivery model for high acuity chronically ill patients across a broad spectrum of diseases.
- d. **DaVita Rx**: Provides medication management services, analytics, prescription fulfillment, and pharmacy management services for clients for both standard and specialty drugs.
- e. **Falcon Physician**: Partners with practicing nephrologists and clinical excellence teams to develop and maintain web-based electronic health record solutions that integrate

with dialysis centers nationwide and help nephrologists improve efficiency while providing comprehensive CKD and ESRD patient care

f. **Hospital Services Group “HSG”**: Provides inpatient dialysis, Continuous Renal Replacement Therapy “CRRT”, and apheresis to hospitals, and assists in discharge planning and case management for acute and/or chronic renal patients leaving the hospital.

g. **Labs**: Provides clinical lab support for the diagnosis and treatment of ESRD and CKD patients.

h. **Lifeline**: Manages vascular access centers at which outpatient vascular access repairs and various other procedures on ESRD patients are performed.

i. **Nephrology Practice Solutions “NPS”**: Provides nephrology care through employed physicians, nephrology practice consulting and management services, including governance and compensation planning, market analysis and strategic plan development, and nephrologist recruitment services.

j. **Paladina**: Provides primary, preventative, and urgent care, 24/7 physician access, personalized care plans, wellness coaching, and chronic disease management with a health cost-savings to employers and patients.

k. **Village Health**: Partners with patients, physicians, and healthcare professionals as well as payors to provide integrated care management to patients with kidney disease.

**Exhibit B2 to Plan**

**CONFIDENTIALITY, NONCOMPETITION,  
NONSOLICITATION, AND INTELLECTUAL PROPERTY AGREEMENT  
(VICE PRESIDENT LEVEL)**

THIS CONFIDENTIALITY, NONCOMPETITION, NONSOLICITATION, AND INTELLECTUAL PROPERTY AGREEMENT (this “Agreement”) is made and entered into as of \_\_\_\_\_, 201\_ by and between DaVita Inc., which includes its subsidiaries and affiliated companies (“DaVita”), and \_\_\_\_\_ (“Teammate”).

WHEREAS, DaVita is engaged in the highly competitive business of providing kidney care and related services to its Patients and Customers and has offered to hire or continue to employ Teammate and Teammate has agreed to work or continue to work for DaVita;

WHEREAS, DaVita will expend a great deal of time, money, and effort to develop Teammate's skills to assist Teammate in performing his or her duties for DaVita and will disclose to Teammate its proprietary, Confidential, and Trade Secret Information (defined below), all of which Teammate agrees are valuable assets of DaVita that are developed at great effort and expense to DaVita, and;

WHEREAS, Teammate understands that DaVita has a valid interest in protecting its valuable assets, including its Confidential Information and Trade Secrets, the goodwill and business relationships with its Patients and Customers, other employees, and the general public, and the specialized training of its employees, and acknowledges that the covenants and restrictions contained herein are necessary to protect these valuable assets of DaVita; and

NOW, THEREFORE, in consideration of DaVita's initial or continued employment of Teammate, DaVita's promise to disclose to Teammate Confidential Information and Trade Secrets and provide specialized training to allow Teammate to perform Teammate's duties for DaVita, and the mutual benefits conferred herein (the sufficiency of all of which are hereby acknowledged by Teammate), DaVita and Teammate agree as follows:

**1. Definition of Key Terms.**

- a. **"Business Contact"** means contact that is intended to establish or strengthen a business or professional relationship for DaVita, regardless of whether the contact is with a patient directly assigned to Teammate or a patient with which Teammate otherwise has contact in furtherance of the Teammate's job duties.
- b. **"Business of DaVita"** means providing a variety of health care services to patient populations throughout the United States and abroad through its various Business Units (as defined below and in Appendix A), including, but not limited to, dialysis and other services for Patients with chronic kidney failure and end stage renal disease, innovative clinical care, integrated treatment plans, personalized care teams, and health-management services for Patients and Customers.
- c. **"Business Units"** means one or more of the businesses within DaVita listed in Appendix A. Teammate understands that this list of Business Units may expand or contract during Teammate's employment and is not meant to be all-inclusive or final. Teammate understands that DaVita intends to keep the restrictions in this Agreement narrow by defining the Business Units as a means of identifying the actual work Teammate performs for the Company and potential competitive activity as it relates to Teammate's employment and post-employment activities and not as a means of broadening such activity to Business Units for which Teammate did not work.
- d. **"Competing Business"** means any individual (including Teammate), corporation, limited liability company, partnership, joint venture, association, or other entity, regardless of form, that is directly engaged in whole or in relevant part in any business or enterprise that is the same as, or substantially the same as, the Business of DaVita, or that is taking material steps to engage in such business.

- e. **“Confidential Information”** means (i) competitively sensitive information, (ii) of importance to DaVita, (iii) that is kept in confidence by DaVita, (iv) that becomes known to Teammate through his or her employment with DaVita, and (v) that is not a trade secret under the Colorado Trade Secrets Act, Defend Trade Secrets Act of 2016 or other applicable law, as trade secrets are and shall remain separately protected and enforceable pursuant to applicable law. Assuming the foregoing criteria are met, Confidential Information includes, but is not limited to, information about DaVita’s operations, services, research and development of DaVita’s operations or services, names and other listings of current or prospective Patients or Customers, proposals to any current or prospective Patients or Customers, the terms of any arrangements or agreements with any Patients or Customers, including payment and pricing information, the implementation of patient or Customer-specific projects, the composition or description of future services that will or may be offered by DaVita, marketing strategies, financial and sales information, and technical expertise and know-how developed by DaVita, including the unique manner in which DaVita conducts its business. Confidential Information also includes information disclosed to DaVita by any third party (including, but not limited to, current or prospective Customers) that DaVita is required to treat as confidential. Confidential Information shall not include information readily available in the public domain so long as such information was not made available through the wrongdoing or fault of Teammate or any other individual.
  
- f. **“Creative Works”** means any and all works of authorship including, for example, written documents, spreadsheets, graphics, designs, trademarks, service marks, algorithms, computer programs or code, protocols, formulas, mask works, brochures, presentations, photographs, music or compositions, manuals, reports, and compilations of various elements, whether patentable or registrable under copyright, trademark, or similar domestic and international laws.
  
- g. **“Patients and Customers”** means those individuals, companies, or other entities for whom DaVita has provided or does provide products or services in connection with the Business of DaVita or whom DaVita has provided written proposals concerning the Business of DaVita in the one (1) year period preceding the voluntary or involuntary termination of Teammate’s employment with DaVita for any reason and with or without cause, including but not limited to, hospitals, clinics, and other health care providers.
  
- h. **“Indirectly,”** as used in paragraphs 2 and 4-7 below, means that Teammate will not assist others in performing those activities Teammate is prohibited from engaging in directly in paragraphs 2 and 4-7.
  
- i. **“Intellectual Property”** means those ownership and other legal rights associated with any Invention or Creative Works.

- j. **“Invent”** means to conceive of, develop, reduce to practice, or otherwise invent, as that term is commonly understood, and is not limited to its general usage under U.S. or foreign patent law.
- i. **“Invention”** means inventions, developments, concepts, improvements, designs, discoveries, inventive ideas, algorithms, computer software code, protocols, formulas, mask works, compositions, trademarks, service marks, or trade secrets, whether or not reduced to practice, patentable, or registrable under patent, copyright, trademark, or similar laws, which Teammate Invents, either solely or jointly during normal working hours or when Teammate is expected to be working, or that relate to the Business of DaVita or to DaVita’s actual or demonstrably anticipated research or development, or that are substantially aided by Teammate’s use of DaVita’s equipment, supplies, facilities, or confidential information, or contains **any** of DaVita’s Trade Secrets or Confidential Information, or that are the direct or substantial result of any work performed by Teammate for DaVita.
- k. **“Prior Inventions”** means all Inventions that were made by Teammate prior to his or her employment with DaVita, which belong to Teammate and which relate to DaVita’s current or proposed business, products, or research and development, and are not presently assigned to DaVita under this Agreement.
- l. **“Restricted Territory”** means the geographic territory in which Teammate worked, represented DaVita, or had Business Contact with DaVita’s Patients and Customers in the five (5) year period preceding the voluntary or involuntary termination of Teammate’s employment with DaVita for any reason and with or without cause.
- m. **“Trade Secret(s)”** means information defined as a trade secret by the Colorado Trade Secrets Act or other applicable law.
- n. **“Vendors and Suppliers”** means any individuals, companies, or government entities that supply materials or services to DaVita in furtherance of the Business of DaVita, regardless of whether or not they are also a Competing Business.

2. **Non-Disclosure and Non-Use of Confidential Information and Trade Secrets.** During the term of Teammate’s employment and following the voluntary or involuntary termination of Teammate’s employment for any reason and with or without cause, Teammate will not, except as authorized and required to perform Teammate’s duties for DaVita, directly or indirectly: use, disclose, reproduce, distribute, or otherwise disseminate DaVita’s Confidential Information or Trade Secrets, or take any action causing, or fail to take any action necessary, to prevent any such information to lose its character or cease to qualify as Confidential Information or a Trade Secret. Teammate agrees to ask DaVita, both during and after

employment, if Teammate has any questions about whether particular information is Confidential Information or a Trade Secret before using or disclosing such information. For example, Teammate agrees to contact DaVita if Teammate takes a job with an entity that is not a Competing Business (e.g., a vendor, insurance provider, or government agency) where that job will require Teammate to use or disclose Confidential Information or Trade Secrets such as pricing or contracting information in a manner that could adversely affect DaVita. Teammate shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (1) is made (a) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. § 1833.

**3. Return of Company Records and Property.** Teammate agrees to immediately return to DaVita all property belonging to DaVita, including but not limited to, keys, credit cards, phones, computers, documents, data, as well as originals, copies, or other physical embodiments of DaVita's Confidential Information and Trade Secrets (regardless of whether it is in paper, electronic, or any other format), at the termination of his or her employment or at any other time when DaVita so requests, and Teammate agrees not to retain or distribute any copies of any of the foregoing.

**4. Non-Solicitation of Patients and Customers.** Teammate agrees that during Teammate's employment and for a period of one (1) year following the voluntary or involuntary termination of Teammate's employment for any reason and with or without cause, Teammate will not, either on behalf of Teammate or for any Competing Business, directly or Indirectly solicit, divert, or appropriate, or attempt to solicit, divert, or appropriate any Patient or Customer with whom Teammate has had Business Contact in the twelve (12) month period preceding the termination of Teammate's employment, or about whom Teammate has any Confidential Information or Trade Secrets, for the purposes of providing services that are the same as or substantially similar to those provided in the Business of DaVita.

**5. Non-Competition.** Teammate agrees that during Teammate's employment and for a period of one (1) year following the voluntary or involuntary termination of Teammate's employment for any reason and with or without cause, Teammate will not, directly or Indirectly, own, manage, operate, join, control, be employed by or with, or participate in any manner with a Competing Business that competes with any Business Unit for which Teammate worked during the last five (5) years of his or her employment anywhere in the Restricted Territory where doing so will require Teammate to provide the same or substantially similar services to any such Competing Business as those which he or she provided to those Business Units at DaVita where he or she worked during the last five (5) years of his or her employment.

**6. Non-Solicitation of Teammates.** Teammate agrees that during his or her employment with DaVita and for one (1) year following the voluntary or involuntary termination of his or her employment for any reason and with or without cause, Teammate will not directly or Indirectly solicit, recruit, or encourage current Teammates of DaVita or Teammates who have terminated their employment with DaVita within twelve (12) months of the solicitation, recruitment, or encouragement, to provide to a Competing Business the same or substantially similar services they provided to DaVita.



7. **Non-Interference of Vendors and Suppliers.** Teammate agrees that during his or her employment with DaVita and following the termination of his or her employment, Teammate will not directly or indirectly interfere with DaVita's relationships with its vendors and suppliers in any manner that is prohibited by contract or law.

8. **Ownership of Intellectual Property.**

a. **Prior Inventions Retained and Licensed by Teammate.** Teammate has attached hereto, as Exhibit A, a list describing all Prior Inventions. If no such list is attached, Teammate represents that there are no such Prior Inventions. Teammate agrees not to incorporate, or permit to be incorporated, any Prior Invention owned by Teammate, or in which Teammate has an interest, into a Company product, process, program, or machine without DaVita's prior written consent.

b. **Assignment of Inventions.** Teammate agrees to promptly make full written disclosure to DaVita of, to hold in trust for the sole right and benefit of DaVita, and **hereby presently assigns** to DaVita, or its designees, without any additional consideration, all of Teammate's right, title, and interest in and to any and all Inventions that are Invented **during Teammate's employment or for a period of one (1) year following the voluntary or involuntary termination of Teammate's employment.** Teammate understands that the obligations under this paragraph 8(b) do not apply to any Invention that is Invented that: (1) does not involve the use of any DaVita Trade Secrets or Confidential Information, DaVita equipment, supplies, or facilities; (2) that were developed by Teammate entirely on Teammate's own time; **and** (3) do not relate to the Business of DaVita.

c. **Works Made For Hire.** Teammate acknowledges that all Creative Works that are made by Teammate (solely or jointly with others) within the scope of and during the period of Teammate's employment with DaVita and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act.

d. **Patent and Copyright Registrations.** Teammate agrees to assist DaVita (both during and after employment), or its designees, at DaVita's expense, but without additional compensation to Teammate, to secure DaVita's rights in any Inventions, copyrights, or other intellectual property rights relating thereto in any and all countries, hereby irrevocably designates and appoints DaVita, through its duly authorized officers and agents, as Teammate's agent and attorney in fact, to act for and on Teammate's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright or trademark registrations thereon anywhere in the world with the same legal force and effect as if executed by Teammate.

9. **Tolling.** Employee agrees that if either party institutes litigation to enforce or challenge the protective covenants in paragraphs four (4) through eight (8) of this agreement, and Employee is not enjoined from breaching one or more of the protective covenants contained herein, and a court thereafter determines that one or more of the protective covenants are enforceable, the restricted time periods in this Agreement shall be tolled beginning on the date the litigation was instituted until the litigation is finally resolved and all periods of appeal have expired.

10. **Prior Agreements and Disclosure of Agreement to Third Parties.** Teammate represents that he or she is not a party to any agreement with any former employer or any other person or entity containing any non-disclosure, non-compete, non-solicitation, non-recruitment, intellectual property assignment, or other covenants that will affect Teammate's ability to devote his or her full time and attention to the Business of DaVita, that has not already been disclosed to DaVita in writing. Teammate also agrees to provide a copy of this Agreement to any subsequent employer, person, or entity to which Teammate intends to provide services that may conflict with any of Teammate's obligations in this Agreement prior to engaging in any such activities. Teammate agrees that DaVita may also provide a copy of this Agreement or a description of its terms to any Patient or Customer, subsequent employer, or other third party at any time as it deems necessary to protect its interests, and Teammate agrees to indemnify DaVita against any claims and hold DaVita harmless from any losses, costs, fees, expenses, and damages arising out of Teammate's failure to comply with this paragraph.

11. **Additional Teammate Disclosure Exceptions.** Nothing in this Agreement (including with respect to Confidential Information, Trade Secrets, and Inventions obligations) is intended to be or will be construed to prevent, impede, or interfere with Teammate's right to respond accurately and fully to any question, inquiry, or request for information regarding Teammate's employment with DaVita when required by legal process by a Federal, State or other legal authority, or from initiating communications directly with, or responding to any inquiry from, or providing truthful testimony and information to, any Federal, State, or other regulatory authority in the course of an investigation or proceeding authorized by law and carried out by such agency. Teammate is not required to contact DaVita regarding the subject matter of any such communications before Teammate engages in such communications. In addition, nothing in this Agreement is intended to restrict Teammate's legally protected right to discuss wages, hours or other working conditions with co-workers or in any way limit Teammate's rights under the National Labor Relations Act or any whistleblower act.

12. **Severability and Enforceability.** Teammate and DaVita agree that if any particular paragraphs, subparagraphs, phrases, words, or other portions of this Agreement are determined by an appropriate court to be invalid or unenforceable as written, they shall be modified as necessary to be valid or enforceable, and such modification shall not affect the remaining provisions of this Agreement, or if they cannot be modified to be made valid or enforceable, then they shall be severed from this Agreement, and all remaining terms and provisions shall remain enforceable.

13. **Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware (without regard to principles of conflicts of laws)

to the extent not preempted by the Employee Retirement Income Security Act of 1974, as amended, or other Federal law, which shall otherwise control.

**14. Relief, Remedies, and Enforcement.** The parties acknowledge that DaVita is engaged in a highly competitive business and the covenants and restrictions contained in this Agreement, including the geographic and temporal restrictions, are reasonably designed to protect DaVita's legitimate business interests, including Company goodwill and Patient and Customer relationships, Confidential Information and Trade Secrets, and the specialized skills and knowledge gained by Teammate and DaVita's other employees during their employment. Teammate acknowledges and agrees that a breach of any provision of this Agreement by the Teammate will cause serious and irreparable injury to DaVita that will be difficult to quantify and which may not be adequately compensated by monetary damages alone. Thus, in the event of a breach or threatened or intended breach of this Agreement by Teammate, DaVita shall be entitled to injunctive relief, both temporary and final, enjoining and restraining such breach or threatened or intended breach, despite any agreement between two parties to arbitrate any disputes related to any aspect of Teammate's employment. Teammate further agrees that nothing in this Agreement, or in any agreement between the parties to arbitrate any other aspect of Teammate's employment, shall be construed to prohibit DaVita from pursuing any and all other legal or equitable remedies available to it for breach of any of the provisions of this Agreement, including the disgorgement of any profits, commissions, or fees realized by Teammate, any subsequent employers, any business owned or operated by Teammate, or any of Teammate's agents, heirs, or assigns, as well as all costs and attorneys' fees incurred because of Teammate's breach of any provisions of this Agreement. Teammate also agrees that that the knowledge, skills, and abilities he or she possesses at the time of commencement of employment are sufficient to permit Teammate to earn a livelihood satisfactory to Teammate without violating any provision of this Agreement.

**15. Entire Agreement and Validity of Terms.** Teammate and DaVita agree that this Agreement contains the entire agreement by and between them on the subjects covered by this Agreement, that all sections of prior agreements concerning these subjects are replaced by this Agreement, that Teammate does not rely, and has not relied, upon any representation or statement not set forth herein by DaVita or any of DaVita's agents, representatives, or attorneys, and that this Agreement may be changed only by a subsequent agreement in writing signed by both parties.

**16. Survival.** All non-competition, non-solicitation, non-disclosure and use, non-recruiting, and Agreement disclosure obligations in this Agreement shall survive the voluntary or involuntary termination of Teammate's employment for any reason and with or without cause, and no dispute regarding any other provisions of this Agreement or regarding Teammate's employment or the termination of Teammate's employment shall prevent the operation and enforcement of these obligations.

**17. Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original, but all of which construed together shall constitute one and the same Agreement. Teammate agrees that DaVita may enforce this Agreement with a copy that is only signed by Teammate.

18. **Assignment and Successorship.** This Agreement and the rights and obligations of DaVita hereunder may be assigned by DaVita and shall inure to the benefit of and shall be enforceable by any such assignee, as well as any of DaVita's successors in interest. This Agreement and the rights and obligations of Teammate hereunder may not be assigned by Teammate, but are binding upon Teammate's heirs, administrators, executors, and personal representatives.

19. **Waiver.** The waiver by DaVita of any breach of this Agreement by Teammate shall not be effective unless in writing signed by an officer of DaVita, and no such waiver with regards to Teammate or any other person under a similar agreement shall operate or be construed as a waiver of the same type of breach or any other breach on a subsequent occasion by Teammate or any other person or entity.

20. **Headings.** The Section headings are for convenience only and shall not affect the meaning of the provisions contained in this Agreement.

**TEAMMATE ACKNOWLEDGES THAT HE OR SHE HAS READ AND UNDERSTANDS THE TERMS OF THIS AGREEMENT AND HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND HAVE THE AGREEMENT REVIEWED BY AN ATTORNEY, IF HE OR SHE SO CHOOSES, PRIOR TO ITS EXECUTION.**

IN WITNESS THEREOF, DaVita and Teammate have caused this Agreement to be executed as of the day and year first written above.

**Teammate**

**DaVita Inc.**

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Name: \_\_\_\_\_

Residency Address: \_\_\_\_\_

Title: \_\_\_\_\_

Approved by DaVita Inc. as to Form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Assistant General Counsel – Labor & Employment

## APPENDIX A

- a. **DaVita Kidney Care “DKC”**: provides a variety of health care services to patient populations throughout the United States and abroad. A leading provider of dialysis services in the United States, DaVita Kidney Care treats patients with chronic kidney failure and end stage renal disease. This Business Unit includes and covers all aspects of the business that are not separately identified in sections b through i below.
- b. **DaVita Clinical Research “DCR”**: Provides early phase clinical research, late phase clinical research, biorepository, health economics outcomes research, and medical communications services.
- c. **DaVita Health Solutions “DHS”**: Provides an integrated care, multidisciplinary delivery model for high acuity chronically ill patients across a broad spectrum of diseases.
- d. **DaVita Rx**: Provides medication management services, analytics, prescription fulfillment, and pharmacy management services for clients for both standard and specialty drugs.
- e. **Falcon Physician**: Partners with practicing nephrologists and clinical excellence teams to develop and maintain web-based electronic health record solutions that integrate with dialysis centers nationwide and help nephrologists improve efficiency while providing comprehensive CKD and ESRD patient care
- f. **Hospital Services Group “HSG”**: Provides inpatient dialysis, Continuous Renal Replacement Therapy “CRRT”, and apheresis to hospitals, and assists in discharge planning and case management for acute and/or chronic renal patients leaving the hospital.
- g. **Labs**: Provides clinical lab support for the diagnosis and treatment of ESRD and CKD patients.
- h. **Lifeline**: Manages vascular access centers at which outpatient vascular access repairs and various other procedures on ESRD patients are performed.
- i. **Nephrology Practice Solutions “NPS”**: Provides nephrology care through employed physicians, nephrology practice consulting and management services, including governance and compensation planning, market analysis and strategic plan development, and nephrologist recruitment services.
- j. **Paladina**: Provides primary, preventative, and urgent care, 24/7 physician access, personalized care plans, wellness coaching, and chronic disease management with a health cost-savings to employers and patients.
- k. **Village Health**: Partners with patients, physicians, and healthcare professionals as well as payors to provide integrated care management to patients with kidney disease.

**SUBSIDIARIES OF THE COMPANY**  
as of December 31, 2018

Name	Jurisdiction of Organization
<b>DaVita Kidney Care:</b>	
Aberdeen Dialysis, LLC	Delaware
Adair Dialysis, LLC	Delaware
Afton Dialysis, LLC	Delaware
Ahern Dialysis, LLC	Delaware
Alamosa Dialysis, LLC	Delaware
Alenes Dialysis, LLC	Delaware
American Medical Insurance, Inc.	Arizona
Animas Dialysis, LLC	Delaware
Ashdow Dialysis, LLC	Delaware
Astro, Hobby, West Mt. Renal Care Limited Partnership	Delaware
Atchison Dialysis, LLC	Delaware
Athio Dialysis, LLC	Delaware
Atlantic Dialysis, LLC	Delaware
Austin Dialysis Centers, L.P.	Delaware
Babler Dialysis, LLC	Delaware
Bainbridge Dialysis, LLC	Delaware
Baker Dialysis, LLC	Delaware
Bannack Dialysis, LLC	Delaware
Bannon Dialysis, LLC	Delaware
Barnell Dialysis, LLC	Delaware
Barnstable Dialysis, LLC	New York
Barrons Dialysis, LLC	Delaware
Barton Dialysis, LLC	Delaware
Bastrop Dialysis, LLC	Delaware
Beachside Dialysis, LLC	Delaware
Beck Dialysis, LLC	Delaware
Bedell Dialysis, LLC	Delaware
Bellevue Dialysis, LLC	Delaware
Bemity Dialysis, LLC	Delaware
Beverly Hills Dialysis Partnership	California
Bidwell Dialysis, LLC	Delaware
Birch Dialysis, LLC	Ohio
Bladon Dialysis, LLC	Delaware
Bluegrass Dialysis, LLC	Delaware
Bogachiel Dialysis, LLC	Delaware
Bohama Dialysis, LLC	Delaware
Bonister Dialysis, LLC	Delaware
Borrego Dialysis, LLC	Delaware
Bothwell Dialysis, LLC	Delaware
Brache Dialysis, LLC	Delaware
Braddock Dialysis, LLC	Delaware

Bretton Dialysis, LLC	Delaware
Bridges Dialysis, LLC	Delaware
Brimfield Dialysis, LLC	Delaware
Brook Dialysis, LLC	Delaware
Brooksprings Dialysis, LLC	Delaware
Brownsville Kidney Center, Ltd.	Texas
Bruno Dialysis, LLC	Delaware
Buckhorn Dialysis, LLC	Delaware
Bullards Dialysis, LLC	Delaware
Butano Dialysis, LLC	Delaware
Caddoan Dialysis, LLC	Delaware
Cadiz Dialysis, LLC	Delaware
Calante Dialysis, LLC	Delaware
Cama Dialysis, LLC	Delaware
Campton Dialysis, LLC	Delaware
Canoe Dialysis, LLC	Delaware
Canyon Dialysis, LLC	Delaware
Canyon Springs Dialysis, LLC	Delaware
Capano Dialysis, LLC	Delaware
Capes Dialysis, LLC	Delaware
Capital Dialysis Partnership	California
Capron Dialysis, LLC	Delaware
Captree Dialysis, LLC	Delaware
Carroll County Dialysis Facility Limited Partnership	Maryland
Carroll County Dialysis Facility, Inc.	Maryland
Caverns Dialysis, LLC	Delaware
Central Carolina Dialysis Centers, LLC	Delaware
Central Georgia Dialysis, LLC	Delaware
Central Kentucky Dialysis Centers, LLC	Delaware
Centro de Terapia Renal de Araruama Ltda.	Brazil
Centro de Terapia Renal de Itabori Ltda.	Brazil
Chadron Dialysis, LLC	Delaware
Chaffee Dialysis, LLC	Delaware
Challis Dialysis, LLC	Delaware
Channel Dialysis, LLC	Delaware
Cheraw Dialysis, LLC	Delaware
Chicago Heights Dialysis, LLC	Delaware
Chicot Dialysis, LLC	Delaware
Chouteau Dialysis, LLC	Delaware
Churchill Dialysis, LLC	Delaware
Cinco Rios Dialysis, LLC	Delaware
Clark Dialysis, LLC	Delaware
Cleburne Dialysis, LLC	Delaware
Clinica Central do Bonfim S.A.	Portugal
Clinica Medica DaVita Araongas Servicos de Nefrologia Ltda.	Brazil
Clinica Medica DaVita Londrina Servicos de Nefrologia Ltda.	Brazil
Clinica Medica DaVita Rolandia Servicos de Nefrologia Ltda.	Brazil

Clini-Rim Clinica do Rim e Hipertensao Arterial Ltda.	Brazil
Clinisa - Clinica de Nefrologia de Itapecerica da Serra Ltda.	Brazil
Clover Dialysis, LLC	Delaware
Clyfee Dialysis, LLC	Delaware
Cobbles Dialysis, LLC	Delaware
Columbus-RNA-DaVita, LLC	Delaware
Conconully Dialysis, LLC	Delaware
Conecuh Dialysis, LLC	Delaware
Continental Dialysis Center of Springfield-Fairfax, Inc.	Virginia
Continental Dialysis Center, Inc.	Virginia
Coral Dialysis, LLC	Delaware
Couer Dialysis, LLC	Delaware
Cowell Dialysis, LLC	Delaware
Croskee Dialysis, LLC	Delaware
Crossings Dialysis, LLC	Delaware
Crowder Dialysis, LLC	Delaware
Crystals Dialysis, LLC	Delaware
Cuivre Dialysis, LLC	Delaware
Curlew Dialysis, LLC	Delaware
Dale Dialysis, LLC	Delaware
Dalhart Dialysis, LLC	Delaware
Dallas-Fort Worth Nephrology, L.P.	Delaware
Davis Dialysis, LLC	Delaware
DaVita - Riverside II, LLC	Delaware
DaVita - Riverside, LLC	Delaware
DaVita - West, LLC	Delaware
DaVita APAC Holding B.V.	Netherlands
DaVita Brasil Participações e Serviços de Nefrologia Ltda.	Brazil
DaVita Brasil Servicos de Nefrologia Uber Ltda.	Brazil
DaVita Care (Saudi Arabia)	Saudi Arabia
DaVita Deutschland AG	Germany
DaVita Deutschland Beteiligungs GmbH & Co. KG	Germany
DaVita Germany GmbH	Germany
DaVita Health Solutions, LLC	Delaware
DaVita HealthCare Brasil Servicos Medicos Ltda.	Brazil
DaVita International Limited	United Kingdom
DaVita of New York, Inc.	New York
DaVita Rien Servicos de Nefrologia Ltda.	Brazil
DaVita Rx, LLC	Delaware
DaVita S.A.S.	Colombia
DaVita Servicos de Nefrologia de Araraquara Ltda.	Brazil
DaVita Servicos de Nefrologia Distrito Federal Ltda.	Brazil
DaVita Servicos de Nefrologia Jardim das Imbuias Ltda.	Brazil
DaVita Servicos de Nefrologia Juiz Fora Ltda.	Brazil
DaVita Servicos de Nefrologia Meireles Ltda.	Brazil
DaVita Servicos de Nefrologia Mondubim Ltda.	Brazil
DaVita Servicos de Nefrologia Niteroi Ltda.	Brazil



DaVita Servicos de Nefrologia Recife Ltda.	Brazil
DaVita Servicos de Nefrologia Santos Ltda.	Brazil
DaVita Servicos de Nefrologia Sao Bernardino do Campo Ltda.	Brazil
DaVita Servicos de Nefrologia Sao Caetano do Sul Ltda.	Brazil
DaVita Servicos de Nefrologia Sao Gerardo Ltda.	Brazil
DaVita Servicos Medicos Ltda.	Brazil
DaVita Sp. z o.o.	Poland
DaVita Tidewater - Virginia Beach, LLC	Delaware
DaVita UTR Servicos de Nefrologia Ltda.	Brazil
DaVita VillageHealth, Inc.	Delaware
Dawson Dialysis, LLC	Delaware
DC Healthcare International, Inc.	Delaware
Decklund Dialysis, LLC	Delaware
Deowee Dialysis, LLC	Delaware
DiaCare AG	Switzerland
Dialysis Holdings, Inc.	Delaware
Dialysis of Northern Illinois, LLC	Delaware
Dialysis Specialists of Dallas, Inc.	Texas
Dierks Dialysis, LLC	Delaware
Dighton Dialysis, LLC	Delaware
DNP Management Company, LLC	Delaware
Dolores Dialysis, LLC	Delaware
Doves Dialysis, LLC	Delaware
Downriver Centers, Inc.	Michigan
Dresher Dialysis, LLC	Delaware
Dunes Dialysis, LLC	Delaware
Duston Dialysis, LLC	Delaware
DV Care Netherlands B.V.	Netherlands
DV Care Netherlands C.V.	Netherlands
DVA Healthcare - Southwest Ohio, LLC	Tennessee
DVA Healthcare of Maryland, LLC	Maryland
DVA Healthcare of Massachusetts, Inc.	Massachusetts
DVA Healthcare of New London, LLC	Tennessee
DVA Healthcare of Norwich, LLC	Tennessee
DVA Healthcare of Pennsylvania, LLC	Pennsylvania
DVA Healthcare of Tuscaloosa, LLC	Tennessee
DVA Healthcare Procurement Services, Inc.	California
DVA Healthcare Renal Care, Inc.	Nevada
DVA Holdings Pte. Ltd.	Singapore
DVA Laboratory Services, Inc.	Florida
DVA of New York, Inc.	New York
DVA Renal Healthcare, Inc.	Tennessee
Dworsher Dialysis, LLC	Delaware
East End Dialysis Center, Inc.	Virginia
East Ft. Lauderdale, LLC	Delaware
Edisto Dialysis, LLC	Delaware
Egonsa Dialysis, LLC	Delaware

Elberton Dialysis Facility, Inc.	Georgia
Eldrist Dialysis, LLC	Delaware
Elgin Dialysis, LLC	Delaware
Elk Grove Dialysis Center, LLC	Delaware
Ellacoya Dialysis, LLC	Delaware
Ellmac Dialysis, LLC	Delaware
Empire State DC, Inc.	New York
Etowah Dialysis, LLC	Delaware
Ettleton Dialysis, LLC	Delaware
Eufaula Dialysis, LLC	Delaware
EURODIAL - Centro de Nefrologia e Dialise de Leiria S.A.	Portugal
Falcon, LLC	Delaware
Farragut Dialysis, LLC	Delaware
Federal Way Assurance, Inc.	Colorado
Ferne Dialysis, LLC	Delaware
Ferron Dialysis, LLC	Delaware
Fields Dialysis, LLC	Delaware
Five Star Dialysis, LLC	Delaware
Flagler Dialysis, LLC	Delaware
Flamingo Park Kidney Center, Inc.	Florida
Flandrau Dialysis, LLC	Delaware
Flor Dialysis, LLC	Delaware
Fort Dialysis, LLC	Delaware
Foss Dialysis, LLC	Delaware
Freehold Artificial Kidney Center, L.L.C.	New Jersey
Freeman Dialysis, LLC	Delaware
Frierton Dialysis, LLC	Delaware
Frontier Dialysis, LLC	Delaware
Fullerton Dialysis Center, LLC	Delaware
Ganois Dialysis, LLC	Delaware
Gansett Dialysis, LLC	Delaware
Garner Dialysis, LLC	Delaware
Garrett Dialysis, LLC	Delaware
Garson Dialysis, LLC	Delaware
Gate Dialysis, LLC	Delaware
GDC International, LLC	Delaware
Gebhard Dialysis, LLC	Delaware
Genesis KC Development, LLC	Delaware
Geyser Dialysis, LLC	Delaware
Gilwards Dialysis, LLC	Delaware
GiveLife Dialysis, LLC	Delaware
Glacier Dialysis, LLC	Delaware
Glarus Dialysis, LLC	Delaware
Glassland Dialysis, LLC	Delaware
Glosser Dialysis, LLC	Delaware
Golden ASC, LLC	Delaware
Goliad Dialysis, LLC	Delaware

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Granue Dialysis, LLC	Delaware
Greater Las Vegas Dialysis, LLC	Delaware
Greater Los Angeles Dialysis Centers, LLC	Delaware
Green Desert Dialysis, LLC	Delaware
Groten Dialysis, LLC	Delaware
Guilder Dialysis, LLC	Delaware
Hailstone Dialysis, LLC	Delaware
Hampton Dialysis, LLC	Delaware
Harmony Dialysis, LLC	Delaware
Hart Dialysis, LLC	Delaware
Havanna Dialysis, LLC	Delaware
Hawn Dialysis, LLC	Delaware
Hays Dialysis, LLC	Delaware
Hazelton Dialysis, LLC	Delaware
Helmer Dialysis, LLC	Delaware
Hewett Dialysis, LLC	Delaware
Higbee Dialysis, LLC	Delaware
Higden Dialysis, LLC	Delaware
Hilgards Dialysis, LLC	Delaware
Hills Dialysis, LLC	Delaware
Holten Dialysis, LLC	Delaware
Honeyman Dialysis, LLC	Delaware
Houston Kidney Center/Total Renal Care Integrated Service Network Limited Partnership	Delaware
Hummer Dialysis, LLC	Delaware
Hunter Dialysis, LLC	Delaware
Huntington Artificial Kidney Center, Ltd.	New York
Huntington Park Dialysis, LLC	Delaware
Hyattsville Dialysis, LLC	Delaware
Hyde Dialysis, LLC	Delaware
Icelandic Dialysis, LLC	Delaware
IDC -International Dialysis Centers, Lda	Portugal
Instituto de Nefrologia da Regiao dos Lagos Ltda.	Brazil
Iroquois Dialysis, LLC	Delaware
ISD Bartlett, LLC	Delaware
ISD I Holding Company, Inc.	Delaware
ISD II Holding Company, Inc.	Delaware
ISD Las Vegas, LLC	Delaware
ISD Renal, Inc.	Delaware
ISD Schaumburg, LLC	Delaware
ISD Spring Valley, LLC	Delaware
ISD Summit Renal Care, LLC	Ohio
Jacinto Dialysis, LLC	Delaware
Jenness Dialysis, LLC	Delaware
Jericho Dialysis, LLC	Delaware
Kadden Dialysis, LLC	Delaware
Kamakee Dialysis, LLC	Delaware
Kamiah Dialysis, LLC	Delaware

Kanika Dialysis, LLC	Delaware
Kasaskia Dialysis, LLC	Delaware
Kavett Dialysis, LLC	Delaware
Kerricher Dialysis, LLC	Delaware
Kershaw Dialysis, LLC	Delaware
Kidney Care Services, LLC	Delaware
Kidney Center South LLC	Delaware
Kidney HOME Center, LLC	Delaware
Kidney Life, LLC	New Jersey
Kimball Dialysis, LLC	Delaware
Kingston Dialysis, LLC	Delaware
Kinnick Dialysis, LLC	Delaware
Kiowa Dialysis, LLC	Delaware
Knickerbocker Dialysis, Inc.	New York
Landor Dialysis, LLC	Delaware
Lantell Dialysis, LLC	Delaware
Lassen Dialysis, LLC	Delaware
Latrobe Dialysis, LLC	Delaware
Lawrenceburg Dialysis, LLC	Delaware
Leawood Dialysis, LLC	Delaware
Lees Dialysis, LLC	Delaware
Legare Development LLC	Delaware
Liberty RC, Inc.	New York
Lifeline Pensacola, LLC	Delaware
Lifeline Vascular Center-Albany, LLC	Delaware
Lincoln Park Dialysis Services, Inc.	Illinois
Little Rock Dialysis Centers, LLC	Delaware
Livingston Dialysis, LLC	Delaware
Llano Dialysis, LLC	Delaware
Lockhart Dialysis, LLC	Delaware
Lofield Dialysis, LLC	Delaware
Logoley Dialysis, LLC	Delaware
Long Beach Dialysis Center, LLC	Delaware
Lory Dialysis, LLC	Delaware
Lourdes Dialysis, LLC	Delaware
Lyndale Dialysis, LLC	Delaware
Machesney Bay Dialysis, LLC	Delaware
Madigan Dialysis, LLC	Delaware
Magney Dialysis, LLC	Delaware
Magnolia Dialysis, LLC	Delaware
Magoffin Dialysis, LLC	Delaware
Makonee Dialysis, LLC	Delaware
Manito Dialysis, LLC	Delaware
Manzano Dialysis, LLC	Delaware
Maple Grove Dialysis, LLC	Delaware
Margette Dialysis, LLC	Delaware
Marseille Dialysis, LLC	Delaware

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Marysville Dialysis Center, LLC	Delaware
Mashero Dialysis, LLC	Delaware
Mason-Dixon Dialysis Facilities, Inc.	Maryland
Matheson Dialysis, LLC	Delaware
Mautino Dialysis, LLC	Delaware
Mazonia Dialysis, LLC	Delaware
Meadows Dialysis, LLC	Delaware
Mellen Dialysis, LLC	Delaware
Memorial Dialysis Center, L.P.	Delaware
Meridian Dialysis, LLC	Delaware
Mermet Dialysis, LLC	Delaware
Mesilla Dialysis, LLC	Delaware
Middlesex Dialysis Center, LLC	Delaware
Millonee Dialysis, LLC	Delaware
Milltown Dialysis, LLC	Delaware
Milo Dialysis, LLC	Delaware
Minam Dialysis, LLC	Delaware
Mocca Dialysis, LLC	Delaware
Moraine Dialysis, LLC	Delaware
Morrison Dialysis, LLC	Delaware
Mountain West Dialysis Services, LLC	Delaware
Mulgee Dialysis, LLC	Delaware
MVZ DaVita Alzey GmbH	Germany
MVZ DaVita Ambulantes Kardiologisches Zentrum Peine GmbH	Germany
MVZ DaVita Aurich GmbH	Germany
MVZ DaVita Bad Aibling GmbH	Germany
MVZ DaVita Bad Duben GmbH	Germany
MVZ DaVita Cardio Centrum Dusseldorf GmbH	Germany
MVZ DaVita Dillenburg GmbH	Germany
MVZ DaVita Dinkelsbuhl GmbH	Germany
MVZ DaVita Dormagen GmbH	Germany
MVZ DaVita Dresden GmbH	Germany
MVZ DaVita Duisburg GmbH	Germany
MVZ DaVita Elsterland GmbH	Germany
MVZ DaVita Emden GmbH	Germany
MVZ DaVita Geilenkirchen GmbH	Germany
MVZ DaVita Gera GmbH	Germany
MVZ DaVita Hannover Linden GmbH	Germany
MVZ DaVita Iserlohn GmbH	Germany
MVZ DaVita Monchengladbach GmbH	Germany
MVZ DaVita Neuss GmbH	Germany
MVZ DaVita Niederrhein GmbH	Germany
MVZ DaVita Nierenzentrum Berlin-Britz GmbH	Germany
MVZ DaVita Nierenzentrum Hamm-Ahlen GmbH	Germany
MVZ DaVita Prenzlau-Pasewalk GmbH	Germany
MVZ DaVita Rhein-Ahr GmbH	Germany
MVZ DaVita Rhein-Ruhr GmbH	Germany

MVZ DaVita Salzgitter-Seesen GmbH	Germany
MVZ DaVita Schwalm-Eder GmbH	Germany
MVZ DaVita Sud-Niedersachsen GmbH	Germany
MVZ DaVita Viersen GmbH	Germany
Nansen Dialysis, LLC	Delaware
Natomas Dialysis, LLC	Delaware
Nauvue Dialysis, LLC	Delaware
Navarro Dialysis, LLC	Delaware
Nefros Unidade De Nefrologia e Hipertensao Sociedade Simples Ltda.	Brazil
Neoporte Dialysis, LLC	Delaware
Nephrology Medical Associates of Georgia, LLC	Georgia
Nephrology Practice Solutions, LLC	Delaware
Nephron Care Assistencia Medica Ltda.	Brazil
Neptune Artificial Kidney Center, L.L.C.	New Jersey
New Bay Dialysis, LLC	Delaware
Norbert Dialysis, LLC	Delaware
Norte Dialysis, LLC	Delaware
North Atlanta Dialysis Center, LLC	Delaware
North Colorado Springs Dialysis, LLC	Delaware
Odiome Dialysis, LLC	Delaware
Ogano Dialysis, LLC	Delaware
Ohio River Dialysis, LLC	Delaware
Okanogan Dialysis, LLC	Delaware
Olive Dialysis, LLC	Delaware
Onota Dialysis, LLC	Delaware
Orange Dialysis, LLC	California
Ossipee Dialysis, LLC	Delaware
Owens Dialysis, LLC	Delaware
Owyhee Dialysis, LLC	Delaware
Pablo Dialysis, LLC	Delaware
Palo Dialysis, LLC	Delaware
Panther Dialysis, LLC	Delaware
Parkside Dialysis, LLC	Delaware
Patient Pathways, LLC	Delaware
Pattison Dialysis, LLC	Delaware
Pawlier Dialysis, LLC	Delaware
Pedernales Dialysis, LLC	Delaware
Pendster Dialysis, LLC	Delaware
Petra Dialysis, LLC	Delaware
Pharis Dialysis, LLC	Delaware
Physicians Choice Dialysis Of Alabama, LLC	Delaware
Physicians Choice Dialysis, LLC	Delaware
Physicians Dialysis Acquisitions, Inc.	Delaware
Physicians Dialysis of Lancaster, LLC	Pennsylvania
Physicians Dialysis Ventures, LLC	Delaware
Physicians Dialysis, Inc.	Delaware
Physicians Management, LLC	Delaware

Pible Dialysis, LLC	Delaware
Pine Dialysis, LLC	Delaware
Pittsburgh Dialysis Partners, LLC	Delaware
Piute Dialysis, LLC	Delaware
Plaine Dialysis, LLC	Delaware
Platte Dialysis, LLC	Delaware
Plover Dialysis, LLC	Delaware
Pluribus Dialise - Benfica, S.A.	Portugal
Pluribus Dialise - Cascais, S.A.	Portugal
Pluribus Dialise, S.A.	Portugal
Poinsett Dialysis, LLC	Delaware
Pokagon Dialysis, LLC	Delaware
Portola Dialysis, LLC	Delaware
Prineville Dialysis, LLC	Delaware
Prings Dialysis, LLC	Delaware
Pyramid Dialysis, LLC	Delaware
Ramsey Dialysis, LLC	Delaware
Randolph Dialysis, LLC	Delaware
Ravalli Dialysis, LLC	Delaware
Rayburn Dialysis, LLC	Delaware
Red Willow Dialysis, LLC	Delaware
Redcliff Dialysis, LLC	Delaware
Refuge Dialysis, LLC	Delaware
Renal Center of Beaumont, LLC	Delaware
Renal Center of Flower Mound, LLC	Delaware
Renal Center of Frisco, LLC	Delaware
Renal Center of Hamilton, LLC	Delaware
Renal Center of Lewisville, LLC	Delaware
Renal Center of Monroe, LLC	Delaware
Renal Center of Morristown, LLC	Delaware
Renal Center of Mountain Home, LLC	Delaware
Renal Center of Newton, LLC	Delaware
Renal Center of North Denton, L.L.L.P.	Delaware
Renal Center of Port Arthur, LLC	Delaware
Renal Center of Waterton, L.L.L.P.	Delaware
Renal Center of West Beaumont, LLC	Delaware
Renal Center of Westwood, LLC	Delaware
Renal Life Link, Inc.	Delaware
Renal Treatment Centers - California, Inc.	Delaware
Renal Treatment Centers - Hawaii, Inc.	Delaware
Renal Treatment Centers - Illinois, Inc.	Delaware
Renal Treatment Centers - Mid-Atlantic, Inc.	Delaware
Renal Treatment Centers - Northeast, Inc.	Delaware
Renal Treatment Centers - Southeast, LP	Delaware
Renal Treatment Centers - West, Inc.	Delaware
Renal Treatment Centers, Inc.	Delaware
Renal Ventures Management, LLC	Delaware

RenalServ LLC	Delaware
Riddle Dialysis, LLC	Delaware
River Valley Dialysis, LLC	Delaware
RMS Lifeline Inc.	Delaware
Rocky Mountain Dialysis Services, LLC	Delaware
Rollins Dialysis, LLC	Delaware
Ronan Dialysis, LLC	Delaware
Roose Dialysis, LLC	Delaware
Rophets Dialysis, LLC	Delaware
Roushe Dialysis, LLC	Delaware
Routt Dialysis, LLC	Delaware
Royale Dialysis, LLC	Delaware
Rusk Dialysis, LLC	Delaware
Rutland Dialysis, LLC	Delaware
RV Academy, LLC	Delaware
Sahara Dialysis, LLC	Delaware
SAKDC-DaVita Dialysis Partners, L.P.	Delaware
San Marcos Dialysis, LLC	Delaware
Sands Dialysis, LLC	Delaware
Sapelo Dialysis, LLC	Delaware
Saunders Dialysis, LLC	Delaware
Schuler Dialysis, LLC	Delaware
Seabay Dialysis, LLC	Delaware
Secour Dialysis, LLC	Delaware
Seneca Dialysis, LLC	Delaware
Sensiba Dialysis, LLC	Delaware
Shadow Dialysis, LLC	Delaware
Shelby Dialysis, LLC	Delaware
Shelling Dialysis, LLC	Delaware
Sherman Dialysis, LLC	Delaware
Shetek Dialysis, LLC	Delaware
Shining Star Dialysis, Inc.	New Jersey
Shoals Dialysis, LLC	Delaware
Shone Dialysis, LLC	Delaware
Shoshone Dialysis, LLC	Delaware
Sierra Rose Dialysis Center, LLC	Delaware
Silverwood Dialysis, LLC	Delaware
Simeon Dialysis, LLC	Delaware
Skagit Dialysis, LLC	Delaware
Sloss Dialysis, LLC	Delaware
Smithgall Dialysis, LLC	Delaware
South Central Florida Dialysis Partners, LLC	Delaware
South Fork Dialysis, LLC	Delaware
Southcrest Dialysis, LLC	Delaware
Southlake Dialysis, LLC	Delaware
Southwest Atlanta Dialysis Centers, LLC	Delaware
Sparda Dialysis, LLC	Delaware

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Sprague Dialysis, LLC	Delaware
Springpond Dialysis, LLC	Delaware
St. Luke's Dialysis, LLC	Delaware
Star Dialysis, LLC	Delaware
Stines Dialysis, LLC	Delaware
Storrie Dialysis, LLC	Delaware
Sugarloaf Dialysis, LLC	Delaware
Sunapee Dialysis, LLC	Delaware
Sunset Dialysis, LLC	Delaware
Talimena Dialysis, LLC	Delaware
Tarleton Dialysis, LLC	Delaware
Terre Dialysis, LLC	Delaware
Tetona Dialysis, LLC	Delaware
Texas Renal Ventures, L.P.L.L.L.P.	Delaware
The DaVita Collection, Inc.	California
Tolland Dialysis, LLC	Delaware
Tolowa Dialysis, LLC	Delaware
Toltec Dialysis, LLC	Delaware
Total Acute Kidney Care, Inc.	Florida
Total Renal Care Of North Carolina, LLC	Delaware
Total Renal Care Texas Limited Partnership	Delaware
Total Renal Care, Inc.	California
Total Renal Laboratories, Inc.	Florida
Total Renal Research, Inc.	Delaware
Toulouse Dialysis, LLC	Delaware
Trailstone Dialysis, LLC	Delaware
Transmountain Dialysis, L.P.	Delaware
TRC - Indiana, LLC	Indiana
TRC - Petersburg, LLC	Delaware
TRC EL Paso Limited Partnership	Delaware
TRC of New York, Inc.	New York
TRC West, Inc.	Delaware
TRC-Georgetown Regional Dialysis, LLC	District Of Columbia
Tree City Dialysis, LLC	Delaware
Tross Dialysis, LLC	Delaware
Tunnel Dialysis, LLC	Delaware
Turlock Dialysis Center, LLC	Delaware
Twain Dialysis, LLC	Delaware
Tyler Dialysis, LLC	Delaware
Ukiah Dialysis, LLC	Delaware
Unicoi Dialysis, LLC	Delaware
University Dialysis Center, LLC	Delaware
Upper Valley Dialysis, L.P.	Delaware
USC-DaVita Dialysis Center, LLC	California
Valley Springs Dialysis, LLC	Delaware
Vancile Dialysis, LLC	Delaware
Vancleer Dialysis, LLC	Delaware

Victory Dialysis, LLC	Delaware
VillageHealth DM, LLC	Delaware
Villanueva Dialysis, LLC	Delaware
Vogel Dialysis, LLC	Delaware
Volo Dialysis, LLC	Delaware
Waddell Dialysis, LLC	Delaware
Wakoni Dialysis, LLC	Delaware
Walker Dialysis, LLC	Delaware
Walton Dialysis, LLC	Delaware
Watkins Dialysis, LLC	Delaware
Watson Dialysis, LLC	Delaware
Weldon Dialysis, LLC	California
West Sacramento Dialysis, LLC	Delaware
Williston Dialysis, LLC	Delaware
Willowbrook Dialysis Center, L.P.	Delaware
Winds Dialysis, LLC	Delaware
Woodford Dialysis, LLC	Delaware
Wyota Dialysis, LLC	Delaware
Yards Dialysis, LLC	Delaware
Zephyrhills Dialysis Center, LLC	Delaware
Zillmar Dialysis, LLC	Delaware
<b>DaVita Medical Group:</b>	
Coastal Physicians Management, Inc.	California
Colorado Innovative Physician Solutions, Inc.	Colorado
DaVita Clinical Trials, LLC	Delaware
DaVita Health Plan of California, Inc.	Delaware
DaVita Health Plan of Nevada, Inc.	Nevada
DaVita Magan Management, Inc.	California
DaVita Medical Colorado ASC, LLC	Colorado
DaVita Medical Colorado, LLC	Colorado
DaVita Medical Endoscopy Center New Mexico, LLC	New Mexico
DaVita Medical Florida, Inc.	Delaware
DaVita Medical Group Colorado Springs, LLC	Colorado
Davita Medical Group Florida CI, LLC	Delaware
DaVita Medical Group New Mexico, LLC	Delaware
DaVita Medical Group South Florida, LLC	Florida
DaVita Medical Holding Company, New Mexico, LLC	New Mexico
Davita Medical Holdings Colorado, LLC	Colorado
DaVita Medical Holdings Florida, Inc.	Delaware
DaVita Medical Holdings, LLC	California
DaVita Medical Management, LLC	California
Everett MSO, Inc.	Washington
HCP ACO California, LLC	California
HCP IPA Nevada, LLC	Nevada
HCP Medical LV, LLC	Nevada
HealthCare Partners ASC-LB, LLC	California

HealthCare Partners Management Services California, LLC	Delaware
HealthCare Partners Management Services Nevada, LLC	Nevada
HealthCare Partners of Nevada, LLC	Nevada
HealthCare Partners RE, LLC	Delaware
Mountain View Medical Group, LLC	Colorado
North Puget Sound Oncology Equipment Leasing Company, LLC	Washington

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors  
DaVita Inc.:

We consent to the incorporation by reference in the registration statements on Forms S-8 (No. 333-213119, No. 333-190434, No. 333-169467, No. 333-158220, No. 333-144097, No. 333-86550, and No. 333-30736), and on Form S-4 (No. 333-182572) and on Forms S-3 (No. 333-203394, No. 333-196630, No. 333-183285, and No. 333-169690) of DaVita Inc. of our reports dated February 22, 2019 with respect to the consolidated balance sheets of DaVita Inc. as of December 31, 2018 and 2017, the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes and financial statement Schedule II - Valuation and Qualifying Accounts (collectively, the consolidated financial statements), and the effectiveness of internal control over financial reporting as of December 31, 2018, which reports appear in the December 31, 2018 annual report on Form 10-K of DaVita Inc. Our report includes an explanatory paragraph that described the change in the Company's method of accounting for revenue recognition in 2018, as discussed in Notes 1 and 2 to the consolidated financial statements, due to the adoption of the Financial Accounting Standards Board's Accounting Standards Codification Topic 606 *Revenue from Contracts with Customers*.

/s/ KPMG LLP

Seattle, Washington  
February 22, 2019

## 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

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**Kent J. Thiry**  
**Chief Executive Officer**

Date: February 22, 2019

## SECTION 302 CERTIFICATION

I, Joel Ackerman, 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/ JOEL ACKERMAN

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**Joel Ackerman**  
**Chief Financial Officer**

Date: February 22, 2019

**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, 2018 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

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**Kent J. Thiry**  
**Chief Executive Officer**

February 22, 2019

**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, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Joel Ackerman, 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/ JOEL ACKERMAN

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**Joel Ackerman**  
**Chief Accounting Officer**

February 22, 2019



## Appendix 11

### Ancillary and Support Agreements and Vendors

## Ancillary and Support Agreements and Vendors

<b>Agreement</b>	<b>Vendor</b>
Extensive Facility Maintenance	CBRE
Pest Control	Terminix
Waste Disposal	Waste Management
Laboratory Services	DaVita Laboratory Services
Information Management	Iron Mountain
Medical Waste Disposal	Stericycle
Home Training Supplies	Baxter/NxStage/Fresenius
Renal Network	Northwest Renal Network (Network 16)
Agreement to participate and consent	NHSN
Oxygen Services	Apria Helathcare LLC
Student Training agreement	Charter College
Nursing home transfer agreement	Colonial Vista
Janitorial Agreement	Clear View services, INC
HVAC	DIVCO
Onsite shredding	Secure Shred
Landscaping/snow removal	Riverview
Phone	MCI
TV	Direct TV
Fire system	E squared systems

<b><u>Healthcare Facility Relationships</u></b>	<b><u>Type of Relationship</u></b>
Confluence Health	Attending and Rounding
Prestige at Colonial Vista	Nursing home/rehab transfer agreement
Virginia Mason	Transplant Agreement
University of Washington Transplant	Transplant Agreement
Providence/ Sacred Heart Transplant	Transplant Agreement
Swedish Organ Transplant	Transplant Agreement

The above list is representative of vendor relationships engaged in by DaVita in the State of Washington and is not represented to be an exhaustive list of every support and ancillary agreement relationship into which the facility may enter or may have entered.

## Appendix 12

# Patient Transfer Agreement

**PATIENT TRANSFER AGREEMENT**

This **PATIENT TRANSFER AGREEMENT** (the “Agreement”) is made as of the last date of signature hereto (the “Effective Date”), by and between [**\*\*INSERT HOSPITAL NAME\*\***] (hereinafter “Hospital”) and [**\*\*INSERT NAME OF DAVITA/DVA ENTITY\*\***], a subsidiary of DaVita Inc. (“Company”).

**RECITALS**

**WHEREAS**, the parties hereto desire to enter into this Agreement governing the transfer of patients between Hospital and the following free-standing dialysis clinic owned and operated by Company:

\_\_\_\_\_ *Dialysis*  
*Street Address*  
*City, State Zip Code*

**WHEREAS**, the parties hereto desire to enter into this Agreement in order to specify the rights and duties of each of the parties and to specify the procedure for ensuring the timely transfer of patients between the facilities;

**WHEREAS**, the parties wish to facilitate the continuity of care and the timely transfer of patients and records between the facilities; and

**WHEREAS**, only a patient's attending physician (not Company or the Hospital) can refer such patient to Company for dialysis treatments.

**NOW THEREFORE**, in consideration of the premises herein contained and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

**1. HOSPITAL OBLIGATIONS.** In accordance with the policies and procedures as hereinafter provided, and upon the recommendation of an attending physician, a patient of Company may be transferred to Hospital.

(a) Hospital agrees to exercise its best efforts to provide for prompt admission of patients provided that all usual, reasonable conditions of admission are met. All transfers between the facilities shall be made in accordance with applicable federal and state laws and regulations, the standards of The Joint Commission (“TJC”) and any other applicable accrediting bodies, and reasonable policies and procedures of the facilities. Transfer record forms shall be completed in detail and signed by the physician or nurse in charge at Company and must accompany the patient to the receiving institution.

(b) Neither the decision to transfer a patient nor the decision to not accept a request to transfer a patient shall be predicated upon arbitrary, capricious or unreasonable discrimination or based upon the patient’s inability to pay for services rendered by either facility.

## 2. COMPANY OBLIGATIONS.

(a) Upon transfer of a patient to Hospital, Company agrees:

- i. That it shall transfer any needed personal effects of the patient, and information relating to the same, and shall be responsible therefore until signed for by a representative of Hospital;
- ii. Original medical records kept by each of the parties shall remain the property of that institution; and
- iii. That transfer procedures shall be made known to the patient care personnel of each of the parties.

(b) Company agrees to transmit with each patient at the time of transfer, or in case of an emergency, as promptly as possible thereafter, an abstract of pertinent medical and other records necessary to continue the patient's treatment without interruption and to provide identifying and other information, to include:

- i. current medical findings;
- ii. diagnosis;
- iii. rehabilitation potential;
- iv. discharge summary;
- v. a brief summary of the course of treatment followed;
- vi. nursing and dietary information;
- vii. ambulating status; and
- viii. administrative and pertinent social information.

(c) Company agrees to readmit to its facilities patients who have been transferred to Hospital for medical care as clinic capacity allows. Hospital agrees to keep the administrator or designee of Company advised of the condition of the patients that will affect the anticipated date of transfer back to Company and to provide as much notice of the transfer date as possible. Company shall assign readmission priority for its patients who have been treated at Hospital and who are ready to transfer back to Company.

3. BILLING, PAYMENT, AND FEES. Hospital and Company each shall be responsible for billing the appropriate payor for the services it provides, respectively, hereunder. Company shall not act as guarantor for any charges incurred while the patient is a patient in Hospital.

4. HIPAA. Hospital and Company agree to comply with the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Hospital and Company

acknowledge and agree that from time to time, HIPAA may require modification to this Agreement for compliance purposes. Hospital and Company further acknowledge and agree to comply with requests by the other party hereto related to HIPAA.

**5. STATUS AS INDEPENDENT CONTRACTORS.** The parties acknowledge and agree that their relationship is solely that of independent contractors. Governing bodies of Hospital and Company shall have exclusive control of the policies, management, assets, and affairs of their respective facilities. Nothing in this Agreement shall be construed as limiting the right of either to affiliate or contract with any other Hospital or facility on either a limited or general basis while this Agreement is in effect. Neither party shall use the name of the other in any promotional or advertising material unless review and approval of the intended use shall be obtained from the party whose name is to be used and its legal counsel.

**6. INSURANCE.** Each party shall secure and maintain, or cause to be secured and maintained during the term of this Agreement, commercial general liability, property damage, and workers compensation insurance in amounts generally acceptable in the industry, and professional liability insurance providing minimum limits of liability of \$1,000,000 per occurrence and \$3,000,000 in aggregate. Each party shall deliver to the other party certificate(s) of insurance evidencing such insurance coverage upon execution of this Agreement, and annually thereafter upon the request of the other party. Each party shall provide the other party with not less than thirty (30) days prior written notice of any change in or cancellation of any of such insurance policies. Said insurance shall survive the termination of this Agreement.

**7. INDEMNIFICATION.**

(a) Hospital Indemnity. Hospital hereby agrees to defend, indemnify and hold harmless Company and its shareholders, affiliates, officers, directors, employees, and agents for, from and against any claim, loss, liability, cost and expense (including, without limitation, costs of investigation and reasonable attorney's fees), directly or indirectly relating to, resulting from or arising out of any action or failure to act arising out of this Agreement by Hospital and its staff regardless of whether or not it is caused in part by Company or its officers, directors, agents, representatives, employees, successors and assigns. This indemnification provision shall not be effective as to any loss attributable exclusively to the negligence or willful act or omission of Company.

(b) Company Indemnity. Company hereby agrees to defend, indemnify and hold harmless Hospital and its shareholders, affiliates, officers, directors, employees, and agents for, from and against any claim, loss, liability, cost and expense (including, without limitation, costs of investigation and reasonable attorney's fees), directly or indirectly relating to, resulting from or arising out of any action or failure to act arising out of this Agreement by Company and its staff regardless of whether or not it is caused in part by or its officers, directors, agents, representatives, employees, successors and assigns. This indemnification provision shall not be effective as to any loss attributable exclusively to the negligence or willful act or omission of Hospital.

(c) Survival. The indemnification obligations of the parties shall continue in full force and effect notwithstanding the expiration or termination of this Agreement with respect to any

such expenses, costs, damages, claims and liabilities which arise out of or are attributable to the performance of this Agreement prior to its expiration or termination.

**8. DISPUTE RESOLUTION.** Any dispute which may arise under this Agreement shall first be discussed directly with representatives of the departments of the parties that are directly involved. If the dispute cannot be resolved at this level, it shall be referred to administrative representatives of the parties for discussion and resolution.

(a) Informal Resolution. Should any dispute between the parties arise under this Agreement, written notice of such dispute shall be delivered from one party to the other party and thereafter, the parties, through appropriate representatives, shall first meet and attempt to resolve the dispute in face-to-face negotiations. This meeting shall occur within thirty (30) days of the date on which the written notice of such dispute is received by the other party.

(b) Resolution Through Mediation. If no resolution is reached through informal resolution, pursuant to Section 8(a) above, the parties shall, within forty-five (45) days of the first meeting referred to in Section 8(a) above, attempt to settle the dispute by formal mediation. If the parties cannot otherwise agree upon a mediator and the place of the mediation within such forty-five (45) day period, the American Arbitration Association (“AAA”) in the **[\*\*DRAFTER’S NOTE: INSERT STATE OR COMMONWEALTH\*\*]** of **[\*\*INSERT STATE IN WHICH FACILITY IS LOCATED\*\*]** shall administer the mediation. Such mediation shall occur no later than ninety (90) days after the dispute arises. All findings of fact and results of such mediation shall be in written form prepared by such mediator and provided to each party to such mediation. In the event that the parties are unable to resolve the dispute through formal mediation pursuant to this Section 8(b), the parties shall be entitled to seek any and all available legal remedies.

**9. TERM AND TERMINATION.** This Agreement shall be effective for an initial period of one (1) year from the Effective Date and shall continue in effect indefinitely after such initial term, except that either party may terminate by giving at least sixty (60) days notice in writing to the other party of its intention to terminate this Agreement. If this Agreement is terminated for any reason within one (1) year of the Effective Date of this Agreement, then the parties hereto shall not enter into a similar agreement with each other for the services covered hereunder before the first anniversary of the Effective Date. Termination shall be effective at the expiration of the sixty (60) day notice period. However, if either party shall have its license to operate its facility revoked by the State or become ineligible as a provider of service under Medicare or Medicaid laws, this Agreement shall automatically terminate on the date such revocation or ineligibility becomes effective.

**10. AMENDMENT.** This Agreement may be modified or amended from time to time by mutual written agreement of the parties, signed by authorized representatives thereof, and any such modification or amendment shall be attached to and become part of this Agreement. No oral agreement or modification shall be binding unless reduced to writing and signed by both parties.

**11. ENFORCEABILITY/SEVERABILITY.** The provisions of this Agreement are severable. The invalidity or unenforceability of any term or provisions hereto in any jurisdiction

shall in no way affect the validity or enforceability of any other terms or provisions in that jurisdiction, or of this entire Agreement in any other jurisdiction.

**12. COMPLIANCE RELATED MATTERS.** The parties agree and certify that this Agreement is not intended to generate referrals for services or supplies for which payment maybe made in whole or in part under any federal health care program. The parties will comply with statutes, rules, and regulations as promulgated by federal and state regulatory agencies or legislative authorities having jurisdiction over the parties.

**13. EXCLUDED PROVIDER.** Each party represents that neither that party nor any entity owning or controlling that party has ever been excluded from any federal health care program including the Medicare/Medicaid program or from any state health care program. Each party further represents that it is eligible for Medicare/Medicaid participation. Each party agrees to disclose immediately any material federal, state, or local sanctions of any kind, imposed subsequent to the date of this Agreement, or any investigation which commences subsequent to the date of this Agreement, that would materially adversely impact Company's ability to perform its obligations hereunder.

**14. NOTICES.** All notices, requests, and other communications to any party hereto shall be in writing and shall be addressed to the receiving party's address set forth below or to any other address as a party may designate by notice hereunder, and shall either be (a) delivered by hand, (b) sent by recognized overnight courier, or (c) by certified mail, return receipt requested, postage prepaid.

If to Hospital: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

If to Company: \_\_\_\_\_  
C/o: DaVita Inc.  
\_\_\_\_\_  
Attention: \_\_\_\_\_

With copies to: \_\_\_\_\_  
C/o: DaVita Inc.  
601 Hawaii Street  
El Segundo, CA 90245  
Attention: Senior Corporate Counsel



DaVita Inc.  
2000 16<sup>th</sup> Street  
Denver, Colorado 80202  
Attention: General Counsel

All notices, requests, and other communication hereunder shall be deemed effective (a) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (b) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (c) if sent by certified mail, five (5) business days following the day such mailing is made.

**15. ASSIGNMENT.** This Agreement shall not be assigned in whole or in part by either party hereto without the express written consent of the other party, except that Company may assign this Agreement to one of its affiliates or subsidiaries without the consent of Hospital.

**16. COUNTERPARTS.** This Agreement may be executed simultaneously 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. Copies of signatures sent by facsimile shall be deemed to be originals.

**17. NON-DISCRIMINATION.** All services provided by Hospital hereunder shall be in compliance with all federal and state laws prohibiting discrimination on the basis of race, color religion, sex national origin, handicap, or veteran status.

**18. WAIVER.** The failure of any party to insist in any one or more instances upon performance of any terms or conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant, or condition, and the obligations of such party with respect thereto shall continue in full force and effect.

**19. GOVERNING LAW.** The laws of the state of [**\*\*INSERT STATE WHERE CLINIC IS LOCATED\*\***] shall govern this Agreement.

**20. HEADINGS.** The headings appearing in this Agreement are for convenience and reference only, and are not intended to, and shall not, define or limit the scope of the provisions to which they relate.

**21. ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or written, between the parties (including, without limitation, any prior agreement between Hospital and Company or any of its subsidiaries or affiliates) with respect to the subject matter hereof.

**22. APPROVAL BY DAVITA INC. (“DAVITA”) AS TO FORM.** The parties acknowledge and agree that this Agreement shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita Inc. as to the form hereof.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]**

**DRAFT**

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first above written.

**Hospital:**

**Company:**

\_\_\_\_\_  
**By:**

**Its:**

**Date:**

\_\_\_\_\_  
**By:**

**Its:**

**Date:**

**Approved as to Form for DaVita Inc.:**

\_\_\_\_\_  
**By:** Doyna V. Ballew

**Its:** Senior Corporate Counsel

**DRAFT**

## Appendix 13

### State Regulatory Agencies

State Regulatory Agencies  
January 2017

AGENCY NAME	AGENCY NAME 2	ADDRESS	ADDRESS 2	CITY	STATE	ZIP CODE
ACS New Mexico Medicaid	NM Medicaid Provider Enrollment	P O Box 27460		Albuquerque	NM	87125-7460
Agency for Health Care Administration	Certification	2727 Mahan Drive	Mail Stop 32	Tallahassee	FL	32308
Agency for Health Care Administration	Certification	2727 Mahan Drive	Mail Stop 32	Tallahassee	FL	32308
Agency for Health Care Administration	CUA State	2727 Mahan Drive	Mail Stop 32	Tallahassee	FL	32308
AHCCCS	Provider Registration Unit	801 East Jefferson Street		Phoenix	AZ	85034
Alabama Department of Public Health	Survey	The RSA Tower	201 Monroe St	Montgomery	AL	36104-3735
Alabama Medicaid Program	HP Provider Enrollment	301 Techna Center Drive		Montgomery	AL	36117-6008
Alachua Field Office - Region 3	State Survey Field Office-Alachua	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Bradford	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Citrus	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Columbia	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Dixie	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Gilchrist	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Hamilton	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Hernando	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Lafayette	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Lake	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Levy	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Marion	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Putnam	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Sumter	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Suwannee	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
Alachua Field Office - Region 3	State Survey Field Office-Union	14101 N.W. Hwy. 441	Suite 800	Alachua	FL	32615-5669
AR Medicaid/HP Enterprise Services - Provider Enrollment	Provider Enrollment	PO Box 8105		Little Rock	AR	72203-8105
AR Medicaid/HP Enterprise Services - Provider Enrollment	Provider Enrollment	PO Box 8105		Little Rock	AR	72203-8105
Arizona Division of Assurance & Licensing Services	R.O. 4 Div. of Survey and Certification Ops	150 North 18th Avenue, Ste 450		Phoenix	AZ	85007
Atlanta Regional Office - Region 4	R.O. 1 Div. of Survey and Certification Ops	61 Forsyth Street, SW	Ste 4120	Atlanta	GA	30303-8909
Boston Regional Office - Region 1	Provider Enrollment Division	JFK Federal Building, Government Center	Room 2275	Boston	MA	2203
CA Department of Health Care Services	Provider Enrollment Division	P O Box 997413	MS 4704	Sacramento	CA	95899-7413
Cabinet for Health Services	KY Licensing Dept	Health Services Bldg.	275 East Main Street - 5 East	Frankfort	KY	40621
Cahaba GBA - AL (J10)	AL (J10) Provider Enrollment	PO Box 1537		Birmingham	AL	35201-1537
Cahaba GBA - GA (J10)	GA (J10) Provider Enrollment	PO Box 1537		Birmingham	AL	35201-1537
Cahaba GBA - TN (J10)	TN (J10) Provider Enrollment	PO Box 1537		Birmingham	AL	35201-1537
California Dept of Public Health	Bakersfield District Office	4540 California Ave., Ste 200	Licensing & Certification	Bakersfield	CA	93308
California Dept of Public Health	San Diego North District Office	7575 Metropolitan Dr., Suite 104	Licensing & Certification	San Diego	CA	92108-4402
California Dept of Public Health	San Bernardino District Office	464 W 4th St., Suite 529	Licensing & Certification	San Bernardino	CA	92401-
California Dept of Public Health	Los Angeles District Office	3400 Aerojet Ave Ste 323	Licensing & Certification	El Monte	CA	91731
California Dept of Public Health	East Bay District Office	850 Marina Bay Parkway, Bldg P, 1st Floor	Licensing & Certification	Richmond	CA	94804-6403
California Dept of Public Health	Fresno District Office	285 W Bullard Ave Suite 101	Licensing & Certification	Fresno	CA	93704
California Dept of Public Health	Chico District Office	126 Mission Ranch Blvd	Licensing & Certification	Chico	CA	95926
California Dept of Public Health	Orange County District Office	681 S Parker St Ste 200	Licensing & Certification	Orange	CA	92668
California Dept of Public Health	Redwood Coast/Santa Rosa District Office	2170 Northpoint Pkwy	Licensing & Certification	Santa Rosa	CA	95407
California Dept of Public Health	Riverside District Office	625 E Carnegie Dr Ste 280	Licensing & Certification	San Bernardino	CA	92408
California Dept of Public Health	Sacramento District Office	3901 Lenname Dr Ste 210	Licensing & Certification	Sacramento	CA	95834
California Dept of Public Health	San Francisco District Office	150 North Hill Dr Ste 22	Licensing & Certification	Brisbane	CA	94005
California Dept of Public Health	San Jose District Office	100 Paseo de San Antonio Ste 235	Licensing & Certification	San Jose	CA	95113
California Dept of Public Health	Ventura District Office	1889 N Rice Ave Ste 200	Licensing & Certification	Oxnard	CA	93030
CGS (J15)	(J15) Provider Enrollment	PO Box 20004		Nashville	TN	37202
Chicago Regional Office - Region 5	R.O. 5 Div. of Survey and Certification Ops	233 North Michigan Avenue	Ste 600	Chicago	IL	60601-5519
CLIA Programs, DHH		P.O. Box 3767		Baton Rouge	LA	70821-3767
Colorado Department of Public Health & Environment		4300 Cherry Creek Drive South		Denver	CO	80246-1530
Colorado Medical Assistance Program	CO Medicaid Provider Enrollment	PO Box 1100		Denver	CO	80201-1100
CT Medicaid/HP	CT Provider Enrollment Unit	PO Box 5007		Hartford	CT	6104
Dallas Regional Office - Region 6	R.O. 6 Div. of Survey and Certification Ops	1301 Young Street	Room 827	Dallas	TX	75202

State Regulatory Agencies  
January 2017

AGENCY NAME	AGENCY NAME 2	ADDRESS	ADDRESS 2	CITY	STATE	ZIP CODE
DC Dept of Health Regulation Administration		899 North Capitol Street NE	Second Floor	Washington	DC	20002
DC Medicaid/Xerox State Healthcare Solutions		750 1st Street, NE	Ste. 1020	Washington	DC	20002
DE Medicaid/HP Enterprise Services, LLC		PO Box 909		New Castle	DE	19720
Delaware Dept. of Health Services		1901 N Dupont Hwy		New Castle	DE	19720
Delray Beach Field Office - Region 9 & 10	State Survey Field Office-Broward	5150 Linton Boulevard	Suite 500	Delray Beach	FL	33484
Delray Beach Field Office - Region 9 & 10	State Survey Field Office-Indian River	5150 Linton Boulevard	Suite 500	Delray Beach	FL	33484
Delray Beach Field Office - Region 9 & 10	State Survey Field Office-Martin	5150 Linton Boulevard	Suite 500	Delray Beach	FL	33484
Delray Beach Field Office - Region 9 & 10	State Survey Field Office-Okeechobee	5150 Linton Boulevard	Suite 500	Delray Beach	FL	33484
Delray Beach Field Office - Region 9 & 10	State Survey Field Office-Palm Beach	5150 Linton Boulevard	Suite 500	Delray Beach	FL	33484
Delray Beach Field Office - Region 9 & 10	State Survey Field Office-St. Lucie	5150 Linton Boulevard	Suite 500	Delray Beach	FL	33484
Denver Regional Office - Region 8	R.O. 8 Div. of Survey and Certification Ops	1600 Broadway	Ste 700	Denver	CO	80202
Department of Health	Division of Home Health Services	132 Mine Plaza, Suite A		Harrisburg	PA	17104
Department of Public Health		Div of Health Systems Reg.	410 Capitol Ave., MS #12FLUS	Hartford	CT	06134-0308
Dept of Health, HSCA		111 Israel Road SE		Tumwater	WA	98501
Dept of Health, HSCA		PO Box 47874		Olympia	WA	98504
Dept. of Health and Human Services		1205 Umstead Dr.		Raleigh	NC	27603
Director, Division of Health Provider		SC DHHC	Licensure & Certification Section	Columbia	SC	29201-
First Coast Service Options - FL (J9)	Bureau of Certification/Health Regulation	532 Riverside Avenue	301 Gervais St	Jacksonville	FL	32202-4914
FL Dept of Health	FL (J9) Provider Enrollment	2725 Judge Fran Way	Site A116	Viera	FL	32940-6605
FL Dept of Health	Brevard County Environmental Health	224 SE 24th St		Gainesville	FL	32641-3405
FL Dept of Health in Bay County	Alachua County Environmental Health	597 W 11th St		Panama City	FL	32401
FL Dept of Health in Broward County	Biomedical Waste	780 SW 24 Street	Building OPS	Fort Lauderdale	FL	33315
FL Dept of Health in Charlotte County	Biomedical Waste	18500 Muirdock Cir	Site 203	Port Charlotte	FL	33948
FL Dept of Health in Clay County	Biomedical Waste	PO Box 578		Green Cove Springs	FL	32043
FL Dept of Health in Collier County	Biomedical Waste	PO Box 429		Naples	FL	34106-0429
FL Dept of Health in Dade County	Biomedical Waste	1725 167th St		Miami Gardens	FL	33056
FL Dept of Health in DeSoto County	Biomedical Waste	34 South Baldwin Avenue		Arcadia	FL	34266
FL Dept of Health in Duval County	Biomedical Waste-Duval	900 University Blvd N	Ste 300, MC-45	Jacksonville	FL	32211
FL Dept of Health in Duval County	Biomedical Waste-St. Johns	900 University Blvd N	Ste 300, MC-45	Jacksonville	FL	32211
FL Dept of Health in Escambia County	Biomedical Waste-Escambia	1300 W Gregory Street		Pensacola	FL	32502
FL Dept of Health in Escambia County	Biomedical Waste-Okaloosa	1300 W Gregory Street		Pensacola	FL	32502
FL Dept of Health in Escambia County	Biomedical Waste-Santa Rosa	1300 W Gregory Street		Pensacola	FL	32502
FL Dept of Health in Flagler County	Biomedical Waste	PO Box 847		Bunnell	FL	32110
FL Dept of Health in Hernando County	Biomedical Waste	7551 Forest Oaks Blvd		Spring Hill	FL	34606
FL Dept of Health in Hillsborough County	Biomedical Waste	PO Box 5135		Tampa	FL	33675
FL Dept of Health in Indian River County	Biomedical Waste	1900 27th Street		Vero Beach	FL	32960
FL Dept of Health in Jackson County	Biomedical Waste	PO Box 310		Marianna	FL	32447
FL Dept of Health in Lake County	Biomedical Waste	315 W Main Street		Tavares	FL	32778
FL Dept of Health in Lee County	Biomedical Waste	2295 Victoria Ave		Fort Myers	FL	33901
FL Dept of Health in Leon County	Biomedical Waste	PO Box 2745		Tallahassee	FL	32316
FL Dept of Health in Manatee County	Biomedical Waste	410 Sixth Ave E		Bradenton	FL	34208
FL Dept of Health in Marion County	Biomedical Waste-Marion	PO Box 2408		Ocala	FL	34478
FL Dept of Health in Monroe County	Biomedical Waste	PO Box 6193		Key West	FL	33040
FL Dept of Health in Nassau County	Biomedical Waste	PO Box 15100		Fernandina Beach	FL	32035
FL Dept of Health in Orange County	Biomedical Waste	800 N Mercy Drive	Ste 1	Orlando	FL	32808
FL Dept of Health in Osceola County	Biomedical Waste	1 Courthouse Square	Ste 1200	Kissimmee	FL	34741
FL Dept of Health in Palm Beach County	Biomedical Waste	PO Box 29 - Fiscal Office		West Palm Beach	FL	33402
FL Dept of Health in Pasco County	Biomedical Waste	11611 Denton Avenue		Hudson	FL	34667
FL Dept of Health in Pinellas County	Biomedical Waste	8751 Ulmerton Road	Suite 2000	Largo	FL	33771
FL Dept of Health in Sarasota County	Biomedical Waste	1001 Sarasota Center Blvd		Sarasota	FL	34240
FL Dept of Health in Seminole County	Biomedical Waste	400 W Airport Blvd		Sanford	FL	32773
FL Dept of Health in St. Lucie County	Biomedical Waste	5150 NW Milner Dr		Port St. Lucie	FL	34983
FL Dept of Health in Sumter County	Biomedical Waste	PO Box 98		Bushnell	FL	33513
FL Dept of Health in Taylor County	Biomedical Waste	1215 N Peacock Avenue		Perry	FL	32347

State Regulatory Agencies  
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AGENCY NAME	AGENCY NAME 2	ADDRESS	ADDRESS 2	CITY	STATE	ZIP CODE
FL Dept of Health in Volusia County	Biomedical Waste	PO Box 9190		Daytona Beach	FL	32120
FL Dept of Health in Washington County	Biomedical Waste	PO Box 648		ChIPLEY	FL	32428
FL Medicaid/Agency for Health Care Administration		2727 Mahan Drive,	M5-4	Tallahassee	FL	32308
Florida Board of Pharmacy	Pharmacy	4052 Bald Cypress Way	Bin C-04	Tallahassee	FL	32399
Florida Board of Pharmacy	Pharmacy	4052 Bald Cypress Way	Bin C-04	Tallahassee	FL	32399
Fort Myers Field Office - Region 8	State Survey Field Office-Charlotte	2295 Victoria Ave.	Room 340	Ft. Myers	FL	33901
Fort Myers Field Office - Region 8	State Survey Field Office-Collier	2295 Victoria Ave.	Room 340	Ft. Myers	FL	33901
Fort Myers Field Office - Region 8	State Survey Field Office-DeSoto	2295 Victoria Ave.	Room 340	Ft. Myers	FL	33901
Fort Myers Field Office - Region 8	State Survey Field Office-Glades	2295 Victoria Ave.	Room 340	Ft. Myers	FL	33901
Fort Myers Field Office - Region 8	State Survey Field Office-Hendry	2295 Victoria Ave.	Room 340	Ft. Myers	FL	33901
Fort Myers Field Office - Region 8	State Survey Field Office-LEE	2295 Victoria Ave.	Room 340	Ft. Myers	FL	33901
Fort Myers Field Office - Region 8	State Survey Field Office-Monroe	2295 Victoria Ave.	Room 340	Ft. Myers	FL	33901
Fort Myers Field Office - Region 8	State Survey Field Office-Sarasota	2295 Victoria Ave.	Room 340	Ft. Myers	FL	33901
GA Dept of Community Health	Certification	2 Peachtree St, Suite 31.477	Specialized Care Unit	Atlanta	GA	30303-3167
GA Dept of Community Health	Licensure	2 Peachtree St, Suite 31.477	Licensure & Certification Section	Atlanta	GA	30303-3167
GA Medicaid/HP Enterprise Services	GA Medicaid Provider Enrollment	100 Crescent Center Pkwy	Ste# 1100	Atlanta	GA	30084
Gadsden County Health Dept	Biomedical Waste	PO Box 1000		Quincy	FL	32353
Gulf County Health Dept	Biomedical Waste	2475 Garrison Ave		Tort St. Joe	FL	32456
HP Enterprise Services	FL Medicaid MS Medicaid Provider Enrollment	2671 Executive Center Circle	Ste 100	Tallahassee	FL	32301
IA Dept. of Inspections & Appeals	Certification	321 East 12th Street	Lucas State Office Bldg.	Des Moines	IA	50319-0083
IA Dept. of Health & Welfare		3232 Elder street	P.O. Box 83720	Boise	ID	83720-0036
Idaho Dept of Health	Division of Medicaid	PO Box 70082		Boise	ID	83707
IL Department of Health	Certification	525 W. Jefferson St.	Licensing & Certification	Springfield	IL	62761-
IL Dept of Public Health	IL CLIA PROGRAM	525 W Jefferson St	4th Fl	Springfield	IL	62761
Illinois Department of Public Aid	IL Medicaid Provider Enrollment	607 E Adams St		Springfield	IL	62739
IME - Iowa Medicaid Enterprise	IA Medicaid Provider Enrollment	100 Army Post Road		Des Moines	IA	50315-6241
IN Dept of Health Acute Care Services	Indiana CLIA Program	2 N Meridian St	Room 4 A	Indianapolis	IN	46204-
Indiana Dept. of Health Services	Certification	2 N. Meridian Street, Section 4A	Licensing & Certification	Indianapolis	IN	46204-
Indiana Medicaid Program	IN Medicaid Provider Enrollment	950 North Meridian Street	Suite 1150	Indianapolis	IN	46204
Jacksonville Field Office - Region 4	State Survey Field Office-Baker	921 N. Davis St.	Bldg A, Ste 115	Jacksonville	FL	32209
Jacksonville Field Office - Region 4	State Survey Field Office-Clay	921 N. Davis St.	Bldg A, Ste 115	Jacksonville	FL	32209
Jacksonville Field Office - Region 4	State Survey Field Office-Duval	921 N. Davis St.	Bldg A, Ste 115	Jacksonville	FL	32209
Jacksonville Field Office - Region 4	State Survey Field Office-Flagler	921 N. Davis St.	Bldg A, Ste 115	Jacksonville	FL	32209
Jacksonville Field Office - Region 4	State Survey Field Office-Nassau	921 N. Davis St.	Bldg A, Ste 115	Jacksonville	FL	32209
Jacksonville Field Office - Region 4	State Survey Field Office-St. Johns	921 N. Davis St.	Bldg A, Ste 115	Jacksonville	FL	32209
Jacksonville Field Office - Region 4	State Survey Field Office-Volusia	921 N. Davis St.	Bldg A, Ste 115	Jacksonville	FL	32209
Kansas Bureau of Health & Environment		1000 SW Jackson St., Suite 200		Topeka	KS	66612-1274
Kansas City Regional Office - Region 7	R.O. 7 Div. of Survey and Certification Ops	601 East 12th Street	Room 355	Kansas City	MO	64106
Kansas Medical Assistance Program	KMAP Provider Enrollment Unit	6700 SW Topeka Blvd	Ste. 283-J	Topeka	KS	66601
Kentucky Dept. of Health Services		275 East Main Street - 5 East	Mail Code 1938	Frankfort	KY	40621-
Kidney Health Care	State Kidney Program	PO Box 149347		Austin	TX	78714-9347
KY Medicaid Program	KY Provider Enrollment Unit	275 E Main St		Frankfort	KY	40621
Louisiana Medicaid-Molina Medicaid Solutions	LA Medicaid Provider Enrollment	PO Box 80159	Baton Rouge	Baton Rouge	LA	70898-0159
Madison County Health Department	Madison County Environmental Health	801 SW Smith St		Madison	FL	32340
Maryland Kidney Program	MD Medicaid Provider Enrollment	PO Box 17030		Baltimore	MD	21203
Maryland Medicaid		201 West Preston Street		Baltimore	MD	21201
Massachusetts Department of Health		10 West Street, 5th Floor		Boston	MA	2111
MassHealth	MA Medicaid Provider Enrollment	55 Summer St.	8th Floor	Boston	MA	2110
MD Commission on Kidney Disease					MD	
ME Medicaid/Molina	ME Medicaid Provider Enrollment	189 Water St		Augusta	ME	4330
Miami Field Office - Region 11	State Survey Field Office-Miami-Dade	8333 N.W. 53rd St	Suite 300	Miami	FL	33166
Michigan Dept of Community Health		611 W. Ottawa St.	1st Floor, Ottawa Building	Lansing	MI	48933-1070
Michigan Dept. of Community Health		320 South Walnut St.		Lansing	MI	48933-2014
Minnesota Dept. of Human Services	MN Medicaid Provider Enrollment	540 Cedar St		St. Paul	MN	55101

AGENCY NAME	AGENCY NAME 2	ADDRESS	ADDRESS 2	CITY	STATE	ZIP CODE
Missouri Dept of Social Services	MO Medicaid Provider Enrollment	615 Howerton Ct		Jefferson City	MO	65109
Montana Medicaid - Xerox	MT Medicaid FL Medicaid Provider Enrollment Provider Enrollment	PO Box 4936		Helena	MT	59604
MS Division of Medicaid		550 High St	Ste 1000	Jackson	MS	39201
MT Dept of Public Health and Human Services		Quality Assurance Div - License Bureau	2401 Colonial Dr	Helena	MT	59620-2953
N.C. Medicaid Provider Enrollment	CSC	2610 Wycliff Road	Suite 102	Raleigh	NC	27607-3073
National Government Services - IL (J6)	IL (J6) Provider Enrollment	P.O. Box 6474		Indianapolis	IN	46206-6474
National Government Services - MA (JK)	MA (JK) Provider Enrollment	P.O. Box 7149		Indianapolis	IN	46207-7149
National Government Services - NH (JK)	NH (JK) Provider Enrollment	P.O. Box 7149		Indianapolis	IN	46207-7149
National Government Services - RI (JK)	RI (JK) Provider Enrollment	P.O. Box 7149		Indianapolis	IN	46207-7149
National Government Services - WI (J6)	WI (J6) Provider Enrollment	P.O. Box 6474		Indianapolis	IN	46206-6474
National Government Services - ME (JK)	ME (JK) Provider Enrollment	P.O. Box 7149		Indianapolis	IN	46207-7149
National Government Services MN (J6)	MN (J6) Provider Enrollment	P.O. Box 6474		Indianapolis	IN	46206-6474
National Government Services, Inc. - NY (JK)	NY (JK) Provider Enrollment	P.O. Box 7149		Indianapolis	IN	46207-7149
National Government Services, LLC - CT (JK)	CT (JK) Provider Enrollment	P.O. Box 7149		Indianapolis	IN	46207-7149
ND Dept of Human Services	Attn: Provider Enrollment	600 E Blvd Ave	Dept.325	Bismarck	ND	58505
ND Dept. of Health	Medicaid Provider Enrollment	600 East Blvd. Avenue Dept. 301		Bismarck	ND	58505-0200
Nebraska Dept. of Health & Human Serv.		301 Centennial Mall South		Lincoln	NE	68509
Nebraska Health & Human Services System		301 Centennial Mall South		Lincoln	NE	68509-5007
Nevada Department of Health	Licensure Unit	301 Centennial Mall South		Lincoln	NE	68509-5007
Nevada Medicaid Program	Bureau of licensure & Certification	727 Fairview Dr	Ste E	Carson City	NV	89701
Nevada State Treasurer	NV Medicaid Provider Enrollment	P O Box 30042		Reno	NV	89520-3042
New Mexico Board of Pharmacy Office	Nevada State Lab	727 Fairview Dr	Ste E	Carson City	NV	89701
New Mexico Department of Health	New Mexico Pharmacy	5500 Oakland NE	Ste C	Albuquerque	NM	87109
New York Regional Office - Region 2		2040 South Pacheco St	2nd Floor Room 202	Santa Fe	NM	87505
New York State Department of Health	R.O. 2Div. of Survey and Certification Ops	Hedley Park Place	433 River Street, 6th Floor	Troy	NY	12180-
NH Department of Health & Human Services		26 Federal Plaza	Room 37-130	New York	NY	10278-0063
NH Medicaid/Xerox		150 Broadway	Suite 6E	Albany	NY	12204
NJ Dept. of Health & Senior Services	NH Medicaid Provider Enrollment	129 Pleasant St.	Suite 200	Concord	NH	03301-3857
NJ Medicaid/Molina		2 Pillsbury St.,	Bldg. 5, 1st Floor	Concord	NH	3301
Noridian - AZ (JF)	NJ Medicaid Provider Enrollment	171 Jersey St.		Trenton	NJ	8611
Noridian - CA (JE)	AZ (JF) Provider Enrollment	P.O. Box 4804		Trenton	NJ	8650
Noridian - ID (JF)	CA (JE) Provider Enrollment	900 42nd St S		Fargo	ND	58103
Noridian - MT (JF)	CA (JE) Provider Enrollment	901 42nd St S		Fargo	ND	58103
Noridian - ND (JF)	ID (JF) Provider Enrollment	903 42nd St S		Fargo	ND	58103
Noridian - NV (JE)	MT (JF) Provider Enrollment	904 42nd St S		Fargo	ND	58103
Noridian - OR (JF)	ND (JF) Provider Enrollment	905 42nd St S		Fargo	ND	58103
Noridian - SD (JF)	NV (JE) Provider Enrollment	906 42nd St S		Fargo	ND	58103
Noridian - UT (JF)	OR (JF) Provider Enrollment	900 42nd St S		Fargo	ND	58103
Novitas (AR - JH)	SD (JF) Provider Enrollment	902 42nd St S		Fargo	ND	58103
Novitas (CO - JH)	UT (JF) Provider Enrollment	900 42nd St S		Fargo	ND	58103
Novitas (D.C. - JL)	WA (JF) Provider Enrollment	P.O. Box 3095		Fargo	ND	58103
Novitas (DE - JL)	CO (JH) Provider Enrollment	P.O. Box 3095		Mechanicsburg	PA	17055-1813
Novitas (LA - JH)	CO (JH) Provider Enrollment	PO Box 3157		Mechanicsburg	PA	17055-1813
Novitas (MD - JL)	DC (JL) Provider Enrollment	PO Box 3157		Mechanicsburg	PA	17055-1836
Novitas (MS - JH)	DE (JL) Provider Enrollment	PO Box 3095		Mechanicsburg	PA	17055-1836
Novitas (NJ - JL)	LA (JH) Provider Enrollment	PO Box 3157		Mechanicsburg	PA	17055-1813
Novitas (NM - JH)	MD (JL) Provider Enrollment	P.O. Box 3095		Mechanicsburg	PA	17055-1836
Novitas (OK - JH)	MS (JH) Provider Enrollment	NJ (JL) Provider Enrollment		Mechanicsburg	PA	17055-1836
Novitas (PA - JL)	NM (JH) Provider Enrollment	P.O. Box 3095		Mechanicsburg	PA	17055-1813
Novitas (TX - JH)	OK (JH) Provider Enrollment	PO Box 3157		Mechanicsburg	PA	17055-1836
Office of Health Care Quality	PA (JL) Provider Enrollment	P.O. Box 3095		Mechanicsburg	PA	17055-1813
	TX (JH) Provider Enrollment	Spring Grove Center	55 Wade Avenue, Bland Bryant Bldg	Mechanicsburg	PA	17055-1813
				Catonsville	MD	21228-



State Regulatory Agencies  
January 2017

AGENCY NAME	AGENCY NAME 2	ADDRESS	ADDRESS 2	CITY	STATE	ZIP CODE
Office of Health Facility	Licensure and Certification	1 Davis Square	Suite 101	Charleston	WV	25301-
Office of Health Regulation		MS Dept of Health 570 E Woodrow Wilson Ave		Jackson	MS	39216
Office of Inspector General	KENTUCKY CLIA PROGRAM	275 East Main Street	SE - A	Frankfort	KY	40621
Ohio Department of Health	DQA / BIOS (Certification)	246 N High St		Columbus	OH	43216-2412
Ohio Department of Health	Non Long Term Care Unit (Survey)	246 N High St		Columbus	OH	43216-2412
Ohio Department of Health	DQA / BIOS (Licensure)	246 N High St		Columbus	OH	43216-2412
Ohio Medicaid Program	OH Medicaid Provider Enrollment	255 East Main Street	2nd Floor	Columbus	OH	43215-5222
Ohio State Board of Pharmacy	Pharmacy	77 South High St	17th Floor	Columbus	OH	43266
Oklahoma Health Care Authority	OK Medicaid Provider Enrollment	4545 North Lincoln Blvd	Suite 124	Oklahoma City	OK	73107
Oregon Department of Human Services	Health Care Licensure and Certification	800 NE Oregon Street	#21, Suite 640	Portland	OR	97232-
Oregon Health Authority	DMAP Provider Enrollment	500 Summer St NE	E44	Salem	OR	97301
Oregon State Public Health Division	Laboratory Compliance Program	3150 NW 29th Avenue	Ste 100	Hillsboro	OR	97124
Orlando Field Office - Region 7	State Survey Field Office-Breard	400 W. Robinson St.	Hurston South Tower, Suite 5309	Orlando	FL	32801
Orlando Field Office - Region 7	State Survey Field Office-Orange	400 W. Robinson St.	Hurston South Tower, Suite 5309	Orlando	FL	32801
Orlando Field Office - Region 7	State Survey Field Office-Osceola	400 W. Robinson St.	Hurston South Tower, Suite 5309	Orlando	FL	32801
Orlando Field Office - Region 7	State Survey Field Office-Seminole	400 W. Robinson St.	Hurston South Tower, Suite 5309	Orlando	FL	32801
PA Dept of Health	Chronic Renal Disease Program	625 Forster St	7th Fl East	Harrisburg	PA	17120
PA Medicaid/Bureau of Fee For Service Programs	PA Medicaid Provider Enrollment	PO Box 8045		Harrisburg	PA	17110
Palmetto GBA - NC (J11)	NC (J11) Provider Enrollment	PO Box 100238		Columbia	SC	29202-3238
Palmetto GBA - SC (J11)	SC (J11) Provider Enrollment	PO Box 100238		Columbia	SC	29202-3238
Palmetto GBA - VA (J11)	VA (J11) Provider Enrollment	PO Box 100238		Columbia	SC	29202-3238
Palmetto GBA - WV (J11)	WV (J11) Provider Enrollment	PO Box 100238		Columbia	SC	29202-3238
Philadelphia Regional Office - Region 3	R.O. 3 Div. of Survey and Certification Ops	150 S. Independence Mall, West		Philadelphia	PA	19106-3413
Program Assurance Unit, Lic. & Certification Program		P.O. Box 64900		St. Paul	MN	55164-0900
Rhode Island Dept of Health	Office of Health Systems Development - CON	Three Capitol Hill	Room 410	Providence	RI	02908-5097
Rhode Island Dept of Health	Office of Health Systems Development	Three Capitol Hill	Room 404	Providence	RI	02908-5097
RI Medicaid/HP	MT Medicaid Provider Enrollment	PO Box 2010		Warwick	RI	2887
San Francisco Regional Office - Region 9	R.O. 9 Div. of Survey and Certification Ops	90 7th Street	Ste 5-300	San Francisco	CA	94103-6707
Seattle Regional Office - Region 10	R.O. 10 Div. of Survey and Certification Ops	701 Fifth Avenue	Ste 1600	Seattle	WA	98104
South Dakota Dept. of Social Serv.	Office of Licensure & Certification	615 East 4th Street		Pierre	SD	57501
SD Medicaid Provider Enrollment		700 Governors Drive		Pierre	SD	57501-2291
St. Petersburg Field Office - Regions 5 & 6	State Survey Field Office-Hardee	525 Mirror Lake Drive North	Sebring Building, Suite 410A	St. Petersburg	FL	33701
St. Petersburg Field Office - Regions 5 & 6	State Survey Field Office-Highlands	525 Mirror Lake Drive North	Sebring Building, Suite 410A	St. Petersburg	FL	33701
St. Petersburg Field Office - Regions 5 & 6	State Survey Field Office-Hillsborough	525 Mirror Lake Drive North	Sebring Building, Suite 410A	St. Petersburg	FL	33701
St. Petersburg Field Office - Regions 5 & 6	State Survey Field Office-Manatee	525 Mirror Lake Drive North	Sebring Building, Suite 410A	St. Petersburg	FL	33701
St. Petersburg Field Office - Regions 5 & 6	State Survey Field Office-Pasco	525 Mirror Lake Drive North	Sebring Building, Suite 410A	St. Petersburg	FL	33701
St. Petersburg Field Office - Regions 5 & 6	State Survey Field Office-Pinellas	525 Mirror Lake Drive North	Sebring Building, Suite 410A	St. Petersburg	FL	33701
St. Petersburg Field Office - Regions 5 & 6	State Survey Field Office-Polk	525 Mirror Lake Drive North	Sebring Building, Suite 410A	St. Petersburg	FL	33701
State Hygienic Laboratory	Iowa CLIA Laboratory Program	2490 Crosspark Road	Ste E	Coraville	IA	52241
State of Louisiana Dept of Health & Hospitals		P.O. Box 3767		Baton Rouge	LA	70821-3767
State of Oklahoma Health Dept.		1000 N. E. Tenth Street	Room 1114	Oklahoma City	OK	73117-1299
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Bay	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Calhoun	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Escambia	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Franklin	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Gadsden	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Gulf	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Holmes	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Jackson	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Jefferson	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Liberty	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Leon	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Madison	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Okalosa	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308

State Regulatory Agencies  
January 2017

AGENCY NAME	AGENCY NAME 2	ADDRESS	ADDRESS 2	CITY	STATE	ZIP CODE
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Santa Rosa	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Taylor	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Wakulla	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Walton	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tallahassee Field Office - Regions 1 & 2	State Survey Field Office-Washington	2727 Mahan Drive	Mail Stop 46	Tallahassee	FL	32308
Tennessee Department of Health	Division of Health Care Facilities (Licensure)	227 French Landing, STE 501	665 Mainstream Dr 2nd Fl	Nashville	TN	37243
Texas Department of State Health Services	Zone I	8407 Wall St	8407 Wall Street	Austin	TX	78754
Texas Department of State Health Services	Zone II	1301 South Bowen	1301 South Bowen, Ste 200	Arlington	TX	76013
Texas Department of State Health Services	Zone III	2303 SE Military Dr	2303 Military Drive, Bldg 514	San Antonio	TX	78223-3587
Texas Department of State Health Services	Zone IV	5425 Polk Ave	5425 Polk Ave, Ste J	Houston	TX	77023-1497
Texas Department of State Health Services	Zone V	1517 West Front St	2521 West Front St	Tyler	TX	75702
TN Bureau of TennCare	TN Provider Enrollment Unit	310 Great Circle Road	2W	Nashville	TN	37243
Tricare North	Tricare North Provider Enrollment	P. O. Box 870141		Surfside Beach	SC	29587-9741
Tricare South	Provider Data Management	P. O. Box 7032	Provider Data Management	Camden	SC	29021-7032
Tricare West	Tricare West Provider Enrollment	P. O. Box 7065		Camden	SC	29021-7065
TX Medicaid and Healthcare Partnership	TX Medicaid Provider Enrollment	12357 B. Riata Trace Pkwy.		Austin	TX	78727-6474
UT Medicaid/Bureau of Medicaid Operations	UT Medicaid Provider Enrollment	PO Box 143106		Salt Lake City	UT	84114
Utah Department of Health	Manager, Facility Licensing	P.O. Box 144103	288 North 1460 West	Salt Lake City	UT	84114-4103
Utah Department of Health	Manager, Facility Licensing	P.O. Box 144103	288 North 1460 West	Salt Lake City	UT	84114-4103
VA Department of Health Services		9960 Mayland Drive	STE 401	Henrico	VA	23233
VA Department of Health Services		9960 Mayland Drive	STE 401	Henrico	VA	23233
VA Medicaid/Xerox	Virginia Medicaid Provider Enrollment Services	PO Box 26803		Richmond	VA	23261
WA Health Care Authority Legal Services & Adm	State Kidney Program	PO Box 42702		Olympia	WA	98504
Washington State Healthcare Authority	WA Medicaid Provider Enrollment	PO Box 45562		Olympia	WA	98504
WI Bureau of Quality Assurance	1 West Wilson Street	1 West Wilson Street	P.O. Box 2969	Madison	WI	53703-3445
Wisconsin Chronic Disease Program	WCDP Provider Enrollment	313 Blettner Blvd		Madison	WI	53784
Wisconsin Medicaid Program	Provider Enrollment Dept	313 Blettner Blvd		Madison	WI	53784
Wisconsin Physician Services - IA (J5)	IA (J5) Provider Enrollment	P.O. Box 8248		Madison	WI	53708-8248
Wisconsin Physician Services - IN (J8)	IN (J8) Provider Enrollment	P.O. Box 8248		Madison	WI	53708-8248
Wisconsin Physician Services - MI (J8)	MI (J8) Provider Enrollment	P.O. Box 8248		Madison	WI	53708-8248
Wisconsin Physician Services - NE (J5)	NE (J5) Provider Enrollment	P.O. Box 8248		Madison	WI	53708-8248
Wisconsin Physician Services - KS (J5)	KS (J5) Provider Enrollment	P.O. Box 8248		Madison	WI	53708-8248
Wisconsin Physicians Services - MO (J5)	MO (J5) Provider Enrollment	P.O. Box 8248		Madison	WI	53708-8248
WV Medicaid/Molina	WV Medicaid Provider Enrollment	1600 Pennsylvania Avenue		Charleston	WV	25302
Wyoming Department of Health		2020 Carey Ave. - 8th floor		Cheyenne	WY	82002-

## Appendix 14

Accepting Patients for Treatment  
Indigent Care Policy  
Involuntary Transfer Procedure  
Patients Rights Policy

# Dialysis Regulatory and Ancillary Policies & Procedures

## Policy: 3-01-03

### DaVita Inc.

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

#### **TITLE: ACCEPTING END STAGE RENAL DISEASE PATIENTS FOR TREATMENT**

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**PURPOSE:** To establish requirements for admitting End Stage Renal Disease (ESRD) patients to a DaVita dialysis facility and to allow DaVita to obtain necessary information from the patient/personal representative and to enter the correct information into the appropriate information system prior to providing dialysis treatment to a patient at a DaVita dialysis facility.

#### **DEFINITION(S):**

**Visiting patient:** A patient who is visiting a facility and plans to return to his/her home facility within 30 days. A visiting patient refers to patients visiting from a non-DaVita facility to a DaVita facility as well as visiting from a DaVita facility to another DaVita facility.

**Medical Evidence Report Form (CMS 2728):** Required by Medicare to determine if an individual is medically entitled to Medicare under the ESRD provisions of the law and to register patients with the United States Renal Data System. The 2728 form is used as the primary source in determining the COB for patient's insurance. Physicians have a 45 day grace period to sign the 2728 form when the patients are new to dialysis. A patient is generally only required to complete the 2728 form once, not for every facility visit or transfer (Refer to *Completion of Centers for Medicare & Medicaid Services (CMS) 2728*, available on the Clinical P&P website in Vol. 3. on the VillageWeb).

**Medicare Secondary Payor Form (MSP):** Determines if a commercial Employer Group Health Plan (EGHP) (or other insurance carrier) will be primary payer. This form is completed online in the Registration System and must be completed for all patients who have Medicare coverage when they start treatment at DaVita.

**Patient Authorization and Financial Responsibility Form (PAFR):** Document that informs patients of their financial obligations regarding services provided to them by DaVita. The form must be signed and witnessed prior to the start of the first dialysis treatment. By signing the PAFR, the patient/personal representative is assigning the payment for services provided by DaVita, directly to DaVita from insurance companies. The PAFR form must be signed each year at each DaVita facility where the patient receives treatments.

**Note:** California facilities: For all Medi Cal patients (Medicaid program for California), a new form must be signed the first full week in January regardless of dialysis start date. Example: First date of DaVita Dialysis 12-31-2011, need PAFR for December and one for January 2012.

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Origination Date: September 2006

Revision Date: March 2008, September 2008, December 2008, April 2009, September 2009, October 2010, September 2011, September 2012, March 2013, September 2013, March 2014, September 2014, March 2015, September 2015, March 2016, December 2016

## Dialysis Regulatory and Ancillary Policies & Procedures

### Policy: 3-01-03

#### DaVita Inc.

**Permanent patient:** A patient who has selected a DaVita dialysis facility as his/her home facility.

**Personal Representative:** An individual who is legally appointed, designated and/or authorized pursuant to state law to: (a) make health care decisions on behalf of a patient, or (b) act on behalf of a deceased individual or a deceased individual's estate. Reference: *Personal Representatives of Patients* (available on the HIPAA website on the VillageWeb).

**Transfer patient:** An existing dialysis patient who is permanently relocating from any dialysis facility to a DaVita dialysis facility. Once the transfer is complete, the patient will become a "permanent patient."

#### POLICY:

1. DaVita will accept and dialyze patients with renal failure needing a regular course of dialysis without regard to race, color, national origin, gender, sexual orientation, age, religion, or disability if:
  - a. The admitting physician or Medical Director must provide the appropriate diagnosis of Acute Kidney Injury (AKI) or End Stage Renal Disease (ESRD) in the treatment orders prior to a patient's first treatment.
  - b. If the Nephrologist determines patient renal status of AKI and decides to admit, follow the policy: *Accepting Patients with Acute Kidney Injury for Treatment*.
  - c. If the Nephrologist determines patient renal status of ESRD, follow the policy outlined below for admission.
  - d. Final decision on whether or not the candidate patient will be admitted rests with the Medical Director. The Medical Director's determination is based on assessment of the facility's ability to safely dialyze the candidate patient without adversely affecting the quality and safety of all patients.
  - e. Should the patient not have an admitting physician, refer to: *Patients without an Admitting Physician* policy (available on the Team Quest website on the VillageWeb).
  - f. The patient's care can be managed in an outpatient dialysis facility according to individual modality.
  - g. The patient is under the care of a nephrologist who is credentialed in the DaVita facility.

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## Dialysis Regulatory and Ancillary Policies & Procedures

### Policy: 3-01-03

#### DaVita Inc.

- h. There is adequate treatment space, equipment and appropriately trained staff available to provide appropriate care to the patient.
- i. The patient (a) has been verified as Medicare or Medicaid eligible and/or has private insurance coverage issued by an Insurance Provider licensed and operating in the United States or United States Territories which has been verified, and from which an authorization for treatment has been received by DaVita as required, (b) accepts financial responsibility for care by signing the *Patient Authorization & Financial Responsibility* (PAFR) Form.
  - i. Patients who are uninsured must be authorized at the facility level with written approval by the facility's Divisional Vice President (DVP), or their designee, prior to treatment. (*Cash Payment Fee Schedule for Patients with no Insurance Coverage Policy* (available on the ROPS website on the VillageWeb).
  - ii. Patients who have an out-of-state Medicaid plan that will not pay for treatment(s) cannot be requested to pay for these services, either as primary or secondary to Medicare. Admittance to the facility must be authorized at the facility level with written approval by the facility's DVP, or their designee, prior to treatment.
  - iii. Patients who are out-of-network and have no out of network benefits must be authorized at the facility level with written approval by the facility's DVP, or their designee, prior to treatment.
2. Patients without adequate medical insurance coverage will be responsible to pay their portion of the cost prior to actual treatment.
3. All visiting patients, including patients visiting a non-contracted facility, will be responsible to sign a new PAFR Form specific to the visiting facility.
4. The facility will obtain height and weight on all visiting patients, including patients visiting a non-contracted facility. This information will be recorded in Snappy on the first treatment in the visiting facility.
5. A Purchase Order for services and treatments outside of their area is required prior to treatment for patients who have Indian Health Services coverage.
6. Any new patient who is uninsured must be approved for treatment by the facility's DVP, or their designee, prior to treatment.

## Dialysis Regulatory and Ancillary Policies & Procedures

### Policy: 3-01-03

#### DaVita Inc.

7. DaVita dialysis facility will transmit the required information to the corresponding Corporate Business Office (CBO) ROPS registration teammate upon notification of a new or visiting patient.
8. ROPS registration teammate will verify all insurances and obtain authorization if needed to complete the registration process.
9. Visiting patients must make payment for non-covered, and out of network services in the form of cashier's check, money order, travelers check, American Express, Visa, Discover or MasterCard prior to treatment. Please see *Money Received at Centers Policy* and *Credit Card Process Policy* (available on the ROPS website on the VillageWeb).
10. DaVita will bill using the name and number as it appears on the beneficiary Medicare card or other document confirming the patient's health care coverage through a third party, and as the patient's name is confirmed by two (2) additional forms of identification which has the patient's current legal name listed on it. Reference DaVita's *Patient Identification and Verification Policy Attachment A: Acceptable Forms of Personal Identification* (available on the eP&P site Dialysis Regulatory and Ancillary Policies & Procedures folder) for acceptable forms of personal identification. Reference DaVita's *Entering Patient's Name Policy* (available on the ROPS website on the VillageWeb) for guidance on entering patient name into DaVita systems.
11. If any information on the beneficiary Medicare card is incorrect, DaVita will advise the beneficiary to contact their local servicing Social Security Office to obtain a new Medicare card.
12. If information contained on the insurance card is incorrect, DaVita will advise the policyholder to contact their insurance company to obtain a new insurance card. All insurance cards should match the patient's identification. The patient must produce evidence that a change was initiated with the appropriate insurance carrier within 90 days of the noted discrepancy.
13. There are four (4) mandatory data elements for any patient to be registered in Registration System. These fields must be completed accurately prior to treatment. Required Registration System fields are:
  - a. First and last name;
  - b. DOB (date of birth);
  - c. Anticipated start date at DaVita; and

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#### DaVita Inc.

- d. An ICD-9/ICD-10 code(s), representing the condition (ESRD) as specified by the admitting physician (may also consult the hospital discharge/pre-discharge summary).
14. Listed below are the following documents that are required for in-center dialysis patients and home dialysis patients prior to first treatment at a DaVita Dialysis facility, unless otherwise required by applicable state regulation:
- a. Patient demographics and insurance information;
  - b. Copy of History and Physical (within the last year – must be legible);
  - c. Hepatitis and TB Testing Results: For Hepatitis and TB testing requirements, refer to policies: *Hepatitis Surveillance, Vaccination and Infection Control Measures* and *Tuberculosis Infection Control Policy* (available on the eP&P site Incenter Hemodialysis Policies & Procedures, Peritoneal Dialysis and Home Hemodialysis folders); Note: Hepatitis C testing is strongly recommended, but not required;
  - d. Copy of current hemodialysis orders for treatment;
  - e. Two (2) forms of personal identification, in addition to the patient's insurance card, verifying the patient's legal name and current legal residence, one of which is a picture ID. Reference DaVita's *Patient Identification and Verification Policy Attachment A: Acceptable Forms of Personal Identification* (available on the eP&P site Regulatory and Ancillary Policies and Procedures folder) for acceptable forms of personal identification;
  - f. All copies of patient's current insurance cards-front and back;
  - g. Initiation of CMS 2728. Once completed, within the 45-day guideline, it should include the patient's and nephrologists' signature and date. This is the official document of the patient's first date of dialysis ever, first dialysis modality, and provides transplant information, if applicable; *Patient Authorization & Financial Responsibility Form* (PAFR). Must be signed and witnessed prior to the start of the first dialysis treatment. This form allows DaVita to receive payment from insurance companies and informs the patient of the financial responsibilities regarding treatment provided to them. Without a signed PAFR Form, DaVita may not be reimbursed for services provided to the patient;
  - h. Medicare Secondary Payor Form (MSP). Determines if a commercial Employer Group Health Plan (EGHP) will be primary payor. Must be completed for all patients who have Medicare coverage when they start treatment at DaVita;
  - i. DaVita's *Notice of Privacy Practices*. Each patient/personal representative will be provided with the notice.

Facilities may elect to require documents a. through h. listed above prior to admission to a DaVita Dialysis facility.

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Revision Date: March 2008, September 2008, December 2008, April 2009, September 2009, October 2010, September 2011, September 2012, March 2013, September 2013, March 2014, September 2014, March 2015, September 2015, March 2016, December 2016



## Dialysis Regulatory and Ancillary Policies & Procedures

### Policy: 3-01-03

#### DaVita Inc.

For patients who have dialyzed before\* (permanent transfers or visiting patients) the following will also be required:

- a. Copy of most recent Plan of Care including: Nursing, Dietary and Social Work Assessments;
- b. Copies of three (3) flowsheets within two (2) weeks of requested treatment(s);
- c. Monthly labs within 30 days prior to first treatment date including hematocrit, hemoglobin, URR, electrolytes.
- d. Current list of medications being administered to patient in-center and at home (recommended for patient to bring in current medications at time of first treatment);
- e. Allergies;
- f. Access Information;
- g. Hospitalization Discharge information; and
- h. Advance Directives, if patient has executed an Advance Directive and confirmed with patient as current.

\*For patients displaced by disaster/emergency event, please see policy: *Facility Emergency and Disaster Plan*.

15. The following document is to be requested (but not required) for a safe transition of care for in-center dialysis patients and home dialysis patients prior to admission to a DaVita Dialysis facility:
  - a. Consultations (Hematology, GI, Cardiology).
16. Unless otherwise provided for under this policy, prior to the first treatment at the facility, all patients, including Transfer, Guest, and Permanent Patients will be given the following documents to read and sign:
  - a. Patient Rights;
  - b. Patient Responsibilities;
  - c. Patient Authorization and Financial Responsibility Form (PAFR);
  - d. Patient Standards of Conduct;
  - e. Patient Grievance Procedure;
  - f. Authorization for and Verification of Consent to Hemodialysis/Peritoneal Dialysis;
  - g. HIPAA Permission to Discuss;

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Origination Date: September 2006

Revision Date: March 2008, September 2008, December 2008, April 2009, September 2009, October 2010, September 2011, September 2012, March 2013, September 2013, March 2014, September 2014, March 2015, September 2015, March 2016, December 2016

## Dialysis Regulatory and Ancillary Policies & Procedures

### Policy: 3-01-03

#### DaVita Inc.

- h. HIPAA Notice Acknowledgement form; and
  - i. Affidavit of Patient Identification form (Note: This form is only given if the patient or Personal Representative on behalf of the patient is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence upon admission or within seven (7) days of admission).
17. The patient/personal representative will agree to follow the *Patient's Rights and Responsibilities, Patient's Standards of Conduct and the Patient Grievance Procedure*. (Refer to *Patient's Standards of Conduct; Patient Grievance Procedure; Patient Rights and Responsibilities* available on the eP&P site Dialysis Regulatory and Ancillary Policies & Procedures folder).
18. Visiting patients are only required to sign the *Patient's Rights and Responsibilities, Patient's Standards of Conduct and the Patient Grievance Procedure* one time for each DaVita facility they visit, as long as these forms are visibly posted at the facility, unless there are changes made to any of those forms/policies, or state specifications require otherwise.
19. If the patient, or Personal Representative on behalf of the patient, is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence, the teammate admitting the patient should follow the procedures set forth in the *Patient Identification and Verification Policy* (available on the eP&P site Dialysis Regulatory and Ancillary Policies & Procedures folders), and any other relevant policies based on the situation at hand.
20. Any conflict with the criteria established or refusal to sign appropriate consents and authorization to bill would constitute a need for prior written authorization by the facility's DVP or designee.
21. Other than a PAFR which is always required, a permanent DaVita patient may be treated at a DaVita facility other than his /her home facility without completing the required documentation, when:
  - a. The attending nephrologist has privileges at both the facilities in question (the patient's home facility and the anticipated visiting facility);
  - b. A visiting record is generated by the home facility at least one hour before the scheduled treatment;
  - c. The Facility Administrator (FA) at the visiting facility agrees to treat the patient; and

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Revision Date: March 2008, September 2008, December 2008, April 2009, September 2009, October 2010, September 2011, September 2012, March 2013, September 2013, March 2014, September 2014, March 2015, September 2015, March 2016, December 2016

## Dialysis Regulatory and Ancillary Policies & Procedures

### Policy: 3-01-03

#### DaVita Inc.

- d. The visiting facility has the space and resources to treat the patient.
22. All other exceptions to this policy are subject to approval by the DVP for the region/division.
23. Clinical documentation: add all to ESRD
- a. Use ICD-9/ICD-10 code(s) as specified by admitting physician for justification in the dialysis treatment order
24. Use ICD-9/ICD-10 code(s) as specified by admitting physician for justification in all medication and laboratory orders

#### ATTACHMENTS:

##### Attachment A: Procedures for Accepting Patients for Treatment

*Teammates are expected to report possible violations of this policy and procedure. You may make your report to an appropriate DaVita manager, to the Corporate Compliance Hotline (1-888-458-5848 or [DaVitaComplianceHotline.com](mailto:DaVitaComplianceHotline.com).) DaVita has a Non-Retaliation policy and will not tolerate any form of retaliation against anyone who files a Compliance report in good faith. Reports can be made anonymously or you may request confidentiality. Questions regarding this policy should be directed to [policies&procedures@davita.com](mailto:policies&procedures@davita.com).*

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

**TITLE: PATIENT BEHAVIOR AGREEMENTS, 30 DAY DISCHARGE, INVOLUNTARY DISCHARGE OR INVOLUNTARY TRANSFER**

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**PURPOSE:** To provide guidance on Patient Behavior Agreements, 30 Day Discharge, Involuntary Discharge or Involuntary Transfer. These may become necessary when a patient does not conform to the *Patient's Standards of Conduct* and/or *Patient's Rights, Responsibilities and Facility Rules*. When a facility is considering involuntary discharge, the patient is automatically designated as "unstable" and therefore requires an assessment. The Interdisciplinary Team (IDT) must assess the patient with an intent to identify any potential action or plan that could prevent the need to discharge or transfer the patient involuntarily.

**POLICY:**

**Disruptive, Non-Threatening Behavior:**

1. If the patient's behavior is disruptive to the facility, but is non-threatening, a comprehensive patient assessment will be completed by the Interdisciplinary Team (IDT) in order to identify any potential action or plan of correction required. The assessment must focus on identifying the root causes of the disruptive behavior and result in a plan of care aimed at addressing those causes and resolving disruptive behavior. This assessment may require a change in health status to unstable.
2. At the completion of the assessment, a Patient Care Conference (PCC) is required. The IDT should meet with the patient in a conference setting. The PCC will specifically address patient behavior and any patient concerns. The PCC and assessment will be documented in the medical record.
3. If the patient's behavior continues to be disruptive to the facility, but is non-threatening to others, the patient should receive a First Letter of Concern. This letter will be written in collaboration with your Risk Manager and will provide specific details of the patient's behavior and concerns the facility has regarding the patient's behavior.

**Threatening Behavior/Behavior Agreements:**

4. If at any time teammates or other patients feel an immediate severe threat or safety is a concern, the police should be notified immediately via 911. (See **Immediate Severe Threat** below).

5. If a patient's behavior in the dialysis facility is threatening, either verbally or physically, the treatment that day will be terminated and the patient will be asked to leave the facility. The facility will immediately notify the Medical Director, the patient's physician, the Regional Operations Director (ROD), the ESRD Network and the Risk Manager.
6. In collaboration with the ESRD Network, the facility and Risk Manager will make a determination of whether the patient should be immediately discharged from the facility due to the nature of the threatening behavior or placed on a Behavior Agreement. The collaboration with the ESRD Network will be documented in the medical record.
7. If it is determined that a Behavior Agreement is appropriate, the Behavior Agreement will be drafted in collaboration with the Risk Manager and address the behavior exhibited. The Medical Director, patient's physician, ROD, Divisional Vice President (DVP) and ESRD Network will be notified. A PCC will be scheduled with the patient and IDT to discuss the Behavior Agreement. The Behavior Agreement will also be mailed to patient via certified mail, return receipt requested.
8. Behavior Agreements will not be used for non-adherence or for patients who choose to sign off Against Medical Advice (AMA).

**30 Day Discharge, Involuntary Transfer and Involuntary Discharge:**

9. Lost to Follow-Up is defined as a patient who has not dialyzed for 30 days at the facility and the dialysis facility is unable to locate the patient. In the event that a patient is considered Lost to Follow-Up and at risk for involuntary discharge, dialysis facilities are to notify their ESRD Network. Notify the Risk Manager for further guidance.
10. If the patient acts in violation of the Behavior Agreement, your Risk Manager is to be notified for further direction. The facility and Risk Manager will consult with the ESRD Network regarding 30 day discharge or involuntary discharge or transfer to another facility.
11. The patient's physician and facility Medical Director must be notified of the pending involuntary transfer or discharge and provide a signed order. This notification and order will be documented in the patient's medical record.
12. The ROD, DVP, State agency and ESRD Network must be notified of the involuntary discharge. If a 30 day notice is given, the effective date is the day the notice is written. This notification will be documented in the medical record.

13. The patient has the right to choose and to change physician and/or treatment facility provided that the new physician and/or facility can reasonably accommodate the patient. The patient is advised to confirm that the facility under consideration has been certified by Medicare.
14. Social Worker/designee will provide the patient with a list of area dialysis facilities (DaVita and non DaVita) that may be able to accept the patient, and the patient will be allowed to provide input as to facility preference. The patient will be advised to consult with his or her treating physician about alternative treatment options and to confirm the physician has privileges at selected dialysis facilities.
15. Good faith efforts should be made to place the patient at the patient's preferred facility and/or find the closest facility to the patient's residence that will accept the patient in transfer. The patient will be informed that DaVita cannot guarantee the transfer to the identified facility. The applicable patient's medical record must include evidence of those placement efforts.
16. The goal of contacting another dialysis facility is for continuity of care and the HIPAA privacy rules do not require patient consent to contact another dialysis facility. The HIPAA privacy rule does limit sharing of protected health information to medical records requested by the other provider and prohibits sharing information obtained through hearsay.

**Immediate Severe Threat:**

17. If it is determined that a patient will be immediately discharged due to the nature of the threatening behavior ("immediate, severe threat"), 30 day patient notice is not required. An immediate severe threat is considered to be a threat of physical harm. For example, if a patient has a gun or a knife or is making credible threats of physical harm, this would be considered an "immediate severe threat". An angry verbal outburst or verbal abuse is not considered to be an immediate severe threat.
18. In instances of an immediate severe threat, facility teammates may utilize "abbreviated" involuntary discharge or transfer procedures. These abbreviated procedures may include taking immediate protective action such as calling "911" and asking for police assistance. In this scenario, there may not be time or opportunity for re-assessment, intervention, or contact with another facility for possible transfer.
19. After the emergency is addressed and teammates and other patients are safe, teammates must notify the Medical Director, patient's physician, Risk Manager, ROD and DVP, State agency and ESRD Network of the involuntary discharge. Document this notification and the exact nature of the "immediate severe threat" in the patient's medical

record. The Risk Manager may recommend onsite security for a period of time after the discharge of the patient (mutually agreed upon by Operations and Risk Manager).

**Discharge for Lack of Physician Coverage:**

20. If the reason for discharge is the physician's determination to no longer care for a particular patient and there is no other physician available that is willing to accept the patient, generally the state practice boards for physicians require the patient be given some notice to avoid a charge of patient abandonment. The facility will need to follow this regulation as to reassessment, 30 day notice of discharge, attempts for placement, etc. during the physician's period of notice to the patient. The Facility Administrator/designee should follow state law requirements regarding notice.



TITLE: Patient Financial Evaluation Policy

---

**PURPOSE:**

To establish policies and procedures for the individualized determination of patient financial need for services provided by DaVita.

**DEFINITIONS:**

Obligation – The amount a patient must pay for dialysis and related services after all other third party payers (Medicare, Medicaid, commercial insurers, etc.) have paid DaVita, including copayments, coinsurance, deductibles, noncovered services and self-pay amounts.

PFE – Patient Financial Evaluation form (Addendum A) utilized to determine a patient's individual financial status and ability to pay the patient's Obligation.

Patient Assistance – The amount by which the patient's Obligation is reduced as a result of the PFE. Patient Assistance may be a full or partial reduction of the patient's Obligation.

Patient Assistance Scale – Sliding scale based on the Federal Poverty Guidelines used to determine the level of Patient Assistance for which the patient is eligible. (Addendum B)

Household Size – All persons residing in the same household as determined by this Policy.

Household Income – income of all persons identified in Household Size. Visitor – A patient who is at the facility for less than 30 consecutive days.

**POLICY:**

DaVita may provide Patient Assistance related to Patient Obligations based on an individualized determination of a patient's financial need. Any approval for Patient Assistance will be based on current facts and the agreement of the patient to maintain current coverage. Any amounts paid by an insurance company directly to the patient for services furnished by DaVita must be paid to DaVita and are not included in the patient Obligation amounts eligible for Patient Assistance.

Patients with previously approved PFEs will continue to receive Patient Assistance under the prior agreement until the first of any of the following events occurs:



TITLE: **Patient Financial Evaluation Policy**

- Current PFE expires
- Insurance coverage changes
- Patient notifies DaVita of a change in household size or income and requests an updated PFE

**PROCEDURE:**

A Patient Financial Evaluation (Addendum A) may be offered for patients who have a patient Obligation and have indicated some financial need to a DaVita Teammate. If the patient refuses and/or declines offer of a PFE, the Social Worker must inform the patient that he/she is responsible for the full amount of the patient Obligation.

For patients within the state of Rhode Island, if a Community Health Center, listed on Attachment C, refers a patient and notifies the center that the patient has NO insurance and a household income up to the 200% of the Federal Poverty Limits (Full Waiver level on the PFE Scale), the center will require no further documentation from that patient and the patient will qualify for a full waiver PFE.

The PFE applies equally to all patients, without regard to the source of payment. Prior to applying for Patient Assistance, the patient must make a good faith effort to obtain insurance and exhaust all coverage options that will improve the patient's insurance coverage. All patients must have a current signed PAFR on file in order to apply for a PFE; California patients must have a PAFR signed within the current calendar year.

Patient Assistance is based on household financial status and the ability to pay after all other options for third party coverage and payment has been exhausted. The Social Worker (SW) or center designee is required to document these efforts to obtain any and all third party coverage in the patient's account record.

***All patients must apply for Medicaid programs and any other available state financial assistance programs prior to applying for a PFE and provide copy of denial/approval with PFE application. If an uninsured patient is not able to apply for Medicaid, the Social Worker must document the reason. Note that patients with Medicare coverage MUST seek apply for Medicaid.***

This policy is not available to patients who have had lapses in insurance coverage that the patient could control or other forms of patient non-compliance with obtaining or maintaining insurance coverage, including but not limited to; the failure to pay premiums or provide documentation necessary. If a patient is being discharged from a hospital, the patient must first attempt to secure a Single Patient Agreement (SPA) prior to utilizing the PFE Policy. Should the patient fail or refuse to provide the required PFE documentation, the patient will be discharged according to the procedures outlined in the Non-Payment Discharge Policy.

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Origination Date: 01/01/06

Revision Date: 01-14-08, 01-25-12, 03-30-12, 02-7-13

Review Date: 4/07/2014

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TITLE: Patient Financial Evaluation Policy

This policy is not applicable when superseded by state law. Patients who have a Cash Pay Agreement with the center do not qualify. DaVita reserves the right to deny or revoke patient assistance at its full discretion.

An existing PFE applies to all DaVita centers, even when the patient is a Visitor. PFEs cannot be used for visiting charges only.

With regard to any state law regarding patient "share of cost" or spend-down obligations for Medicaid, the patient shall be considered to have (1) incurred expenses for medical services and (2) assumed legal responsibility for medical services expenses, as of the date that medical services having a cost or charge equal to or greater than the amount of the patient's share of cost or spend-down obligations actually were rendered to the patient. This is the date the patient Obligation is created, notwithstanding any later application of Patient Assistance to the patient Obligation amount.

The patient is required to provide proof of Household Size and Personal Income to determine eligibility for Patient Assistance to the Social Worker or designee.

**Household Size** - at least one of the following documents showing proof of the household size:

- Federal Tax Return – No later than previous tax year and signed.
- State Assistance Program letters which name household members.
  - Social Security Letters which name all parties in one letter.

If the patient is unable to produce the above documents and is not otherwise covered by a government health plan, the following documents may be used to support household size:

- School records that identify an address for the children stated as part of the household that matches a lease agreement or address on a utility bill in the name of the patient
- Copy of an official marriage license
- Copy of Official birth certificate
- Court records for legal guardianship
- Adoption records
- Proof of domestic partnership

\*If we do not have evidence that the patient's household size is different, we will default to one person.

TITLE: **Patient Financial Evaluation Policy**

**Income** – The patient **must** provide at least one (1) of the following documents listed in Column A showing proof of income. If the patient is not able to provide any of the documentation listed in Column A, patient **may** provide at least two (2) of the documents listed in Column B, **or** at least three (3) of the documents listed in Column C.

\*Please note, if patient is currently a financial need patient of DaVita Healthcare Partners Inc., the patient must provide an item of documentation from Column A. Additionally, any patient that is eligible for a government health plan (e.g., Medicare, Medicaid) must submit documentation from Column A.

If patient is not able to provide the **required** income verification documentation listed in Columns A, B and C, patient must provide a signed document explaining his/her situation that prevents the patient from furnishing the required documentation.. If the patient is able to provide the required income verification documentation listed in Columns A, B and C but refuses to do so, the patient is not eligible for Patient Assistance under this Policy.

**OR**

If patient is not able to provide the **required** income verification documentation listed in Columns A, B and C, patient may complete a W-7 Form to file for an IRS Individual Taxpayer Identification Number (ITIN). Once the patient has received an ITIN, the patient may either file a federal income tax return and submit a copy as stated in Column A or sign an affidavit explaining why the patient is not required to file a federal income tax return.

(The remainder of this page is intentionally left blank)

TITLE: Patient Financial Evaluation Policy

Income Verification

Column A	Column B	Column C
<ul style="list-style-type: none"> <li>✓ Federal Income Tax Return from no later than the previous year</li> <li>✓ W2-form or 1099 from no later than the previous year</li> <li>✓ Social Security Statement of Earnings (cannot be older than the previous tax year)</li> <li>✓ One (1) consecutive month of paycheck stubs (within 60 days of PFE application)</li> <li>✓ Retirement Income (Annuity, Pension, Dividends Paid Out, Veteran's Benefits)</li> <li>✓ Copy of Medicaid Application (including Emergency Medicaid) along with Approval/Denial Letter</li> </ul>	<ul style="list-style-type: none"> <li>✓ Credit Check Report</li> <li>✓ Document of Assets</li> <li>✓ Bank Statements (last 3 months)</li> <li>✓ Worker's Compensation income statements</li> <li>✓ Unemployment Compensation Determination Letter</li> <li>✓ Statement from Employer of employment and salary</li> <li>✓ Documentation of Homeless Shelter Use</li> </ul>	<ul style="list-style-type: none"> <li>✓ *Living Expenses (i.e. rent, utility bills, cell phone carrier bill, grocery receipts, etc) along with copies of checks paid or money order receipts paying such expenses</li> <li>✓ Food Stamp Benefit Information</li> <li>✓ Proof of Participation in other Government Assistance Programs</li> <li>✓ Court Documentation of Bankrupt Condition</li> <li>✓ Proof of Residence in Area of High Poverty</li> <li>✓ Proof that family is eligible for free or reduced-fare school lunch</li> <li>✓ Children's School Records</li> <li>✓ Strike Benefits from Union Funds</li> <li>✓ Alimony</li> <li>✓ Child Support</li> <li>✓ PFE from another institution</li> <li>✓ Other Documents of Sources of Income</li> </ul> <p>*Living Expenses shall not be used to offset income or determine actual expenses; rather, Living Expenses shall be used as a proxy for income that cannot otherwise be proved.</p>

Any change in family size or insurance coverage will require a new application to be submitted. A change in insurance coverage will cause any current PFE to terminate.

The patient must sign the PFE stating that all information provided is accurate. A PFE lacking proof of income and/or family size will be denied.

**TITLE: Patient Financial Evaluation Policy**

Determination for awarding Patient assistance will be based on the attached Patient Assistance Scale (Addendum B).

1. Household income and household size of patient compared to a % of the federal poverty guidelines per the Patient Assistance Scale (Addendum B).
2. If the patient qualifies for 100% assistance, deeming him/her indigent, the patient will not be billed for any patient Obligations.
3. If the patient qualifies for partial Patient Assistance, he/she will be billed for the lesser of the remaining patient Obligation for the month of services or the Patient Assistance rate.
4. If the patient does not qualify for Patient Assistance, he/she will be billed for the remaining patient Obligation for the month of services.

The status of the PFE and the level of Patient Assistance which has been approved will be communicated to the patient, Social Worker and IMT.

The PFE and related documentation will be maintained in the patient's account record. The billing office designee will enter the PFE approval or denial into the patient record and patient bills will be calculated based on this information.

An approved PFE is valid for one year from the month of the submission and can retro up to twelve months, if necessary. Any payments made by the patient for Patient Obligations that are within the approval range of the PFE will not be refunded. The PFE is reviewed on an annual basis.

This policy applies equally to all patient types, including patients who are DaVita Teammates.

*Teammates are expected to report possible violations of this policy and procedure. You may make your report to an appropriate DaVita manager, to the Corporate Compliance Hotline (1-888-458-5848 or DaVitaComplianceHotline.com). DaVita has a Non-Retaliation policy and will not tolerate any form of retaliation against anyone who files a Compliance report in good faith. Reports can be made anonymously or you may request confidentiality.*

**Dialysis Regulatory and Ancillary Policies & Procedures**  
**Policy: 3-01-07A**  
**DaVita Inc.**

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

**TITLE: PATIENT'S RIGHTS**

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**YOUR RIGHTS AS A PATIENT:**

As a DaVita patient I understand I am entitled to the following:

1. To be fully informed of my rights (including privacy rights), responsibilities and all rules governing conduct related to patient care, services and financial policies/responsibilities.
2. To be accepted for admission without regard to national origin or sponsor, race, age, sex, religion, disability, payer, sexual orientation, marital status, or other factors unrelated to the provision of appropriate medical care.
3. To be treated with (i) respect, dignity, and recognition of my individuality, choices, strengths, abilities, cultural values, religious beliefs and personal needs, to the extent possible during treatment; and (ii) sensitivity to my psychological needs and ability to cope with ESRD.
4. The right to privacy and confidentiality in all aspects of treatment. The dialysis facility will make accommodations to provide for patient privacy when patients are examined or body exposure is required, for example privacy screens or curtains.
5. To be free from abuse, neglect, exploitation, coercion, manipulation, sexual abuse, sexual assault, seclusion, or restraint (if not necessary to prevent harm to myself or others), or misappropriation of my personal property by the facility's teammates.
6. To receive adequate, safe, sanitary, and efficient dialysis treatment and respectful care by competent personnel in a comfortable environment.
7. To receive all information in a way that I can understand.
8. To receive assistance from a family member, representative or other individual in understanding, protecting and/or exercising my rights.
9. To be fully informed of all services available in the facility and charges not covered under Medicare or other health insurance, as applicable.
10. Upon request, to receive any information which the facility has available relative to financial assistance and free health care.
11. To be fully informed of my right to execute an advance directive and of DaVita's policy that properly executed and documented advance directives will be honored and carried out in DaVita facilities.
12. The right to choose and to change physician and/or treatment facility provided that the new physician and/or facility can reasonably accommodate me. I am advised to confirm that the facility under consideration has been certified by Medicare.
13. To know who my primary physician is, and to participate with my primary physician in planning my care.
14. To know the names, professional status, and experience of the staff who are providing and coordinating my care and treatment.
15. Upon request, to obtain an explanation as to the relationship, if any, of the facility to any other health care facility or educational institutions insofar as that relationship relates to my care or treatment.

# Dialysis Regulatory and Ancillary Policies & Procedures

## Policy: 3-01-07A

### DaVita Inc.

16. To receive a full explanation by my physician/allied health professional of the nature of my medical status and the necessity for recommended treatment/appointment(s), including the risks, side effects, expected outcomes, and other treatment/appointment options before giving consent to or refusing treatment/appointment.
17. To expect and receive appropriate assessment, management and treatment of pain as an integral component of my care.
18. To receive a full explanation of facility policies regarding patient care including, but not limited to, certain policies about infectious diseases that may require me to be dialyzed in a separate space from other patients and policies about visitors and socialization within the facility .
19. To be fully informed about all treatment modalities, including but not limited to, transplantation, home dialysis (home hemodialysis, intermittent peritoneal dialysis, continuous ambulatory peritoneal dialysis, continuous cycling peritoneal dialysis), in-facility hemodialysis, in-facility nocturnal hemodialysis, hospice, and the option of no treatment.
20. To receive resource information for dialysis modalities not offered by the facility, including information about alternative scheduling options for working patients.
21. To be advised of research studies that affect my care and give my informed, written consent to participate in such research or refuse to participate.
22. To be informed about whether the facility is participating in any teaching programs and to refuse to allow their participation in my treatment.
23. To be transferred or discharged only for medical reasons, for my own welfare or that of other patients, or for nonpayment of fees. If I am discharged for these reasons, I will be given advance written notice of 30 days unless the reason involves issues of immediate safety to other patients or teammates. These actions may result in an immediate discharge. Reasons for involuntary discharge may include failure to comply with items in the *Patient's Standards of Conduct, Responsibilities and Facility Rules*, which are provided in the Patient Registration Packet.
24. To review my medical record with supervision by the Facility Administrator or designee and at a time mutually agreed upon by me and the Facility Administrator or designee in advance.
25. To receive a copy of my medical records. All requests for medical records will be put in writing. Based on individual state requirements for accessing medical records, there may be a fee charged for copying the medical records. All records requests will be completed within 30 days of the request.
26. To receive necessary services or referrals as outlined in my individualized plan of care.
27. To know my medical records and the information contained will be considered private and confidential and only released in compliance with state and federal law.
28. To freely express comments, complaints or grievances verbally or in writing personally, anonymously, or through a representative of my choosing. My comments, complaints and grievances may be expressed to facility teammates, administration, DaVita's Corporate Compliance Department, the ESRD Network organization and appropriate regulatory agencies without fear of reprisal or denial of services, discrimination or retaliation. All comments, complaints and grievances will be resolved in a timely manner in accordance with the facility's grievance process. Information regarding the grievance process will be provided to me and the facility Social Worker will assist you if needed.
29. To have all reasonable requests responded to promptly and adequately within the capacity of the facility.

# Dialysis Regulatory and Ancillary Policies & Procedures

## Policy: 3-01-07A

### DaVita Inc.

30. To be informed about and participate, if desired, in all aspects of my individualized plan of care and be informed of the right to refuse treatment and to be fully informed of the medical consequences of refusing treatment/appointment.

31. If I require hemodialysis and dialyzer reuse is practiced in the facility, I am entitled to the following:

- To give or refuse permission to participate in the reuse program and to request to change from one to the other at any time either verbally or in writing. Refusal to participate in reuse will still allow me to dialyze in this facility and receive other services, however, failure to agree to reuse will minimally restrict your choice of a dialyzer.
- To have questions about reuse answered in a complete and understandable way.

*Please note, this version of the document is not intended for distribution to patients. The companion version of this document that is intended for distribution to patients (which is identical to this form, but includes a patient signature block) can be found electronically in the Reggie system.*



**Dialysis Regulatory and Ancillary Policies & Procedures**  
**Policy: 3-01-07A**  
**DaVita Inc.**

**PATIENT RIGHTS:**

**TEMPLATE FOR FACILITY INFORMATION**

Name of Facility: \_\_\_\_\_

Phone Number of Facility: \_\_\_\_\_

Facility Address: \_\_\_\_\_

Facility Medical Director: \_\_\_\_\_

Attending Physician: \_\_\_\_\_

Facility Administrator: \_\_\_\_\_

Nurse Responsible for Clinical Care: \_\_\_\_\_

Social Worker: \_\_\_\_\_

Dietitian: \_\_\_\_\_

Facility Normal Hours of Operation: \_\_\_\_\_

Dialysis Schedule (days & time): \_\_\_\_\_

How to contact physician and obtain emergency assistance after facility normal hours of operation: \_\_\_\_\_

Appendix 15  
Lease Agreement

**LEASE AGREEMENT**

**BY AND BETWEEN**

**MARKET STREET DEVELOPMENT, LLC**

**("LESSOR")**

**AND**

**TOTAL RENAL CARE, INC. ("LESSEE")**

**Dated:** May 28, 2019

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## EXHIBITS AND SCHEDULES

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EXHIBIT B- BUILDING SITE PLAN

EXHIBIT C- WORK LETTER

EXHIBIT D- FORM OF COMMENCEMENT DATE MEMORANDUM

EXHIBIT E- FORM OF SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT

EXHIBIT F- FORM OF ESTOPPEL CERTIFICATE

EXHIBIT G- FORM OF GUARANTY

## SUMMARY OF LEASE INFORMATION

Possession Date: See Section 1  
Commencement Date: See Section 1  
Termination Date: See Section 1  
Lessor: Market Street Development, LLC, a Washington limited liability company  
Address of Lessor: 1602 Colby Ave  
Everett WA 98201  
  
Lessee: Total Renal Care, Inc., a California corporation  
Address of Lessee: 2000 16<sup>th</sup> Street  
Denver, CO 80206  
Attn: Real Estate Legal  
  
Copy to: [relegal@davita.com](mailto:relegal@davita.com), Subject: Vancouver CON, WA (Facility #TBD)  
Premises Address: 16575 SE 18th St., Vancouver, Washington  
(Clark County Parcel ID #986049267)  
  
Premises Rentable Area: approximately 12,000 square feet  
Monthly Base Rent: See Section 2

## LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made and entered into on May 28, 2019 ("Effective Date") by and between MARKET STREET DEVELOPMENT, LLC (hereinafter called "Lessor"), and TOTAL RENAL CARE, INC. (hereinafter called the "Lessee").

### WITNESSETH:

**WHEREAS**, Lessor has entered into, or concurrently herewith will enter into, a ground lease (the "Ground Lease") with Kirkwood Properties Two, LLC ("Ground Lessor") for that certain real property known as Clark County Parcel ID #986049267, located at 16575 SE 18th St., Vancouver, WA ("City"), County of Clark ("County"), State of Washington (the "State"), containing approximately 59,677 square feet of buildable land (the "Premises"), more particularly described on Exhibit A, together with all easements, declarations, rights of way, and appurtenant rights thereto, including all improvements presently on the property (if any) (collectively, the "Property"); and

**WHEREAS**, subject to Lessee's issuance of a Notice to Proceed (as defined below), Lessor desires to demise, lease and rent unto Lessee, and Lessee desires to rent and lease from Lessor a to be constructed building (the "Building"), consisting of approximately 12,000 rentable square feet (the "Building Rentable Area"), as generally shown on the attached Exhibit B, and the Property, plus all easements, declarations, and rights of way, subject to the terms of the Ground Lease; and

**WHEREAS**, Lessee shall lease and occupy the entire Property and Building consisting of approximately 12,000 rentable square feet (collectively, the "Premises"), and including without limitation, all heating, venting, air conditioning, mechanical, electrical, elevator and plumbing systems, roofs, walls, foundations, fixtures, and that certain number of parking spaces per square foot of the Premises, including handicap-striped spaces, as may be required by applicable laws; and

**WHEREAS**, Lessor shall complete all of Lessor's Work (as defined in Section 37) in accordance with the terms of the Work Letter attached hereto as Exhibit C (the "Work Letter").

**NOW, THEREFORE**, for and in consideration of the mutual covenants, promises and agreements herein contained, Lessor does hereby demise, lease and rent unto the said Lessee and Lessee does hereby rent and lease from Lessor the Premises, under and pursuant to the following terms and conditions:

1. Term and Delivery.

1.1 Term. This Lease shall be effective upon full execution and delivery of a fully-executed original of this Lease to Lessor and Lessee (the "Effective Date"). The term of this Lease shall be for 180 months (the "Term") and shall commence upon the earlier to occur of the following two events (the "Commencement Date"): (a) the date which is 30 days following the date that Lessee obtains the necessary certificate of occupancy from the applicable municipality for the Premises; or (b) that date which is the 180th day following the Possession Date (as defined



below). The expiration date of the Term shall be the last day of the 180th month following the Commencement Date (the "Termination Date"), unless the Term is renewed in which event the Termination Date shall extend to the end of such exercised renewal period(s). Each full 12 month period beginning on the first day of the month in which the Commencement Date occurs or any anniversary thereof shall be called a "Lease Year." Upon determination of the Possession Date and Commencement Date, Lessor shall complete, execute and forward a Commencement Date Memorandum in the form attached as Exhibit D to Lessee for Lessee's approval and execution.

1.2 Notice to Proceed. Notwithstanding anything to the contrary herein, and except for payment of the Holding fee (defined below), all obligations of the parties hereto are contingent upon Lessee's issuance to Lessor of a written notice of its intent to commence the Lease (such notice is hereinafter referred to as the "Notice to Proceed") on or before the date which is 30 months after the Effective Date (the "Termination Deadline"), and neither the Term nor the accrual of any obligation to pay Rent, Additional Rent, or other charges shall commence until Lessee has provided the Notice to Proceed. Lessee may terminate this Lease at any time prior to the Termination Deadline, and this Lease shall be of no further force or effect and the parties hereto shall be released from all liability under this Lease. Should Lessee terminate this Lease prior to the issuance of a Notice to Proceed, Lessee shall reimburse Lessor for Lessor's receipted expenses related to the execution of this Lease, which shall be limited to reasonable legal fees and real estate or broker commissions actually paid, and Lessor shall retain the Holding Fee. Lessor agrees that Lessee shall not be liable for any costs or expenses related to development and construction of the Premises, unless Lessee has specifically authorized Lessor in writing to incur such costs, and shall have no right to reimbursement from Lessee under this Section 1.2 unless duly authorized by Lessee.

1.3 Estimated Possession Date; Delay in Delivery.

(a) Lessor shall deliver possession of the Premises to Lessee with Lessor's Work completed to the extent necessary for Lessee to begin constructing the Lessee's Improvements (as defined below). The date on which Lessor actually delivers possession of the Premises to Lessee in accordance with this Section 1.3(a) will be the "Possession Date."

(b) Within 120 days after Lessor receives the Notice to Proceed, Lessor, at Lessor's expense, shall deliver to Lessee the Plans and Specifications (as that term is defined in the Work Letter) for Lessee's approval, which shall not be unreasonably withheld, conditioned or delayed. The Plans and Specifications shall include the Building, and all improvements to the Property which may be required by any governing jurisdiction or agency, including but not limited to, improvements to curbs, gutters, paving, striping, landscaping and irrigation systems, retaining walls, driveways, walkways, parking areas, driveway aprons, and lighting facilities (the "Property Improvements"). In the event that Lessor does not deliver the Plans and Specifications to Lessee within such 120 day period, Lessee, at Lessee's sole option, may terminate this Lease at any time prior to the Lessor's delivering such Plans and Specifications and thereafter neither party shall have any obligations hereunder and Lessor shall return forthwith any sums which Lessee has previously furnished to Lessor under this Lease or the Work Letter.

(c) Subject to extension in accordance with Section 8 of the Work Letter and Section 34 of this Lease, if the Possession Date does not occur within 400 days following the date Lessor receives the Notice to Proceed (the "Estimated Possession Date"), then Lessee may elect to exercise one of the following rights: (i) to terminate this Lease by written notice to Lessor prior to the Possession Date; or (ii) to receive a rent credit in an amount equal to two days' Rent and Additional Rent (both as defined below, in an amount equal to the applicable rate for periods following any rent abatement) for each day or part thereof the Possession Date occurs beyond the Estimated Possession Date. Lessee may, but shall not be obligated to, accept possession of the Premises prior to the Estimated Possession Date. Furthermore, in no event shall the time period used for calculating the Commencement Date begin to accrue prior to the Possession Date.

(d) Notwithstanding anything to the contrary herein, conditioned upon Lessee's receipt of a permit from the applicable government entity for the Lessee Improvements (defined below), Lessor shall permit Lessee access to the Building to install its underground electrical and plumbing prior to pouring the Building's slab (and prior to the Estimated Possession Date), which early access shall not in any way impact calculation of the Possession Date.

(e) Notwithstanding anything to the contrary above, the parties agree that the Property Improvements may not be complete by the Estimated Possession Date, and that, notwithstanding anything to the contrary herein, the Commencement Date shall not be delayed due to Lessor's failure to complete the Property Improvements (except to the extent any Property Improvements are required to be complete in order for Lessee to obtain necessary permits and approvals and to construct its Lessee Improvements (the "Required Property Improvements"), in which case the Commencement Date shall be delayed, and Lessee shall receive two days of Rent and Additional Rent abatement for each delay in substantial completion of the Required Property Improvements); however, the Property Improvements shall be substantially complete and approved by Lessee on or before the Commencement Date. If the Property Improvements are not complete and approved by the Commencement Date, Lessee may elect to proceed to complete the Property Improvements, in the event Lessor fails to substantially complete the Property Improvements within ten days of Lessor's receipt of a written notice from Lessee specifying Lessee's intent to complete the Property Improvements pursuant to this Section, and Lessee shall receive two days of Rent and Additional Rent abatement (in an amount equal to the applicable rent rate for periods following any rent abatement)

## 2. Holding Fee/Rent.

2.1 Holding Fee. Within five business days following the Effective Date, Lessee agrees to pay Lessor a non-refundable holding fee ("Holding Fee") in the amount of Ninety-five Thousand and 00/100 Dollars (\$95,000.00) as consideration for Lessee's termination option as set forth in Section 1.2 above. No Holding Fee or Rent shall be due during the period from the date Landlord receives the Notice to Proceed until the Commencement Date.

2.2 Rent. Beginning on the Commencement Date, Lessee agrees to pay an initial annual base rent ("Rent") of Four Hundred Eighty-nine Thousand and 00/100 Dollars (\$489,000.00), based on a Forty and 75/100 Dollar (\$40.75) per rentable square foot amount for each square foot of rentable space of the Premises. Lessee shall pay installments of Rent in the

amount of Forty Thousand Seven Hundred Fifty and 00/100 Dollars (\$40,750.00) per month in advance on the first day of each calendar month during the Term, such monthly installment to be prorated for any partial calendar month in which the Commencement Date or Termination Date shall occur. The Rent shall be adjusted in accordance with the provisions of this Section 2 and Section 3 below. All amounts (unless otherwise provided herein) other than the Rent and the adjustments thereto described in Section 3 hereof owed by Lessee to Lessor hereunder shall be deemed "Additional Rent". As a condition to payment of Rent or Additional Rent, Lessor shall provide Lessee with a completed Form W-9 Request for Taxpayer Information and Certification and an executed Commencement Date Memorandum in the form attached as Exhibit D. Lessee shall have no obligation to pay Rent due under this Lease until it receives or mutually agrees upon a Commencement Date Memorandum executed by Lessor. Upon any assignment by Lessor of its rights, title and interest in and to this Lease, Lessor shall cause such successor landlord to deliver a completed Form W-9 to Lessee.

Lessee may elect to have the Premises measured prior to the Commencement Date or during the first Lease Year, with all measurements computed in accordance with *Retail Buildings: Standard Method of Measurement* (ANSI/BOMA Z65.5-2010), as promulgated by The Building Owners and Managers Association International. If the rentable square footage is found to be greater or less than the rentable square footage shown in this Lease, Rent, Additional Rent, and other provisions of this Lease which are based on the Premises rentable area shall be adjusted accordingly.

Except as otherwise provided in this Lease, it is the intention of the parties that Lessor shall receive the rents, additional rents, and all sums payable by Lessee under this Lease free of all taxes, expenses, charges, damages and deductions of any nature whatsoever (except as otherwise provided hereinafter) and Lessee covenants and agrees to pay all sums (including rent taxes) which except for this Lease would have been chargeable against the Premises and payable by Lessor. Lessee shall, however, be under no obligation to pay principal or interest on any mortgage on the fee of the Premises, penalties or interest for late or partial payment nor any income, franchise, margin, inheritance, estate, transfer, excise, gift or capital gain taxes, that are or may be payable by Lessor or that may be imposed against Lessor or against the rents payable hereunder, or succession tax by reason of any present, future or retroactive law which may be enacted during the Term of this Lease.

If Lessor does not receive any payment of Rent or Additional Rent on or before the fifth (5<sup>th</sup>) day following the day it is due, then Lessee shall pay a late fee ("Late Fee") equal to five percent (5%) of the amount overdue, to compensate Lessor for the loss of the use of the amount not paid and the administrative costs caused by the delinquency. Notwithstanding the foregoing, Lessor will not impose a Late Fee as to the first late payment in any Lease Year, unless Lessee fails to pay the late payment to Lessor within five (5) days after the delivery of a written notice from Lessor to Lessee demanding the late payment be paid. However, Lessor may impose a Late Fee without advance notice to Lessee on any subsequent late payment in the same Lease Year. Interest shall accrue on all sums not paid when due hereunder at the lesser of: (a) the highest rate allowed by law or (b) an interest rate equal to the Prime Rate as published in The Wall Street Journal from time to time plus two percent (2%), from the due date until paid; provided that interest shall not be assessed on any Late Fee.

Lessor shall make available at its address for notices under this Lease, true and accurate records of items that constitute Additional Rent, including without limitation repair and replacement costs, insurance, taxes, and other "Impositions" (as defined in Section 8 below). Such records shall be open for inspection from time to time by Lessee or its duly authorized representative for a period of two (2) years after the close of each calendar year. If any audit of Lessor's submitted reports shall disclose an overcharge, Lessor shall promptly pay to Lessee, within thirty (30) days, the amount of such overcharge, and if such audit discloses an overcharge of more than five percent (5%), Lessor shall reimburse Lessee its actual costs incurred in connection with such audit.

3. Rent Adjustments. On the fifth (5th) and tenth (10th) anniversary of the Commencement Date, the Rent shall be increased by ten percent (10%) over the Rent for the prior Lease Year.

4. Renewals. Lessee shall have the right and option to renew this Lease for three (3) additional periods of five (5) years each, next immediately ensuing after the expiration of the initial Term of this Lease and the subsequent renewal periods by notifying Lessor in writing not more than twelve (12) months and not less than nine (9) months before the expiration of the immediately preceding initial Term or subsequent renewal Term of this Lease of Lessee's intention to exercise its option to renew. In the event that Lessee so elects to extend this Lease, then, for such extended period of the Term, all of the terms, covenants and conditions of this Lease shall continue to be, and shall be, in full force and effect during such extended period of the Term hereof, except that the Rent shall be: (i) \$50.92 per square foot of the Premises for the first renewal Term; (ii) \$56.01 per square foot of the Premises for the second renewal Term; and (iii) \$61.61 per square foot of the Premises for the third renewal Term.

5. Condition of Premises. Lessor warrants to Lessee for a period of one (1) year after the Commencement Date that the existing systems and equipment constituting a part of "Lessor's Work" (as defined in the Work Letter attached hereto as Exhibit C) will be in good order and condition, ordinary wear and tear excepted. Lessee shall give written notice to Lessor within such one (1) year period of any existing condition with the systems and equipment of the Premises which Lessee reasonably determines to be defective or other than as represented by Lessor herein. Lessor will, upon receipt of such notice from Lessee, repair such defective condition at Lessor's cost and expense. In addition, Lessor shall be responsible for repairing, at Lessor's sole cost and expense, any latent construction defects with respect to Lessor's Work that may be discovered at any time during the Term.

6. Use of Premises.

6.1 Subject to all applicable Laws, Lessee may exclusively occupy and use the Premises during the Term for purposes of the operation of an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, general medical offices, clinical laboratory, including all incidental, related and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Lessee and related office and

administrative uses or for any other lawful purpose(s) (the "Permitted Use"). Subject to all applicable Laws, Lessee may operate during such days and hours as Lessee may determine, without the imposition of minimum or maximum hours of operation by Lessor and Lessee shall have full-time access to the Premises, and may operate, up to twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year.

6.2 So long as no default by Lessee is continuing beyond any applicable notice and grace period, Lessor shall not sell, rent or permit any property owned, leased or controlled by Lessor or any affiliate of Lessor within a radius of five (5) miles from the Premises to be occupied or used by a business that derives more than ten percent (10%) of its revenues from renal dialysis, renal dialysis home training, any aphaeresis service(s) or similar blood separation or cell collection procedures (each, a "Competitive Business"), except services involving the collection of blood or blood components from volunteer donors. Lessor shall not display or permit to be displayed upon any such property within said radius any advertisement for any such business other than Lessee's advertisement(s) for Lessee's business(es). Lessor further covenants that in any lease, sublease, license agreement or other similar agreement hereafter executed by Lessor affecting any property owned, leased or controlled by Lessor within such radius, Lessor will insert a restrictive clause preventing such property from being used for any purposes herein prohibited.

7. Assignment/Subletting. Lessee shall not assign this Lease, or sublet the Premises, or any part thereof, without Lessor's prior written consent which consent shall not be unreasonably withheld, conditioned or delayed. Prior to any sublease or assignment, Lessee shall first notify Lessor in writing of its election to sublease all or a portion of the Premises or to assign this Lease or any interest thereunder. At any time within thirty (30) days after service of said notice, Lessor shall notify Lessee that it consents or refuses to consent to the sublease or assignment. If Lessor fails to respond within such thirty (30) day period, Lessee shall deliver a second written notice, and a failure by Lessor to respond within ten (10) days after such second written notice shall be deemed a consent to the requested sublease or assignment.

Lessor shall not have the right to recapture any sublease or assignment space. Any denial of such sublease or assignment by Lessor as hereinabove provided must be predicated upon a "commercially reasonable basis" for such denial. In considering a proposed assignment or sublet and Lessor's consent thereto, it shall not be unreasonable for Lessor to consider (i) the financial condition of the proposed assignee or sublessee as applicable, relative to the financial obligations under the Lease; (ii) the business reputation of the assignee or sublessee, as applicable; (iii) the proposed use of the Premises by the proposed assignee or sublessee, as applicable; and (iv) whether an event of default shall have occurred and be continuing as of the date on which Lessee shall request Lessor's consent to such assignment or subletting.

Lessor and Lessee shall split (50/50) any net profits paid in connection with a sublease or assignment in excess of Lessee's Rent obligations hereunder, which profits shall be calculated after deducting all reasonable costs incurred by Lessee in connection with the space subject to the transfer.

Notwithstanding the foregoing, no consent of Lessor is required for Lessee to assign or otherwise transfer (by operation of law or otherwise) this Lease or any of its rights hereunder to:

(a) any person, corporation, partnership or other entity which acquires all or substantially all of the business or assets of Lessee or stock in Lessee; (b) any person, corporation, partnership or other entity which controls, is controlled by or is under common control with Lessee; (c) any affiliate (within the meaning of such term as set forth in Rule 501 of Regulation D under the Federal Securities Act of 1933) of Lessee; or (d) any physician, person, corporation, partnership or other entity subleasing a portion of the Premises for purposes consistent with Lessee's Permitted Use. Any such assignment shall in no way release the Guarantor of its obligations under the terms of this Lease.

No such assignment or other transfer, in whole or in part, of any Lessee's rights or obligations under this Lease shall be or operate as a release of Lessee, or Guarantor hereunder and Lessee shall remain responsible for performing Lessee's obligations hereunder should Lessee's assignee or transferee fail to perform any such obligations, unless specifically provided otherwise by Lessor in writing.

8. Taxes and Utilities.

(a) Lessee shall promptly pay all real estate taxes, assessments, water and sewer charges and other governmental levies, and any applicable ownership association fees and amounts chargeable to Lessor and attributable to the Premises for maintenance, taxes, insurance and other reimbursables under the provisions of any of recorded documents (said documents being herein referred to as the "Restrictions") against the Premises (collectively, the "Impositions"). The amount to be paid by Lessee on account of taxes during the first and last calendar years in which any portion of the Term falls shall be prorated per diem so that Lessee is liable only for so much of such taxes as the portion of the Term which falls within such calendar year bears to a full calendar year. In case of special taxes which may be payable in installments, only the amount of each installment payable during a calendar year shall be included in taxes for that calendar year, and any one time (as opposed to on-going) special assessments for public improvements having a useful economic life exceeding the remaining term of this Lease shall be prorated between Lessor and Lessee using a straight-line method, based on the proportion of that economic life falling within the remaining term of the Lease. Taxes shall not include any penalties or interest for late or partial payment if not caused by Lessee nor any income, franchise, margin, inheritance, estate, transfer, excise, gift or capital gain taxes, that are or may be payable by Lessor or that may be imposed against Lessor or against the rents payable hereunder. Lessor shall provide to Lessee a copy of all final tax bill(s) for each calendar year within ten (10) days after Lessor's receipt of such tax bill(s), and in any event at least thirty (30) days before the same are due and payable.

(b) Lessee shall pay the net cost (after applying any discounts or incentives) of all utilities and other services necessary in the operation of the Premises, including but not limited to, gas, fuel oil, electrical, telephone and other utility charges, janitorial services (if Lessee shall contract for such services) and grounds and easement maintenance

(c) Lessee shall contract directly with all utility providers such that all utilities for the Premises shall be in Lessee's name.

(d) Lessee may contest the amount or validity of any Imposition described in

this Section 8 by appropriate proceedings. However, the Lessee shall promptly pay such Imposition unless such proceedings shall operate to prevent or stay the collection of the Imposition so contested. The Lessor, at the Lessee's sole expense, shall join in any such contestation proceedings if any Laws (as defined in Section 22 below) shall so require.

(e) All sums (other than the Rent) which may be due and payable under this Lease shall be deemed to be Additional Rent hereunder and in the event that Rent shall be prorated or shall abate pursuant to the terms of this Lease then such Additional Rent shall be prorated or abate to the same extent and in the same manner, unless otherwise specifically provided for in this Lease. Notwithstanding anything to the contrary contained herein and if the Lessor is actually performing such tasks, in no event shall any Lessor operating expenses for which Lessee is liable under this Lease (excluding taxes, insurance, and utilities) increase more than five percent annually over such expenses for the immediately preceding calendar year.

(f) Lessor appoints Lessee the attorney-in-fact of Lessor for the purpose of making all payments to be made by Lessee pursuant to any of the provisions of this Lease to persons other than Lessor. In case any person to whom any sum is directly payable by Lessee under any of the provisions of this Lease shall refuse to accept payment of such sum from Lessee, Lessee shall thereupon give written notice of such fact to Lessor and shall pay such sum directly to Lessor, who shall thereupon pay such sum to such person.

9. Alterations/Signage. Lessee shall not make any alterations, or additions or leasehold improvements to the Premises following its Lessee Improvements ("Alterations") without Lessor's prior written consent in each and every instance, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, Lessee shall have the right, without Lessor's consent, to make non-structural Alterations to the Premises that do not exceed in cost Fifty Thousand Dollars (\$50,000.00) in the aggregate during each Lease Year and do not adversely affect any system serving the Building. All Alterations which may be made by Lessee shall be the property of Lessee and Lessee shall be entitled to remove from the leased Premises during the Term all Alterations, Lessee Improvements (to the extent installed at Lessee's expense) and any and all furniture, removable trade fixtures, equipment and personal property ("Fixtures") installed or located on or in the leased Premises provided that Lessee repair any and all damages done by the removal of the foregoing. All Alterations and Lessee Improvements which Lessee does not elect to remove at the expiration of the Term shall be surrendered with the Premises at the termination of this Lease; provided that Lessee shall remove its signage and its reverse osmosis ("RO") tanks and bio-medical equipment and remove and cap all piping in the RO room and repair any and all damage done by the removal of the foregoing, at Lessee's sole cost and expense. Lessee will leave the Premises in broom-clean condition. All Alterations shall be performed in a good and workmanlike manner by licensed contractors and in compliance with all applicable Laws, and Lessee shall provide Lessor with an electronic copy of the plans and specifications regarding any such Alterations. Lessee shall obtain a building permit for any Alterations to the extent required by applicable Laws.

Lessee shall have the right, at Lessee's sole cost and expense, to affix Lessee's standard signage, in accordance with the rules and regulations of the Building, including a sign on the exterior of the Building and/or a monument sign. All such signs shall comply with all applicable

zoning Laws and shall be subject to City of Vancouver, Washington permits and Lessor's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed.

To the maximum extent permitted by applicable Laws, Lessor hereby waives any rights which Lessor may have, as to any of Lessee's furniture, fixtures, equipment, personal property, Lessee improvements and Alterations, in the nature of a Lessor's lien, security interest or otherwise and further waives the right to enforce any such lien or security interest.

10. Environmental. Lessee shall not cause or permit any hazardous or toxic substances, materials or waste, including, without limitation, medical waste and asbestos ("Hazardous Substances") to be used, generated, stored or disposed of in, on or under, or transported to or from the Premises unless such Hazardous Substances are reasonably necessary for Lessee's business conducted in the Premises; provided, however, Lessee shall at all times and in all material respects comply with all local, state, and federal laws, ordinances, rules, regulations and orders, whether now in existence or hereafter adopted relating to Hazardous Substances or otherwise pertaining to the environment (the "Environmental Laws") and further provided that Lessee shall periodically cause to be removed from the Premises such Hazardous Substances placed thereon by Lessee or Lessee's agents, servants, employees, guests, licensees and/or independent contractors in accordance with good business practices, such removal to be performed by persons or entities duly qualified to handle and dispose of Hazardous Substances. Without limiting the generality of the foregoing, Lessor acknowledges that the following Hazardous Substances, among others, are required for Lessee's business operations: bleach, cidex, hibiclona, metrocide, hydrogen peroxide, and formaldehyde. Upon the expiration or earlier termination of this Lease, Lessee shall cause all Hazardous Substances placed (or permitted to be placed) on the Premises by Lessee or its agents, servants, employees, guests, invitees and/or independent contractors to be removed, at Lessee's cost and expense, from the Premises and disposed of in strict accordance with the Environmental Laws.

Lessee shall indemnify, defend (by counsel reasonably acceptable to Lessor), protect, and hold Lessor harmless, from and against any and all claims, liabilities, penalties, fines, judgment, forfeitures, losses, costs (including clean-up costs) or expenses (including attorney's fees, consultant's fees and expert's fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (a) the presence after the Possession Date in, on, under, or about the Premises of any Hazardous Substances caused by Lessee or its agents, servants, employees, guests, invitees and/or independent contractors; (b) any discharge or release by Lessee or its agents, servants, employees, guests, invitees and/or independent contractors after the Possession Date in or from the Premises of any Hazardous Substances; (c) Lessee's use, storage, transportation, generation, disposal, release or discharge of Hazardous Substances, to, in, on, under, about or from the Premises; or (d) Lessee's failure to comply with any Environmental Law (other than to the extent caused by or related to Lessor's use, generation, storage, or disposal of Hazardous Substances in, on, or under the Premises). Lessee agrees to remediate at Lessee's expense immediately upon receipt of notice from Lessor any condition described in (a) through (d) of the previous sentence.

Lessor shall indemnify, defend (by counsel reasonably accepted to Lessee), protect, and hold Lessee harmless, from and against any and all claims, liabilities, penalties, fines, judgment,



forfeitures, losses, costs (including clean-up costs) or expenses (including attorney's fees, consultant's fees and expert's fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (a) the presence prior to the Possession Date in, on, under, or about the Premises of any Hazardous Substances; (b) any discharge or release prior to the Possession Date in or from the Premises of any Hazardous Substances; (c) the use, storage, transportation, generation, disposal, release or discharge of Hazardous Substances by Lessor to, in, on, under, about or from the Premises; (d) Lessor's failure to comply with any Environmental Law (other than to the extent caused by or related to Lessee's use, generation, storage, or disposal of Hazardous Substances in, on, or under the Premises); or (e) any Hazardous Substances to the extent not due to any act or omission of Lessee or its agents, servants, employees, guests, invitees and/or independent contractors. Lessor agrees to remediate at Lessor's expense immediately upon receipt of notice from Lessee any condition described in (a) through (e) of the previous sentence.

Lessor represents and warrants to Lessee that (i) to the best of Lessor's knowledge, there are no Hazardous Substances on the Premises, including without limitation asbestos or mold, and (ii) Lessor has received no notice from any governmental or private entity relating to Hazardous Substances on the Premises.

Lessee shall promptly deliver to Lessor copies of all notices made by Lessee to, or received by Lessee from, any state, county, municipal or other agency having authority to enforce any environmental law ("Enforcement Agency") or from the United States Occupational Safety and Health Administration concerning environmental matters or Hazardous Substances at the Premises. Lessor shall promptly deliver to Lessee copies of all notices received by Lessor from any Enforcement Agency or from the United States Occupational Safety and Health Administration concerning environmental matters or Hazardous Substances at the Premises.

11. Damage to Premises by Fire or Casualty. In the event the Premises shall be damaged by fire or other casualty during the Term of this Lease, whereby the same shall be rendered untenable, then

(a) if the damage to the Premises is so substantial ("Substantial Damage") that either: (1) the repair, restoration or rehabilitation of the Substantial Damage cannot reasonably be expected to be substantially completed within one hundred eighty (180) days from the date of such Substantial Damage or (2) so much of the Premises is destroyed or rendered untenable by such fire or other casualty as to make use of the Premises as a dialysis facility operating at least fifty percent (50%) of the dialysis stations operating prior to the fire or casualty impracticable, then Lessee may elect to terminate this Lease by giving written notice to Lessor within thirty (30) days of the date of such fire or casualty, or

(b) if the damage to the Premises is so substantial that (1) the estimated repair costs exceed \$100,000.00 and such damage has occurred within the last one hundred eighty (180) days of the then current term and Lessee does not exercise its next available renewal option, if any or (2) the Building is damaged to the extent of fifty percent (50%) or more of the monetary value thereof, then Lessor may elect to terminate this Lease by giving written notice to Lessee within thirty (30) days of the date of such fire or casualty; or

(c) if not so terminated, Lessor shall proceed with all due diligence to repair, restore or rehabilitate the Premises, to substantially their former condition immediately prior to such damage or destruction, at Lessor's expense, in which latter event this Lease shall not terminate.

If the Premises are rendered untenable by fire or other casualty, there shall be an abatement of Rent due Lessor by Lessee for the period of time during which the Premises are untenable. If the restoration is not substantially completed within two hundred ten (210) days of such damage, Lessee may, at its option, terminate this Lease by written notice to Lessor; provided, however, if the restoration is substantially completed prior to the date Lessee delivers any such termination notice, then the termination notice shall be null and void, and this Lease shall continue in effect. In the event of any termination of this Lease, Rent shall be paid only to the date of such fire or casualty.

In the event that the Premises are partially but not substantially damaged by fire or other casualty, then Lessor shall immediately proceed with all due diligence to repair and restore the Premises and the Rent shall abate in proportion to the untenability of the Premises during the period of restoration.

Notwithstanding the foregoing provisions of this Section 11, in the event that insurance proceeds applicable to Alterations or Lessee Improvements constructed by Lessee at its expense are made available to Lessee, Lessee shall be responsible for restoring such Alterations or Lessee Improvements; provided, however, that the Rent abatement provided for shall continue during such period of restoration so long as Lessee is diligently pursuing the completion of such restoration, but in no event for a period longer than ten (10) months following substantial completion of Lessor's repairs and restoration. In the event that Lessor does not restore the Premises, Lessee may retain all insurance proceeds applicable to Alterations and Lessee Improvements constructed by Lessee at its expense. Lessor shall be responsible for restoring improvements constructed by Lessor in all events and Lessee shall be responsible for restoring improvements constructed by Lessee in all events.

## 12. Eminent Domain.

(a) Taking. If by any lawful authority through condemnation or under the power of eminent domain: (i) the whole of the Premises shall be permanently taken; (ii) less than the entire Premises shall be permanently taken, but the remainder of the Premises, are not, in Lessee's sole judgment, fit for Lessee to carry on its business therein; (iii) Lessee determines, in its reasonable judgment, that after such taking adequate parking space will not be available near the Premises; (iv) there is any substantial impairment of ingress or egress from or to or visibility of the Premises; or (v) all or any portion of the common areas shall be taken resulting in a material interference with the operations of or access to Lessee's business, then in any such event, Lessee may terminate this Lease, effective as of the date of such taking, and the Rent and other sums paid or payable hereunder shall be prorated as of the date of such termination.

(b) Rent Adjustment. Unless this Lease is canceled as above provided,

commencing with the date possession is acquired by the condemning authority the Rent and other sums payable hereunder shall be reduced by the then applicable per square foot Rent as by the number of square feet taken and Lessor shall restore the Premises, at Lessor's cost and expense to a complete architectural unit. During such restoration the Rent shall be abated to the extent the Premises are rendered untenable.

(c) Awards. All compensation awarded or paid in any such eminent domain proceeding shall belong to and be the property of Lessor without any participation by Lessee, except that nothing contained herein shall preclude Lessee from prosecuting any claim directly against the condemning authority in such eminent domain proceeding for its relocation costs, its unamortized leasehold improvements and trade fixtures, loss of business and the like provided that any such award to Lessee shall not reduce the award otherwise payable to Lessor.

13. Right of Entry by Lessor. Lessor, or any of its agents, shall have the right to enter said Premises during all reasonable hours and upon at least twenty-four (24) hours prior notice (except in cases of emergency), to perform its obligations under this Lease, examine the same or to exhibit said Premises. Lessor shall have the right to put or keep upon the doors or windows thereof and on the land in front of the Building a notice "FOR RENT" at any time within two hundred ten (210) days before the expiration of this Lease. Any work done by Lessor to Premises shall be performed during hours that Lessee is not open for business (except in emergencies) unless Lessee, in the exercise of its reasonable discretion otherwise agrees. Any restoration work or alteration work at the Premises which is necessitated by or results from Lessor's entry, including, without limitation, any work necessary to conceal any element whose presence is permitted hereunder, shall be performed by Lessor at its expense or, at Lessee's election, by Lessee on Lessor's behalf and at Lessor's sole cost and expense. Lessor shall be liable for all loss, damage, or injury to persons or property and shall indemnify and hold Lessee harmless from all claims, losses, costs, expenses and liability, including reasonable attorney's fees resulting from Lessor's entry except to the extent caused by the negligent or intentional act of Lessee or its contractors, agents, employees or licensees. If Lessor's entry into the Premises pursuant to this Lease interferes with the conduct by Lessee of its business to such an extent that Lessee, in the exercise of its reasonable business judgment, must close the Premises or is unable to use seventy-five percent (75%) of the Premises for business for three (3) or more business days, then Rent and Additional Rent shall totally abate for each day or portion thereof that such interference continues.

Lessor acknowledges that Lessee is subject to the provisions of the Health Insurance Portability and Accountability Act of 1996 and related regulations ("HIPAA") and agrees to comply with the provisions of HIPAA and all applicable medical privacy laws in connection with Lessor's entry into the Premises.

14. Indemnity. Lessee agrees to indemnify Lessor and save Lessor harmless from any and all liability, claims and loss for personal injury or property damage, or both, sustained or claimed to have been sustained by any person or persons, or property in, upon or about the Premises caused or brought about by the act or neglect of Lessee, its agents, servants or employees. Lessor agrees to indemnify Lessee and save Lessee harmless from any and all liability, claims and loss for personal injury or property damage, or both, sustained or claimed to have been sustained by any person or persons, or property in, upon or about the Premises caused or brought about by

the act or neglect of Lessor, its agents, servants or employees. The indemnities set forth in this Section 14 shall survive the expiration of the term of this Lease.

#### 15. Default and Remedies

(a) Lessee Default and Lessor Remedies. In the event that (i) Lessee defaults in the payment of Rent hereunder and such Rent remains due and unpaid for five (5) business days following written notice of such default from Lessor to Lessee; (ii) Lessee defaults in the performance of any other provisions of this Lease and such default is not cured within thirty (30) days following written notice from Lessor specifying such default (unless such default is not reasonably capable of being cured within such thirty (30) day period and Lessee is diligently prosecuting such cure to completion); (iii) a petition in bankruptcy shall be filed by or against Lessee (provided Lessee shall have ninety (90) calendar days to stay any involuntary proceeding); (iv) Lessee makes an assignment for the benefit of its creditors, or should a receiver be appointed for the said Lessee and such receiver is not dismissed within sixty (60) days of his appointment; or (v) Lessee enters into an assignment or sublet in violation of Section 7 above; then, in any of these events, Lessor may, at its option, (1) proceed for past due installments of Rent due, reserving its right to proceed later for the remaining installments; or (2) declare the rights of Lessee under this Lease terminated, and thereafter recover possession of the Premises through legal process.

Upon and after termination of this Lease, Lessee shall pay to Lessor the Rent up to the time of such termination, in addition to any amounts payable by Lessee to Lessor pursuant to the immediately following paragraph. Lessor shall make a commercially reasonable effort to mitigate its damages and relet the Premises or any part thereof to any person, firm or corporation other than Lessee for such rent, for such time and upon such terms as Lessor in Lessor's reasonable discretion shall determine.

In the event of any such termination, Lessor may: (A) choose to have Lessee remain liable for, and pay on the days originally fixed for such payment hereunder, the full amount of all Rent and Additional Rent as if this Lease had not been terminated; provided, however, if Lessor relets the Premises there shall be credited against such obligation the amount actually received by Lessor as a result of such reletting after deducting all costs and expenses incurred by Lessor in connection with reletting the Premises including, without limitation, all repossession costs, brokerage commissions, legal expenses, reasonable attorneys' fees, alteration costs, and expenses of preparation for such reletting; or (B) demand Lessee pay to Lessor on such demand, as and for liquidated and agreed damages for Lessee's default, the present value (based on a discount rate then established by the Federal Reserve closest to the Premises) of the amount by which the aggregate Rent that would have been payable under this Lease by Lessee from the date of such termination until what would have been the last day of the Term but for such termination exceeds the fair market rental value of the Premises for the same period.

(b) Lessor Default and Lessee Remedies. Subject to the terms and provisions hereinbelow, and in addition to any other remedy expressly available to Lessee pursuant to this Lease or at law or in equity, should Lessor fail to perform any term or covenant under this Lease (each and any such failure being herein sometimes referred to as a "Lessor Default") and if any such Lessor Default shall not be cured and shall accordingly be continuing thirty (30) days

following written notice by Lessee to Lessor (and to any "Mortgagee" (as defined in Section 24 below) that has delivered written notice to Lessee requesting notice of a Lessor Default and a right to cure) of such Lessor Default (unless a different period is expressly provided for in any other provision of this Lease or such default is not reasonably capable of being cured within such thirty (30) day period and Lessor or Mortgagee is diligently prosecuting such cure to completion, but in no event to extend beyond ninety (90) days), then Lessee shall have the option (at Lessee's sole discretion) of remedying such Lessor Default and, in connection therewith, incurring expenses for the account of Lessor, and any and all such sums expended or obligations incurred by Lessee in connection therewith shall be paid by Lessor to Lessee upon demand, and if Lessor fails to immediately reimburse and pay same to Lessee, Lessee may, in addition to any other right or remedy that Lessee may have under this Lease, deduct such amount (together with interest thereon at the maximum rate permitted by applicable law from the date of any such expenditure by Lessee until the date of repayment thereof by Lessor to Lessee) from subsequent installments of Rent and other charges (if any) that from time to time thereafter may become due and payable by Lessee to Lessor hereunder. Notwithstanding the foregoing, in all events Lessee shall have the right to remedy any Lessor Default without prior notice in the event of an emergency (so long as Lessee gives notice within a reasonable period of time thereafter) and invoice Lessor and abate Rent (if necessary) in the manner set forth in the preceding sentences of this Section 15.

If this Lease is terminated for any reason under this Section 15 before the first (1<sup>st</sup>) anniversary of the Commencement Date, and applicable Law, including without limitation applicable healthcare Law, restricts the parties from entering into any similar agreement with each other for the Premises before the first (1<sup>st</sup>) anniversary of the Commencement Date, both parties agree to comply with such applicable Law.

16. Insurance.

(a) Lessor's Insurance. During the Term of this Lease, Lessor shall procure and maintain in full force and effect with respect to the Building (i) a policy or policies of property insurance (including, to the extent required, sprinkler leakage, vandalism and malicious mischief coverage, and any other endorsements required by the holder of any fee or leasehold mortgage and earthquake, terrorism, business interruption, loss of rents and flood insurance to the extent Lessor reasonably deems prudent and/or to the extent required by any Mortgagee) for full replacement value; and (ii) a policy of commercial liability insurance in a minimum amount of \$1,000,000.00 per claim and \$3,000,000.00 in the aggregate for both bodily injury and property damage insuring Lessor's activities with respect to the Premises and the Building for loss, damage or liability for personal injury or death of any person or loss or damage to property occurring in, upon or about the Premises or the Building. Lessee shall reimburse Lessor for the commercially reasonable cost of such insurance as Additional Rent. Any additional insurance obtained by Lessor shall be at Lessor's sole cost and expense.

(b) Lessee's Insurance. Lessee covenants and agrees to keep Lessee Improvements (as defined in Section 36 hereof) and Lessee's contents in the Premises insured for full replacement value against loss by fire and casualty, under an all risk policy with extended coverage endorsements. In addition thereto, Lessee shall obtain and keep in force with respect to the Premises commercial general liability insurance, naming Lessor and Lessor's lenders or

Mortgagees as an additional insured, in a minimum amount of \$1,000,000.00 per occurrence and \$3,000,000.00 in the aggregate for both bodily injury and property damage; and such other insurance policies with respect to Lessee's occupation of the Premises, the Lessee Improvements, and Lessee's contents in the Premises as a Mortgagee may reasonably require to the extent available at commercially reasonable rates. In no event shall Lessee's insurance provide coverage or indemnity to Lessor for any claim, loss, suit, action or other legal proceeding in which Lessor, its agents or designees bear responsibility for the claim, loss, suit, action or other legal proceeding. Rather, it is the intent of this section to provide general liability coverage to Lessor when it is made a party to a claim, loss, suit, action or other legal proceeding for which it bears no responsibility. In the event that both Lessor and Lessee bear responsibility for the claim, loss, suit, action or other legal proceeding, then each party will look to their own insurance for coverage. Lessee may carry any insurance required by this Lease under a blanket policy or under a policy containing a self-insured retention, provided that Lessee or Lessee's parent company, DaVita Inc. (NYSE: DVA) maintains a net worth of at least seventy-five million dollars (\$75,000,000).

(c) General Requirements. All policies of insurance required to be carried under this Lease shall be written by companies rated A- VII or better in Best's Key Rating Guide. Lessee shall furnish to Lessor a certificate evidencing the insurance required to be maintained pursuant to this Lease. Lessee shall endeavor to provide Lessor with twenty (20) days written notice prior to any cancellation of the policy. If Lessee fails to procure and maintain insurance as required by this Lease, Lessor may obtain that insurance and keep it in effect. If Lessor procures insurance on Lessee's behalf, then Lessee shall pay to Lessor the premium cost for that insurance, upon demand and as Additional Rent.

17. Subrogation. Each of the parties hereto hereby releases the other and the other's partners, agents and employees, to the extent of each party's property insurance coverage, from any and all liability for any loss or damage which may be inflicted upon the property of such party even if such loss or damage shall be brought about by the fault or negligence of the other party, its partners, agents or employees; provided, however, that this release shall be effective only with respect to loss or damage occurring during such time as the appropriate policy of insurance shall contain a clause to the effect that this release shall not affect said policy or the right of the insured to recover thereunder. If any policy does not permit such a waiver, and if the party to benefit therefrom requests that such a waiver be obtained, the other party agrees to obtain an endorsement to its insurance policies permitting such waiver of subrogation if it is commercially available and if such policies do not provide therefor. If an additional premium is charged for such waiver, the party benefiting therefrom, if it desires to have the waiver, agrees to pay to the other the amount of such additional premium promptly upon being billed therefor.

18. Repairs and Maintenance. Lessor shall be responsible for maintaining, repairing, and replacing the systems and structures of the Building in accordance with the following:

(a) Maintenance, Repair, and Replacement at Lessor's Sole Cost. Lessor shall, at Lessor's sole cost and expense, maintain and keep or cause to be maintained and kept, in good order and repair and make any necessary replacements to the following Building structures and systems: concrete slab, footings, foundation, structural components, exterior walls (excluding painting), flooring system (excluding floor covering), exterior plumbing, and exterior electrical

systems of the Building.

(b) Maintenance, Repair and Replacement Subject to Lessee Reimbursement.

(i) Parking Areas. Lessee shall maintain and keep in good order and repair the parking areas, sidewalks, driveways, and loading areas. Lessor shall make replacement to such provided that Lessee shall reimburse Lessor for the reasonable and actual cost thereof on an amortized basis, as more fully described below in this Section 18.

(ii) Roof. Lessee shall maintain and keep in good order and repair the roof, roof membrane, and roof covering. Lessor shall make any necessary replacements to the roof provided that Lessee shall reimburse Lessor for the reasonable and actual cost thereof on an amortized basis, as more fully described below in this Section 18. Furthermore, to insure that any applicable roof warranty stays in full force and effect, Lessee warrants that it shall cause the roof to be inspected and maintained per the applicable roof warranty for the Premises. The Lessor will provide any applicable roof warranty to the Lessee within ninety (90) days of Rent Commencement.

(iii) HVAC. Lessor shall make any necessary replacements to, but shall not be responsible for maintenance and repairs of, the heating, ventilation, and cooling systems ("HVAC") of the Building, provided that Lessee shall reimburse Lessor for the reasonable and actual cost of such replacements on an amortized basis.

If Lessor shall not commence the foregoing repairs within the fifteen (15) days following written notice from Lessee that such repairs are necessary (except that if such repairs are the responsibility of a third party under the Restrictions, said 15 day period shall be extended for so long as Lessor is pursuing its self-help rights in connection with the same), and if Lessee's use of the Premises is materially and adversely affected by the need for such repairs, then Lessee may, at its option, cause such Lessor's repairs to be made and shall furnish Lessor with a statement of the cost of such repairs upon substantial completion thereof. Lessor shall reimburse Lessee for the reasonable and actual cost of such repairs plus a service charge to cover Lessee's expenses in an amount equal to 10% of the cost of such repairs within ten (10) days of the date of the statement from Lessee setting forth the amount due, provided, however, should Lessor fail to reimburse Lessee with said ten (10) day period, then Lessee may, at its option, offset such amount against subsequent Rent and Additional Rent due under this Lease.

As used above in this Section 18, "amortized basis" shall mean allocation of the subject cost over the useful life of the capital item with a return on capital at the then current market rate per annum on the unamortized balance or at such lower rate as may have been actually paid by Lessor on funds borrowed for the purpose of making such repairs or replacements, and only the annual amortized amount shall be the amount Lessee is required to reimburse Lessor during each Lease Year. The "useful life" for purposes of replacements of the roof, roof membrane, or roof covering shall be twenty (20) years, and for purposes of replacements of the Buildings HVAC shall be fifteen (15) years. The "useful life" for all other items shall be determined in accordance with generally accepted accounting principles consistently applied.

Except for Lessor's obligations set forth above and except for any damage caused by the acts of

negligence by Lessor or its agents within the Premises, Lessee shall maintain said Premises and any and all HVAC systems installed by Lessee in the same condition, order and repair as they are at the commencement of said Term, excepting only normal wear and tear arising from the use thereof and damage by fire or other casualty. Lessee shall maintain a contract for the routine and periodic maintenance and regular inspection of such HVAC systems servicing the Premises, the replacement of filters as recommended and the performance of other recommended periodic servicing in accordance with applicable manufacturer's standards and recommendations.

19. Brokers. Lessor and Lessee each represent to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, except for Cushman & Wakefield, representing Lessee ("Lessee's Broker"). Lessor shall pay Lessee's Broker a brokerage commission pursuant to a separate agreement. In the event Lessor does not timely pay Lessee's Broker such brokerage commission, Lessee may offset the amount of such brokerage commission against Rent due Lessor. In the event either party has so dealt with any other broker such party shall indemnify, defend and hold forever harmless the other party from and against any claim by such broker.

20. Protected Health Information.

(a) Lessor acknowledges and agrees that from time to time during the Term, Lessor, its representatives or assigns may be exposed to, or have access to, Protected Health Information ("PHI"), as defined by HIPAA, 45 CFR Parts 160 and 164. Lessor agrees that it will not use or disclose PHI for any purpose unless required by a court of competent jurisdiction or by any governmental authority in accordance with the requirements of HIPAA and all other applicable medical privacy laws.

(b) Lessor shall preserve any "Confidential Information" of or pertaining to Lessee and shall not, without first obtaining Lessee's prior written consent, disclose to any person or organization, or use for its own benefit, any Confidential Information of or pertaining to Lessee during and after the Lease Term, unless such Confidential Information is required to be disclosed by a court of competent jurisdiction or by any governmental authority. As used herein, the term "Confidential Information" shall mean any business, financial, personal or technical information relating to the business or other activities of Lessee that Lessor obtains in connection with this Lease. Notwithstanding the above, Lessor shall have the right to show this Lease and any documents produced by Lessor to any potential buyers or lenders of the Property.

21. Title and Parking. Lessor hereby represents that Lessor is (or will be as of the Possession Date) the ground tenant or owner in fee simple of the Premises, including the Building and all improvements thereon and has the right and authority to enter into this Lease. Lessor hereby represents to Lessee that to Lessor's knowledge there will be no covenants, restrictions, liens, or other encumbrances affecting the real property upon which the Building is constructed that will interfere or adversely affect Lessee's Permitted Use of the Premises. Lessor further represents that Lessor and those signatories executing this Lease on behalf of Lessor have full power and authority to execute this Lease.

Lessor agrees that Lessor will not make any material modifications to the Building or



Premises (including, without limitation, the parking areas, driveways and walks) without Lessee's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Lessee shall be entitled to the exclusive use of the entire parking area in accordance with the requirements of local code (including handicapped parking spaces located near the front entrance to the Premises), and as shown on the attached Exhibit B.

22. Compliance with Laws. Both parties hereby agree to comply with all applicable federal, state and local laws, ordinances, rules and regulations ("Laws") throughout the Term of the Lease. Lessor represents and warrants to Lessee that as of the Possession Date, the Premises, the Building, and the parking areas are in compliance with all Laws, including, without limitation, applicable zoning laws, ordinances, rules and regulations and with applicable instruments affecting title to the Premises. Lessor further represents that it has received no notices or communications from any public authority having jurisdiction alleging violation of any Laws relating to the Premises or the Building or improvements thereon and has received no notices alleging violation of any title instrument. Without limiting the generality of the foregoing, Lessor represents and warrants that as of the Commencement Date (i) the use of the Premises and the Building and improvements thereon for purposes of operation of a dialysis clinic and related medical and business offices is permitted by and will not violate applicable zoning laws, and does not constitute a "non-conforming use" thereunder, or if such use is a "non-conforming use" thereunder then such use is permitted pursuant to a conditional use permit or other variance issued by the appropriate governmental agency or authority, and (ii) the Building, and the parking areas will comply with all applicable Laws relating to handicapped accessibility, including, without limitation, the Americans with Disabilities Act. Lessee hereby agrees to comply with the Restrictions, provided such documents do not materially and adversely affect Lessee's rights under this Lease.

If at any time or from time to time any structural alterations are required in order for the Premises to comply with any generally applicable Laws from time to time applicable to the Premises, Lessor shall immediately make such alterations at its sole cost and expense. If at any time or from time to time any alterations, including, without limitation, structural alterations, are required in order for the Premises to comply with any Laws specifically applicable to the Premises due to Lessee's use as a dialysis facility and not due to any act by Lessor, Lessee shall immediately make such alterations at its sole cost and expense.

Lessor represents and warrants to Lessee that Lessor is not a "referring physician" or a "referral source" as to Lessee for services paid for by Medicare or a state health care program, as the terms are defined under any federal or state health care anti-referral or anti-kickback, regulation, interpretation or opinion ("Referral Source"). Lessor covenants, during the term of this Lease, it will not knowingly (i) take any action that would cause it to become a Referral Source as to Lessee, or (ii) sell, exchange or transfer the Premises to any individual or entity who is a Referral Source as to Lessee.

23. Intentionally Omitted.

24. Lessee to Subordinate. Lessee shall, upon written request of the holder of a mortgage or deed of trust in the nature of a mortgage, which holder is a commercial or institutional

lender ("Mortgagee") subordinate any interest which it has by virtue of this Lease, and any extensions and renewals thereof to any mortgages or deeds of trust placed upon the Premises by Lessor, if and only if such Mortgagee shall execute, deliver and record in the appropriate registry of deeds a recognition and non-disturbance agreement in form and content substantially similar to Exhibit E attached hereto and incorporated herein by reference or such other commercially reasonable form as may be agreed upon by the parties. Lessee shall respond to any such request within fifteen (15) business days following receipt of the Mortgagee's written request. If Lessee fails to respond within such initial 15 business day period, then Lessor may deliver a second written request, and if Lessee fails to respond within ten (10) business days following receipt of the second written request, such failure shall be a default under this Lease, provided that Lessor's second notice states in bolded and capitalized font that a failure to respond within ten (10) business days of receipt is the basis for a default under the Lease. Such agreements shall provide by their terms that notwithstanding any foreclosure of such mortgage or deeds of trust Lessee may continue to occupy the Premises during the Term of this Lease or any extensions or renewals thereof under the same terms, conditions and provisions of this Lease unless Lessee shall be in default beyond any applicable grace periods provided for herein. Lessor shall at or prior to the Commencement Date, secure from Lessor's present mortgagee of the Premises a non-disturbance agreement in a form reasonably acceptable to Lessee. Lessor shall also secure from any future mortgagee or lienholders of Lessor non-disturbance agreements during the initial Term or any renewal periods, if exercised.

25. Quiet Enjoyment. Lessee, upon paying the Rent, Additional Rent and other sums due under this Lease, and subject to all of the terms and covenants of this Lease, on Lessee's part to be kept, observed, and performed, shall quietly have and enjoy the Premises during the Term of this Lease. Lessor agrees that, subject to the Restrictions, Lessee shall have continuous, peaceful, uninterrupted and exclusive possession and quiet enjoyment of the Premises during the Term of this Lease.

26. Memorandum of Lease. Lessor agrees to enter into and record a memorandum or notice of this Lease, in form reasonably satisfactory to Lessee upon Lessee's written request. Lessee shall be responsible for the preparation thereof and the cost of recording the same.

27. Notices. All notices, demands and requests which may be or are required to be given by either party to the other shall be in writing and shall be either (a) sent by registered or certified mail, return receipt requested, postage prepaid, (b) delivered, by hand, or (c) sent by overnight courier such as Federal Express. All notices to Lessor should be addressed to Lessor at 1602 Colby Ave. Everett, WA 98201; Telephone: (206) 658-5922; Email: [Sheldon@marketstreetdev.com](mailto:Sheldon@marketstreetdev.com), with a copy to: [Charles@marketstreetdev.com](mailto:Charles@marketstreetdev.com) or at such other place as Lessor may from time to time designate in written notice to Lessee. All notices to Lessee shall be addressed to Lessee c/o DaVita Inc., Attention: Real Estate Legal, 2000 16th Street, Denver, CO 80202, Telephone: (303) 876-2800, with copy to: [relegal@davita.com](mailto:relegal@davita.com), *Subject: Vancouver CON (Facility #TBD)* or to any such other place as Lessee may from time to time designate in written notice to Lessor. In addition, all correspondence to Lessee related to Taxes, Insurance, Rent or Additional Rent shall be sent to P.O. Box 1476, Tacoma, WA 98401-1476; Attention: Rent Department, with copy to [RentDepartment@davita.com](mailto:RentDepartment@davita.com). All notices, demands and requests which shall be served upon Lessor and Lessee in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder. Notwithstanding anything contained in this

Lease to the contrary, any written notice by either Lessor or Lessee to the other party may be transmitted by facsimile or electronic transmission, and that the facsimile or electronic copies of such party's signature shall have the same effect as if it were an original signature, provided that the party providing such notice obtains a confirmation page or delivery confirmation email and further provided that within three business days after the electronic transmission of any such notice, Lessor or Lessee shall execute and deliver to the other party an original copy of the notice via one of the methods provided in this Section.

28. Estoppel Certificate. Each of Lessor and Lessee agrees at any time and from time to time upon not less than fifteen (15) business days' prior written request by the other to execute, acknowledge and deliver to the other an estoppel certificate in the form attached hereto as Exhibit G certifying that (a) this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), (b) the dates to which the Rent and other charges have been paid in advance, if any, and (c) all of the defaults of Lessor or Lessee hereunder, if any, (and if there are no defaults a statement to that effect), and (d) any other information reasonably requested, it being intended that any such estoppel certificate delivered pursuant to this Section 28 may be relied upon by any prospective purchaser of the Premises or any mortgagee or assignee of any mortgage upon the fee or leasehold of the Premises or by any prospective assignee of this Lease or sublessee of the whole or any portion of the Premises and/or by other party interested in the Premises or any part thereof. If either party fails to execute, acknowledge, and deliver an estoppel certificate within 15 business days following its receipt of the initial written request, as required in this Section 28, the requesting party may send a second written request, and if the recipient party shall thereafter fail to execute, acknowledge, and deliver the estoppel certificate within ten (10) business days following receipt of the second request, such failure shall be a default under this Lease, provided that the second notice states in bolded and capitalized font that a failure to respond within ten (10) business days of receipt is the basis for a default under the Lease.

29. Holding Over. In the event Lessee remains in possession of the Premises after the expiration of the term of this Lease, or any extensions hereof without the written consent of Lessor, this Lease shall continue on a month to month basis, terminable by either party upon thirty (30) days prior notice and Lessee shall be obligated to pay Rent at 110% of the then current rate (including all adjustments), with all other sums then payable hereunder prorated on a daily basis for each day that Lessor is kept out of possession of the Premises. Notwithstanding the foregoing, in the event that applicable Law, including without limitation applicable healthcare Law, limits the period of any such holdover, both parties agree to comply with such applicable Law; provided such holdover period shall not exceed six (6) months. Lessee shall, during any holdover period continue to pay any Additional Rent that would otherwise be payable under this Lease.

30. Binding Effect. All covenants, agreements, stipulations, provisions, conditions and obligations herein expressed and set forth shall extend to, bind and inure to the benefit of, as the case may require, the successors and assigns of Lessor and Lessee respectively, as fully as if such words were written wherever reference to Lessor or Lessee occurs in this Lease.

31. Complete Agreement. Any stipulations, representations, promises or agreements, oral or written, made prior to or contemporaneously with this agreement shall have no legal or

equitable consequences and the only agreement made and binding upon the parties with respect to the leasing of the Premises is contained herein, and it is the complete and total integration of the intent and understanding of Lessor and Lessee with respect to the leasing of the Premises.

32. Severability. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

33. Applicable Law. The laws of the State where the Premises is located shall govern the validity, performance and enforcement of this Lease, without regard to such State's conflict-of-law principles.

34. Force Majeure. Whenever a day is appointed herein on which, or a period of time is appointed within which, either party hereto is required to do or complete any act, matter or thing (excluding payments of amounts due hereunder), the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is interfered with, the doing or completion of such act, matter or thing because of strikes, lock-outs, embargoes, unavailability of labor or materials, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God, or other causes beyond such party's reasonable control, provided that no extension of time under this Section 34 shall exceed ninety (90) days unless otherwise agreed to in writing by the parties, such agreement not to be unreasonably withheld.

35. Amendment. This Lease and the exhibits attached hereto and forming a part hereof set forth all the covenants, promises, agreements, conditions and understandings between Lessor and Lessee concerning the Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them.

36. Lessee Improvements. Lessee shall construct its Lessee improvements to the Premises (the "Lessee Improvements") in accordance with the terms of the Work Letter. Lessor shall not charge Lessee any fee or other charges for the supervision and/or overhead associated with the construction of the Lessee Improvements. Lessee Improvements shall not include the work involved with bringing electrical and water utilities to a point in the Premises designated by Lessee pursuant to plans and specifications approved in accordance with the Work Letter. Without in any way limiting any obligation of Lessee under the Lease, Lessee shall indemnify, defend and hold harmless Lessor from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the construction of the Lessee Improvements, except to the extent arising out of the negligence or willful misconduct of Lessor, its employees, agents, or contractors.

37. Lessor Work. Lessor shall complete all of Lessor's Work ("Lessor's Work") in accordance with the terms of the Work Letter. All Lessor's Work shall be done in a good and workmanlike manner and in compliance with all applicable laws, ordinances, building and safety codes, regulations and orders of the federal, state, county, or other governmental authorities having jurisdiction thereof. Without in any way limiting any obligation of Lessor under the Lease, Lessor shall indemnify, defend and hold harmless Lessee from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Lessor's Work.

38. Lessor's Sale of the Building. Lessor may, at any time, without the prior consent of Lessee, contract to and/or perform any of the following transactions with respect to an interest in Lessor, the Lease, the Premises, the realty underlying the Premises, and/or any portion of or interest in the realty or improvements owned or hereafter acquired by Lessor: sale, purchase, exchange, transfer, assignment, lease, conveyance (collectively referred to herein as "Sale"); and/or encumbrance, pledge, mortgage, deed of trust, hypothecation or sale and leaseback transaction (collectively referred to herein as "Mortgage"). Any "For Sale" sign placed by Lessor on the land outside the Building shall be a professionally made sign of a reasonable size that does not interfere with the visibility of any of Lessee's signage. From and after a Sale, Lessor shall be released from all liability to Lessee and Lessee's successors and assigns arising from this Lease because of any act, occurrence or omission of Lessor occurring after such Sale, and Lessee shall look solely to Lessor's successor in connection with the same; provided however, that Lessor shall not be released from liability to Lessee and Lessee's successors and assigns from this Lease because of any act, occurrence or omission of Lessor occurring prior to such Sale, unless such liability is expressly assumed by Lessor's successor-in-interest in the Building and Premises. Within thirty (30) days following the effective date of a Sale, Lessor shall notify Lessee whether Lessor's successor-in-interest and assignee to this Lease would or would not be a Referral Source as described in Section 22 above. Upon any Sale entered into between Lessor and an unaffiliated third party, any lease or other arrangement entered into between Lessor's successor and a Competitive Business prior to the effective date of the Sale that would otherwise be a violation of the terms of Section 6.2 above shall not be deemed a violation of the restrictions set forth therein if entered into prior to the effective date of the Sale.

39. Lessee's Satellite and Cable Rights. Lessee shall have the right to place a satellite dish on the roof and run appropriate electrical cabling from the Premises to such satellite dish and/or install cable service to the Premises at no additional fee, provided all such work shall be performed in accordance with all applicable Laws and so as not to invalidate any then effective roof warranty for the Building. Lessor shall reasonably cooperate with Lessee's satellite or cable provider to ensure there is no delay in acquiring such services. Lessee shall be responsible for any damage to the roof caused by Lessee's installation or removal of any such satellite dish or cabling.

40. Regulatory Compliance. In the event Lessor, or Lessor's successors or assigns, become a Referral Source as described in Section 22 above, this Section 40 shall apply but shall have no effect until such time:

Lessor and Lessee agree that it is not the purpose of this Lease to exert any influence over the reason or judgment of any party with respect to the referral of patients or other business

between Lessor and Lessee, but that it is the parties' expectation that any referrals which may be made between the parties shall be and are based solely upon the medical judgment and discretion of the patient's physician. The parties further agree and acknowledge that Rent is (i) set forth in advance; (ii) consistent with fair market value in an arms-length transaction; (iii) does not take into account the volume or value of any referrals or other business generated between the parties; and (iv) would be reasonable even if no referrals were made between the parties.

Each party represents and warrants that: (i) it is not currently excluded from participation in any federal health care program, as defined under 42 U.S.C. Section 1320a-7b; (ii) it is not currently excluded, debarred, suspended, or otherwise ineligible to participate in Federal procurement and non-procurement programs; or (iii) it has not been convicted of a criminal offense that falls within the scope of 42 U.S.C. Section 1320a-7(a), but has not yet been excluded, debarred, suspended or otherwise declared ineligible (each, an "Exclusion"), and agrees to notify the other party within two (2) business days of learning of any such Exclusion or any basis therefore. In the event of learning of such Exclusion, either party shall have the right to immediately terminate this Lease without further liability. In the event that Lessee terminates its medical director agreement with Lessor, Lessee shall also have the right to terminate this Lease without further liability. Lessor agrees that Lessee may screen Lessor against applicable Exclusive databases on an annual basis. Lessee shall have the right to terminate the Lease if a change in applicable health care laws or reimbursement systems affects the legality of the Lease. Lessor shall notify Lessee of, and cooperate with, any request from a duly authorized government representative (e.g., Secretary of HHS, Comptroller General) for access to books, documents and/or records related to the Lease, and to indemnify Lessee from any liability arising out of the party's refusal to grant such access.

The parties enter into this Lease with the intent of conducting their relationship in full compliance with applicable federal, state and local laws, including, without limitation, the Anti-Kickback Statute and agree and certify that neither party shall violate the Anti-Kickback Statute in performing under this Lease. Notwithstanding any unanticipated effect of any provisions of this Lease, neither party will intentionally conduct itself under the terms of this Lease in a manner that would violate any such law. Lessor agrees not to request an advisory opinion related to the legality of the Lease without the concurrence and approval of Lessee.

In the event Lessor is a Covered Person (as defined below), Lessor shall also be subject to the following provisions. Lessor shall participate in all compliance training (including on-line general compliance training on an annual basis) that Lessee provides to the Lessor and shall complete all such training within the time frames required by Lessee. Further, Lessor shall comply with policies and procedures designed to ensure compliance with relevant Federal health care program requirements applicable to Lessee, and compliance programs applicable to Lessee, including its Code of Conduct. Lessor agrees that if it is notified by Lessee that it is a Covered Person, Lessor shall certify in writing or electronic form that Lessor read, understood and shall abide by the Code of Conduct and will return such certification to Lessee within 30 days after being notified. Lessor shall report immediately to Lessee any suspected or known violations of Lessee's policies and procedures or of any violation of applicable federal healthcare program laws and regulations. Lessee shall provide to Lessor a copy of the applicable Code of Conduct and relevant policies and procedures designed to ensure compliance with relevant Federal health care

program requirements.

A "Covered Person" shall be defined as: (i) any individual or entity who provides patient care items or services or who perform billing or coding functions on behalf of DaVita Dialysis, or (ii) any DaVita Dialysis domestic dialysis joint venture partner or medical director for any domestic DaVita Dialysis clinic.

41. Liens. Lessee agrees to keep the Premises free and clear of all mechanic liens. In the event that a lien is filed against the Premises or the Property as a result of labor or material supplied to the Premises by anyone claiming by, through or under Lessee, Lessee agrees to within thirty (30) days either obtain the release and discharge of such mechanic lien or to bond off such mechanic lien to the full and complete satisfaction of Lessor. In the event that Lessee shall fail to discharge such lien within such period of time or to bond over such lien to the full and complete satisfaction of Lessor, Lessor shall have the right to either discharge or bond such lien and Lessee shall immediately reimburse Lessor for all costs and expenses relating thereto and Lessee shall be responsible for all expenses incurred by Lessor as a result of any such filing of a mechanic's lien against the Premises, including reasonable attorney fees and expenses.

42. Lessor's Consent. Unless otherwise expressly stated herein, whenever Lessor's consent is required under this Lease, such consent shall not be unreasonably withheld or delayed, and Lessor's reasonable satisfaction shall be sufficient for any matters under this Lease.

43. Approval by DaVita Inc. as to Form. The parties acknowledge and agree that this Lease shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita Inc. as to the form hereof.

44. Counterparts. This Lease may be executed in any number of counterparts via facsimile or electronic transmission or otherwise, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

45. Conditions Precedent. Intentionally Omitted

46. Guaranty. Lessee shall cause DaVita Inc. to provide a Guaranty of this Lease to Lessor in the form attached hereto as Exhibit G (the "Guaranty") contemporaneously with the execution and delivery of this Lease by Lessee.

47. Costs of Enforcement. If Lessor or Lessee defaults under this Lease or there is a dispute under this Lease, then the defaulting party or the party not prevailing in such dispute shall pay, on demand, the out-of-pocket costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

48. Ground Lease. It is understood and agreed by and between the parties hereto that the existence of this Lease is dependent and conditioned upon: (i) the continued existence of the Ground Lease, or (ii) Lessor's purchase of the Property in accordance with the terms and conditions of the

Ground Lease (such purchase shall be referred to as the "Release"). Except following the Release, this Lease shall automatically terminate on the termination, cancellation or expiration of the Ground Lease. In the event the Ground Lease is terminated prior to the Termination Date for any reason other than the Release, the terms of this Lease shall control. Notwithstanding anything to the contrary herein, Lessor agrees to exercise its option to purchase as set forth in the Ground Lease on or before expiration of the Ground Lease term.

Prior to the Release, this Lease is in all respects subject and subordinate to (i) the terms and conditions of the Ground Lease, and (ii) the matters to which the Ground Lease, including any amendments thereto, is or shall be subordinate.

The terms, provisions, covenants, stipulations, conditions, rights, obligations, remedies and agreements of the Ground Lease are incorporated into this Lease by reference and made a part hereof as if herein set forth at length and shall, as between Lessor and Lessee (as if they were the "Landlord" and "Tenant", respectively, under the Ground Lease), constitute the terms of this Lease, except to the extent that they are expressly made inapplicable to, or expressly modified or eliminated, by the terms of this Lease. Lessee acknowledges that it has received a copy of and has reviewed and is familiar with the Ground Lease. Lessee further acknowledges that prior to the Release, it is bound by the terms and conditions of the Ground Lease.

If for any reason other than the Release, the term of the Ground Lease is terminated prior to the Termination Date of this Lease, this Lease shall thereupon terminate, and Lessor shall not be liable to Lessee by reason thereof for damages or otherwise, except that Lessor shall return to Lessee a portion of any Rent paid in advance by Lessee, if any, prorated as of the date of the termination of this Lease. Notwithstanding anything to the contrary herein, except for in the circumstances of the Release, Lessor shall not exercise any termination right set forth in the Ground Lease without consent from Lessee. If Tenant issues a Notice to Proceed, Lessor shall exercise its option to purchase the Premises pursuant to the Ground Lease.

Except as otherwise specifically provided in this Lease, including but not limited to the obligation to pay Rent, all acts to be performed and all of the terms and provisions to be observed by Lessor, as Tenant under the Ground Lease with respect to the Premises, shall be performed and observed by Lessee. Lessee covenants and agrees that Lessee shall not do anything that would constitute a default under the Ground Lease or omit to do anything that Lessee is obligated to do under the terms of this Lease so as to cause a default under the Ground Lease.

In all provisions of the Ground Lease requiring the approval or consent of Ground Lessor, Lessee shall be required to obtain the approval or consent of both Lessor and Ground Lessor.

In the event Lessee receives from Lessor any notice to cure any default under the Ground Lease, which default is caused by Lessee's failure to perform its obligations as specifically provided in this Lease, Lessee shall cure such condition within the time required of Lessor for the cure thereof.

Lessee shall not (i) do or permit to be done anything prohibited to Lessor, as Tenant under the Ground Lease, or (ii) take any action or do or permit any action which would result in any additional cost or other liability to Lessor or Ground Lessor under the Ground Lease or this Lease.





LESSEE:

TOTAL RENAL CARE, INC.,  
A CALIFORNIA CORPORATION

By: Jennie Frank  
Name: JENNIE FRANK  
Title: DIVISION VP  
Date: 5-22-19.

FOR LESSEE'S INTERNAL PURPOSES  
ONLY: APPROVAL BY DAVITA INC. AS TO  
FORM ONLY

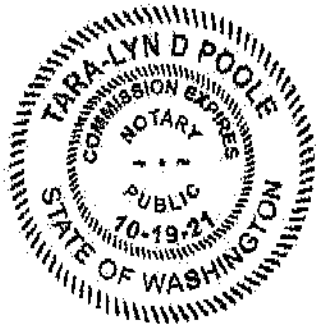
By: [Signature]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF Washington )  
COUNTY OF King ) ss.

The foregoing instrument was acknowledged before me this 22 day of  
May, 2019, by Jennie Frank, the  
Division VP of TOTAL RENAL CARE, INC., a California corporation.

My commission expires: 10-19-21

Tara-Lyn D. Poole  
Notary Public



**EXHIBIT A**  
**Legal Description**

**Lot 2 of the Kirkwood Short Plat, recorded December 14, 2018, in Book 4, Page 172 and under recording no. 5571278, records of Clark County, Washington; being a portion of the Southeast quarter of Section 36, Township 2 North, Range 2 East of the Willamette Meridian, Clark County, Washington**

# KIRKWOOD SHORT PLAT

APPROVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO  
 ON THE 27th DAY OF JUNE 1979  
 CITY OF SAN DIEGO, CALIFORNIA  
 PLAT NO. 100000-0118

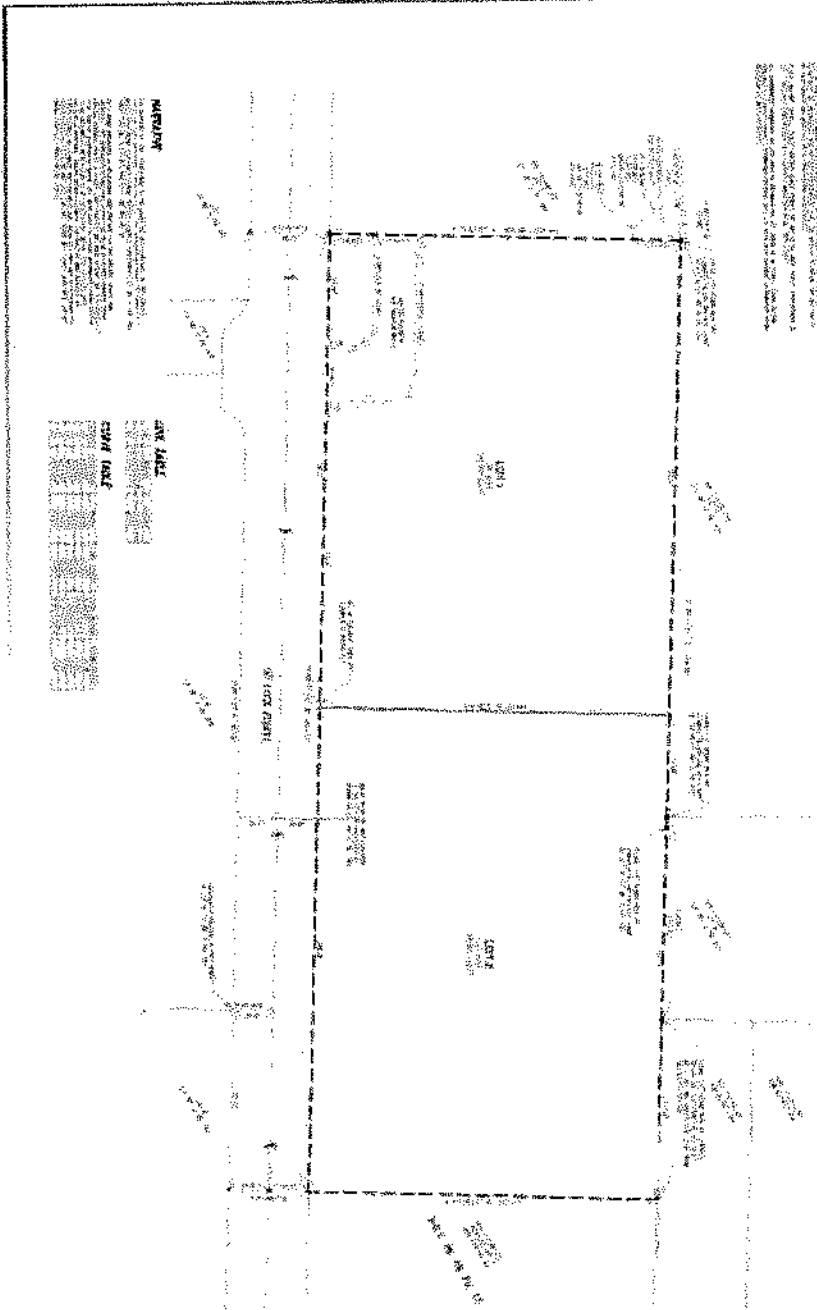


**LIST OF MAPS**  
 REFERENCE TO THE FOLLOWING MAPS IS MADE FOR THE PURPOSES OF THIS PLAT:

1. THE PLAT OF THE KIRKWOOD SHORT PLAT, SAN DIEGO COUNTY, CALIFORNIA, PLAT NO. 100000-0118, DATED 1979.
2. THE PLAT OF THE KIRKWOOD SHORT PLAT, SAN DIEGO COUNTY, CALIFORNIA, PLAT NO. 100000-0118, DATED 1979.
3. THE PLAT OF THE KIRKWOOD SHORT PLAT, SAN DIEGO COUNTY, CALIFORNIA, PLAT NO. 100000-0118, DATED 1979.
4. THE PLAT OF THE KIRKWOOD SHORT PLAT, SAN DIEGO COUNTY, CALIFORNIA, PLAT NO. 100000-0118, DATED 1979.

**LAND ACQUISITION**  
 THE LAND SHOWN ON THIS PLAT WAS ACQUIRED BY THE CITY OF SAN DIEGO FROM THE LANDS OF THE STATE OF CALIFORNIA BY THE PURCHASE OF THE LANDS OF THE STATE OF CALIFORNIA BY THE CITY OF SAN DIEGO IN 1979.

**ADDITIONAL NOTES**  
 THE CITY OF SAN DIEGO HAS REVIEWED THIS PLAT AND HAS DETERMINED THAT IT IS IN ACCORDANCE WITH THE PLAT ACT AND THE SUBDIVISION MAP ACT.



**CITY OF SAN DIEGO PUBLIC WORKS DEPARTMENT**  
 APPROVED BY THE CITY ENGINEER  
 DATE: 6/27/79

**CITY OF SAN DIEGO PUBLIC WORKS DEPARTMENT**  
 APPROVED BY THE CITY ENGINEER  
 DATE: 6/27/79

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 DATE: 6/27/79

**CITY OF SAN DIEGO PUBLIC WORKS DEPARTMENT**  
 APPROVED BY THE CITY ENGINEER  
 DATE: 6/27/79



**LAND SURVEY & ENGINEERING**  
 APPROVED BY THE LAND SURVEYOR  
 DATE: 6/27/79

**CLSON**  
 APPROVED BY THE LAND SURVEYOR  
 DATE: 6/27/79

PLAT NO. 100000-0118  
 DATE: 6/27/79

**EXHIBIT B**

**BUILDING SITE PLAN**

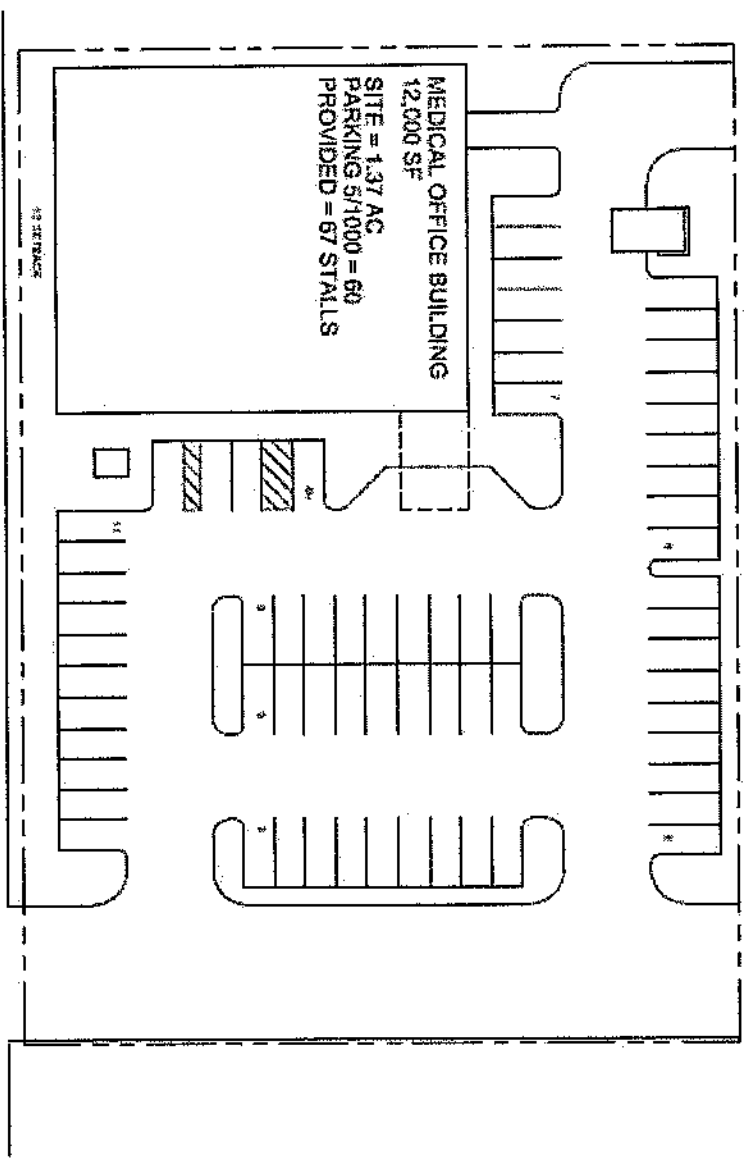
**(attached)**



**MEDICAL OFFICE BUILDING**  
VANCOUVER, WA

**SITE PLAN**

SCALE: 1/8" = 1'-0"  
DATE: 08/19  
SCALE: 1/8" = 1'-0"  
JOB #:



## EXHIBIT C

### WORK LETTER

Market Street Development, LLC, hereinafter referred to as "Lessor" and Total Renal Care, Inc., hereinafter referred to as "Lessee" are parties to that certain Lease bearing even date herewith (the "Lease") for certain premises (defined as the Premises in the Lease) located at 16575 se 18<sup>TH</sup> Street, Vancouver, Washington, and more particularly described in the Lease. To induce Lessee to enter into the Lease, into which this work letter ("Work Letter") is incorporated by reference, and in consideration of the mutual covenants hereinafter contained, Lessor and Lessee, intending to be legally bound agree as follows:

1. Lessor shall prepare, at Lessor's cost and expense, all plans and specifications (the "Plans and Specifications"), which shall set forth in detail the requirements for the construction of the Lessor's Work (herein defined) and shall include, but not be limited to, all necessary civil, architectural, structural, mechanical, electrical and plumbing design and documentation required for Lessor's Work and shall conform to all applicable laws, ordinances, building codes, and requirements of public authorities and insurance underwriters and shall be signed and sealed by a professional engineer approved by Lessee and an architect approved by Lessee, both licensed and registered in the state in which the Premises are located and each maintaining errors and omissions insurance coverage in a commercially reasonable amount. The Plans and Specifications are expressly subject to Lessee's written approval prior to the commencement of any construction, as further provided herein.
2. Lessor will have the Plans and Specifications filed or submitted for review and approval at Lessor's sole cost and expense with the appropriate governmental agencies in such form as required.
3. Lessor will do the following work ("Lessor's Work") on the Premises: All that work (including materials, supplies, components, labor and services) necessary to construct the Minimum Base Building Improvements described on Schedule A hereto in accordance with the Plans and Specifications approved by Lessee, including, without limitation, the following:

Lessor shall pay for the cost of the Plans and Specifications and a Project Construction Description defining the work to be completed by Lessor, as approved by Lessee, which shall be consistent with this Work Letter.

All Lessor's Work shall be done in a good and workmanlike manner and in compliance with all applicable laws, ordinances, building and safety codes, regulations and orders of the federal, state, county, or other governmental authorities having jurisdiction thereof. Without limiting the Lessor's obligations under the foregoing sentence, the Lessor's Work shall include all improvements as are necessary for the Premises and entire Building to comply with the Americans with Disabilities Act and all regulations promulgated thereunder and all requirements under any federal, state or city statute, regulation, ordinance or code dealing with access or facilities for disabled or handicapped persons. Lessor shall have the obligation to obtain at Lessor's sole expense all permits and approvals required for the Lessor's Work before the commencement of the Lessor's Work. Lessor shall pay all utility "hook-up" and connection fees for utilities to be supplied to the Building.

Vancouver CON Building Lease (Facility #TBD)

4. If the Plans and Specifications and Project Construction Description conflict with each other or with themselves, the better quality or greater quantity of Lessor's Work provided for shall govern.

5. If any item or material shown on the Project Construction Description necessary for Lessor's Work is omitted from the Plans and Specifications, or vice versa (except when the Plans and Specifications clearly exclude such omitted item), Lessor shall furnish and install such item or material which conforms to the type and quality of similar items and materials otherwise established on the Plans and Specifications.

6. Where typical or representative detail is shown on the Plans and Specifications, this detail shall constitute the standard for workmanship and materials throughout corresponding parts of Lessor's Work and Lessor shall be required to adapt such detail for use in said corresponding parts of Lessor's Work as long as the adapting is within the original design intent.

7. Lessee shall prepare, at Lessee's cost and expense, all plans and specifications (the "Lessee's Plans and Specifications"), which shall set forth in detail the requirements for the construction of the Lessee Improvements (herein defined) and shall include, but not be limited to, all necessary civil, architectural, structural, mechanical, electrical and plumbing, design and documentation required for the Lessee Improvements and shall conform to all applicable laws, ordinances, building codes, and requirements of public authorities and insurance underwriters and shall be signed and sealed by a professional engineer and an architect, each licensed and registered in the state in which the Premises are located and each maintaining errors and omissions insurance coverage in a commercially reasonable amount. The Lessee's Plans and Specifications are expressly subject to Lessor's approval, such approval not to be unreasonably withheld or delayed, and to facilitate Lessor's review Lessee shall provide Lessor with electronic copies of Lessee's Plans and Specifications.

Lessee shall be responsible for making all interior improvements to the Building which are necessary for Lessee to operate the Premises as a renal dialysis center and related medical and business offices and which are in excess of the Minimum Base Building Improvements described on Schedule A hereto in accordance with Lessee's Plans and Specifications (the "Lessee Improvements"). Lessee Improvements shall be constructed (a) by a contractor (or contractors) selected by Lessee and (b) in a good and workmanlike manner and in compliance with all applicable laws, ordinances, building and safety codes, regulations and orders of the federal, state, county, or other governmental authorities having jurisdiction thereof.

Without limiting the generality of the foregoing, Lessee, at Lessee's sole cost and expense, shall install as part of the Lessee Improvements Lessee's water-treatment equipment, including recessed patient wall stations and acid concentrate loop, telephones, televisions and furnishings with Lessee's own contractor.

Upon completion of the Lessee Improvements, the Lessee shall provide Lessor with a set of as-built drawings at the completion of construction, such drawings to be delivered in the form of a CAD diskette.

No later than the date designated as the Estimated Possession Date under the Lease, Lessor shall provide to Lessee access to the Premises to enable Lessee to perform the Lessee Improvements.



8. Additional work by Lessor, which is requested by Lessee ("Additional Lessor's Work") and not provided for under this Work Letter, will be submitted by Lessee to Lessor in writing. Before commencing any Additional Lessor's Work as may be requested by Lessee, Lessor must submit to Lessee written estimates of the cost thereof, any expected delays in completing the Lessor's Work caused by the Additional Lessor's Work and a schedule of required payment ("Work Letter Change Order"). If Lessee shall fail to approve a Work Letter Change Order within one week, the same shall be deemed disapproved by Lessee and Lessor shall not be authorized to proceed thereon. Should Lessee approve any Work Letter Change Order, Lessee shall pay Lessor for the Work Letter Change Order for Additional Lessor's Work pursuant to the schedule of required payment. If any Additional Lessor's Work performed pursuant to an approved Work Letter Change Order delays the date by which Lessor would have otherwise substantially completed the Lessor's Work, the Estimated Possession Date shall be extended one (1) day for each day of delay caused by the performance of the Additional Lessor's Work.

Lessee shall not pay for Additional Lessor's Work when the change is not requested and approved by Lessee or when the change is caused by the Lessor's, Lessor's architect's or Lessor's contractors' negligence, performance, or lack of performance, or failure to satisfy contractual requirements. No Work Letter Change Orders will be funded by Lessee unless authorized in advance by Lessee before any Additional Lessor's Work is performed.

9. Lessor shall submit to Lessee for approval a complete project schedule (the "Project Schedule") outlining a schedule for completion of Lessor's Work. The Project Schedule shall provide for completion of Lessor's Work in accordance with the terms of Section 1 of the Lease.

Lessor shall have the Project Schedule submitted for Lessee's approval within seven (7) days after Lessor receives the Notice to Proceed.

Lessor and Lessee agree to work together cooperatively so as to coordinate the management, administration, and scheduling of Lessor's Work and the Lessee Improvements. Such cooperation shall include without limitation, regular meetings during the construction period with the contractors, the attendance at such meetings to include authorized representatives of Lessor and Lessee. Lessor and Lessee each agree that they shall respectively assure the availability of such representatives at reasonable times after reasonable notice.

As part of Lessor's Work, the Lessor shall provide Lessee with a set of as-built drawings at the completion of construction, such drawings to be delivered in the form of a CAD diskette.

10. The term "substantially completed" or "substantial completion" as used in this Work Letter and in the Lease with respect to Lessor's Work shall mean the date when (i) Lessor and Lessee have agreed, in the exercise of their reasonable, good faith judgment, that construction is sufficiently complete in accordance with the Plans and Specifications, so that upon completion of the Lessee Improvements, Lessee can occupy and utilize the facilities improved or constructed for the use for which it is initially intended, without significant interference to or impairment of Lessee's business activities by reason of any minor or insubstantial item of work that Lessor and Lessee agree remains to be done (the foregoing minor or insubstantial details are referred to in this Work Letter as "Punchlist Items") to effect full completion of the Lessor's Work in strict accordance with the Plans and Specifications; (ii) any permits or governmental approvals required by applicable Law with respect to Lessor's Work have been issued or granted by the appropriate governmental authorities; and (iii) Lessor's architect certifies that Lessor's Work is substantially complete in accordance with

the Plans and Specifications and the Project Construction Description.

11. Lessor and Lessee shall make periodic joint inspections of the Lessor's Work from time to time during construction at reasonable times on business days, and each time shall jointly approve a written statement or assessment of the status of construction, and the tasks remaining to be completed, which approval shall not be unreasonably withheld or delayed by either party. Lessor shall promptly undertake and diligently prosecute the correction of any defective work in the Lessor's Work.

12. Lessor shall use Lessor's best efforts to prosecute the correction of any defective work as expeditiously as possible so that substantial completion shall be met as required under this Work Letter and the Lease. As to any item of the Lessor's Work remaining to be completed or corrected after substantial completion included as a Punchlist Item or discovered after Lessee assumes possession of the Premises, Lessor shall complete such item within thirty (30) days after Lessee's notice thereof, or immediately in the case of an emergency.

13. Without limiting in any way any obligation that Lessor may have under the Lease (including, without limitation, any maintenance, repair or replacement obligations), Lessor warrants for a period of one (1) year after full and final completion of the Lessor's Work (that is, including all Punch List Items) that the Lessor's Work shall be free from defects in materials or workmanship.

14. Throughout the performance of Lessor's Work, Lessor shall erect and maintain safeguards for safety and protection including posting danger signs, other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities. Lessor shall act to prevent threatened damage, injury or loss in connection with the performance of the Lessor's Work. During any construction work on any part of the Premises (including, without limitation, any work on the Building's exterior or roof) by Lessor (or its agents, representatives, employees or contractors) after Lessee shall have taken occupancy of the Premises, if Lessee decides that it is necessary, Lessor shall erect covered, well lit and secured walkways along the repaired sidewalks, fencing to prevent access of the public to any areas where any construction activity is taking place and appropriate signage to direct persons to the appropriate Building entrances for access and to warn of ongoing construction. During any construction work performed by Lessor (or its agents, representatives, employees or contractors), Lessor shall take all precautions for the safety of, and provide appropriate protection to prevent, damage, injury or loss to any persons or property including, without limitation, (i) any persons at or nearby the Premises or other persons who may be affected by the performance of the Lessor's Work; (ii) any items of tangible property on or nearby the Premises that may be affected by the performance of the Lessor's Work; and (iii) any fit-out work that may be installed by Lessee.

15. Without in any way limiting any obligation of Lessor under the Lease, the Lessor shall indemnify, defend and hold harmless the Lessee from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Lessor's Work.

16. If Lessor defaults or neglects to carry out the Lessor's Work or any other obligations in accordance with this Work Letter or the Lease and fails within a seven (7) day period after written notice from Lessee to commence or continue corrections of such default or neglect with diligence and promptness, the Lessee may, without any obligation to do so after such seven (7) day period, correct any deficiencies, Lessee may, but is under no obligation to, correct such deficiencies and offset against rent payable under the Lease all costs and expenses that Lessee incurs to correct such

deficiencies. The rights of Lessee under this paragraph shall not negate, abridge or reduce any other rights of Lessee or obligations of Lessor under this Work Letter or the Lease.



**SCHEDULE A - TO WORK LETTER**  
**MINIMUM BASE BUILDING IMPROVEMENT REQUIREMENTS**

**SCHEDULE A - TO WORK LETTER**  
**MINIMUM BASE BUILDING IMPROVEMENT REQUIREMENTS**  
**Subject to approval by DaVita Project Manager**

At a minimum, the Lessor shall provide the following Base Building and Site Development Improvements to meet Lessee's Building and Site Development specifications at Lessor's sole cost:

All MBBI work completed by the Lessor will need to be coordinated and approved by the Lessee and their Consultants prior to any work being completed, including shop drawings and submittal reviews.

**1.0 - Building Codes & Design**

All Minimum Base Building Improvements (MBBI) and Site Development are to be performed in accordance with all current local, state, and federal building codes including any related amendments, fire and life safety codes, barrier free, accessible regulations, energy codes, State Department of Public Health, and other applicable codes as it pertains to Dialysis. All Lessor's work will have Governmental Authorities Having Jurisdiction ("GAHJ") approved architectural and engineering (Mechanical, Plumbing, Electrical, Structural, Civil, Environmental) plans and specifications prepared by a licensed architect and engineer. All of Lessor's plans and work must be coordinated with the Lessee Improvement plans and specifications.

Lessee shall have full control over the selection of the General Contractor for the tenant improvement work. Lessor shall be required to provide Lessee and Lessee's architect with progress sets and Cad files of the shell drawings and pertinent documents at various stages of design and construction to allow the coordination of the shell building and tenant improvement interface. Any revision to the shell building during preliminary design, design development, construction document and / or construction stages shall be brought to the immediate attention of Lessee and Lessee's architect for pertinent review and coordination.

Building design will follow DaVita Shell prototype design package known as DaVita Hope GU Prototype update 10-19-15

**2.0 - Zoning & Permitting**

Building and premises must be zoned to perform services as a dialysis medical clinic without the need for special-use approval by the GAHJ. Lessor shall be responsible for all entitlements and permitting related to the base building and site improvements to support the specific use and zoning. Permitting of the interior tenant improvement scope of the space will be by the Lessee.

**3.0 - Common Areas - none**

**4.0 Foundation and Floor**

The foundation and concrete slab of the building shall be designed and constructed in accordance with Vancouver CON Building Lease (Facility #TBD)

local code requirements. The foundation and concrete slab shall be designed by the Lessor's engineer to accommodate site-specific Climate and soil conditions and recommendations per Lessor's soil engineering and exploration report (To be reviewed and approved by Lessee's engineer).

Foundation to consist of formed concrete spread footing with horizontal reinforcing sized per geotechnical engineering report. Foundation wall, sized according to exterior wall systems used and to consist of formed and poured concrete with reinforcing bars or a running bond masonry block with proper horizontal and vertical reinforcing within courses and cells. Internal masonry cells to be concrete filled full depth entire building perimeter up to finish floor at a minimum. Foundation walls to receive poly board R-10 insulation on interior side of wall on entire building perimeter (if required by code). The building is to be provided with proper foundation drainage.

The floor shall be concrete slab on grade and shall be a minimum of four-inch (4") at Water Treatment Room) thick with minimum concrete strength of 3,000-psi. It will include one of the following, wire mesh or fiber mesh, and/or rebar reinforcement over a 10 Mill minimum vapor barrier (Stego Wrap or equal) and granular fill per Lessor's soils and/or structural engineering team based on soil conditions and report from the Soils Engineer. Finish floor elevation to be a minimum of 8" above finish grade. The slab shall include proper expansion control joints. Floor shall be level (1/8" with 10' of run), smooth, broom clean with no adhesive residues, in a condition that is acceptable to install floor coverings in accordance with the flooring manufacturer's specifications. Concrete floor shall be constructed so that no more than 3-lbs. of moisture per 1,000sf/24 hours is emitted per completed calcium chloride testing results after 28 day cure time. Means and methods to achieve this level will be responsibility of the Lessor. Lessee requires that Lessor provide moisture control treatment admixture (Concure Admixture, no substitutes – contact Emil Pikula of Concure (480) 820-7171 for special pricing and procedures) in the mix design. Floor slab shall be cured according to ACI and resilient flooring institute guidelines, water cure or employ the use of Concure 2100 cure and seal. Flooring contractor shall address all cracks, expansion joints, saw cuts, etc., using Concure 670 crack fill binder. Contact Concure Systems (480-820-7171) for approval and method for moisture testing.

All concrete floors must pass moisture level testing in accordance with resilient sheet flooring manufacturer's written recommendations, but not less stringent than the following:

- a. Perform matt test according to ASTM D- 4263 inspecting for visual signs of moisture.
- b. Perform a permeability test according to ASTM D-5084 using a 3 inch concrete core from the poured concrete. Overnight to:

Holcomb Engineering  
333 Wood Rd.  
Carbondale, Ill. 62901  
800-333-1740.

Label the core Concure Systems and the name of the project

## 5.0 - Structural

Structural systems shall be designed to provide a minimum 13'-0" clearance (for 10'-0" finished ceiling height and 15'-0" clearance for a 12'-0" ceiling height) to the underside of the lowest structural member from finished slab and meet building steel erection requirements, standards and codes. Structural design to allow for ceiling heights (as indicated above) while accommodating all Mechanical, Plumbing, Electrical above ceiling. Structure to include all necessary members including, but not limited to, columns, beams, joists; load bearing walls, and demising walls.

Vancouver CON Building Lease (Facility #TBD)

Coordinate column spacing and locations with Lessee's Architect. Provide necessary bridging, bracing, and reinforcing supports to accommodate all Mechanical systems - minimum of four (4) HVAC roof top openings, one (1) roof hatch opening, and a minimum of four (4) exhaust fans openings). Structural system shall be designed to allow for a column free Treatment room. Columns shall be allowed in the treatment room outside the zone of required visibility for clinical operations if agreed to in writing by Lessee's architect and confirmed by Lessee's project manager. The zone of required visibility shall be designated by Lessee and Lessee's architect. The treatment floor area shall be located within the space as designated by Lessee's architect.

The floor and roof structure shall be fireproofed as needed to meet local building code and regulatory requirements.

Lessor shall provide a roof hatch servicing the entire building at a location determined by Tenant. Tenant shall be responsible to provide and equip with ladders and safety extensions meeting all local, state and federal requirements.

#### **6.0 - Exterior walls**

Exterior walls to be fire rated if required by code requirements. If no fire rating is required, interior of walls shall be left as exposed and until Lessee completes any and all work with-in walls on the interior side of the exterior walls. Lessor shall be responsible for interior metal/wood stud furring/framing, mold- and moisture-resistant exterior glass mat board.

#### **7.0 - Demising walls / Fire Barrier Wall / Fire Wall**

All demising walls shall be a 1 or 2hr fire rated wall depending on local, state and/or regulatory (NFPA 101 - 2000) codes requirements whichever is more stringent. Walls will be installed per UL design and taped (Lessee shall be responsible for final finish preparation of gypsum board walls on Lessee side only). At Lessee's option and as agreed upon by Lessor, the interior drywall finish of demising walls shall not be installed until after Lessee's improvements are complete in the wall. Walls to be fire caulked in accordance with UL standards at floor and roof deck. Demising walls will have minimum 3-inch thick mineral wool sound attenuation batts from floor to underside of deck.

#### **8.0 - Roof Covering**

The roof system shall have a minimum of a twenty (20) year life span with full (no dollar limit - NDL) manufacturer's warrantee against leakage due to ordinary wear and tear. Roof system to include a minimum of R-30 insulation. Ice control measures mechanically or electrically controlled to be considered in climates subject to these conditions. Downspouts to be connected into controlled underground discharge for the rain leaders into the storm system for the site or as otherwise required meeting local storm water treatment requirements. Storm water will be discharged away from the building, sidewalks, and pavement. Roof and all related systems to be maintained by the Lessor for the duration of the lease. Lessor to provide Lessee a copy of material and labor roof warranties for Lessee's record. All warranties shall be transferable.

Roofing material shall be a minimum of Class A or B. Lessor shall provide documentation to Lessee confirming the roof class from a certified roofing contractor.

#### **9.0 - Parapet**

Lessor shall design and construct parapets at a sufficient height above the roof well surface in order to conceal anticipated HVAC units and equipment. If parapet is designed and constructed to not conceal parapets and GAHJ subsequently requires concealment of units from public view then Lessor shall adequately install a roof equipment screen that meets the GAHJ conditions for approval to conceal

equipment.

#### **10.0 - Façade**

Lessor to provide specifications for building façade for lessee review and approval. All wall system to be signed off by a Lessor's Structural Engineer. Wall system "R" value must meet current Energy code. Wall system options include, but not limited to:

Minimum 3-inch drainable exterior insulating fenestration system (EIFS) on water-vapor barrier on ¾-inch thick glass matt sheathing, AND (where indicated by Lessee's Architect) fibrous cementitious cladding (mfr: Nichiha) on metal furring on continuous insulation/weather-barrier, system on 6" 16- or 18-ga metal or wood stud framing

Or

Minimum 3-inch drainable exterior insulating fenestration system (EIFS), AND (where indicated by Lessee's Architect) fibrous cementitious cladding (mfr: Nichiha) on metal furring on continuous insulation/weather-barrier system, on water-vapor barrier on 8-inch or 12-inch thick concrete masonry wall construction with 3½-inch 20-ga metal stud furring.

Or if required by local municipality

Brick or split face block Veneer on engineered 6" 16 or 18ga metal studs, R-19 or higher batt wall insulation, on Tyvek (commercial grade) over 5/8" exterior grade gypsum board or Dens-Glass Sheathing.

#### **11.0 - Door Canopy**

Lessor shall provide a door canopy that protects the door and landing from inclement weather conditions per code. The door canopy shall be provided at all exterior doors. The door canopy design shall be per DaVita Shell Prototype. Approximate size to be based on building and site plan criteria but no less than a minimum 5'-0" distance from the face of the door and extend a minimum distance of 3'-0" beyond each edge of opening unless otherwise dictated by the GAHJ.

The door canopy to accommodate patient arrival with a level grade with barrier-free, accessible transition to the finish floor elevation. Controlled storm water drainage requirements of gutters with scuppers and/or downspouts drainage to landscape areas or connected to site storm sewer system as required or properly discharged away from the building, sidewalks, and pavement. Steel bollards at column locations where needed.

#### **12.0 - Waterproofing and Weatherproofing**

Lessor shall provide complete water tight building shell inclusive but not limited to, Flashing and/or sealant around windows, doors, parapet walls, Mechanical / Plumbing / Electrical penetrations. Lessor shall properly seal the building's exterior walls, footings, slabs as required in high moisture conditions such as (including but not limited to) finish floor sub-grade, raised planters, and high water table. Lessor shall be responsible for replacing any damaged items and repairing any deficiencies exposed during / after construction of tenant improvement, which were caused by Landlord or its General Contractor.

#### **13.0 - Windows and Storefront Systems**

Any single pane window systems must be replaced by Lessor with code compliant Energy efficient (Low-E) thermal pane windows with thermally broken aluminum frames. Broken, missing and/or damaged glass or frames will be replaced by Lessor. Lessor shall allow Lessee, at Lessee's

discretion, to tint the existing windows (per manufactures recommendations – Kawneer / US Aluminum / Arcadia) per Lessee's tenant improvement design.

Any window or storefront replacement required to meet energy code standards and requirements shall be the responsibility of Lessor independent Lessee's design manipulation. Provide a thermal brake framing systems using 1" insulating glass (1/4" thick inboard and outboard lights with sealed 1/2" air space).

**Structural Performance:** Glazing shall withstand the following design loads within limits and under conditions indicated determined according to the International Building Code and ASTM E 1300.

**Safety Glazing:** Where safety glazing is required, provide glazing that complies with 16 CFR 1201, Category II.

**Thermal and Optical Performance Properties:** Provide glass with low e coating, tinting, and reflective coatings or films to provide maximum thermal and solar performance.

**Aluminum Entrance Doors:** Insulating glass in entry doors to be constructed with 1/4" tempered glass, Type 1, Class I, flat float glass. Conform to ANSI 297.1

**Windows:** tempered glass, to match existing Type I, Class 1. Conform to ANSI 297.1.

**Aluminum Extrusions:** Alloy and temper recommended by aluminum window manufacturer for strength, corrosion resistance, and application of required finish.

**Fasteners:** Aluminum, nonmagnetic stainless steel or other materials to be non-corrosive and compatible with aluminum window members, trim, hardware, anchors, and other components.

**Anchors, Clips, and Accessories:** Aluminum, nonmagnetic stainless steel, or zinc-coated steel or iron complying with ASTM B 633 for SC 3 severe service conditions; provide sufficient strength to withstand design pressure indicated.

**Reinforcing Members:** Aluminum, nonmagnetic stainless steel, or nickel/chrome-plated steel complying with ASTM B 456 for Type SC 3 severe service conditions, or zinc-coated steel or iron complying with ASTM B 633 for SC 3 severe service conditions; provide sufficient strength to withstand design pressure indicated.

**Sealant:** For sealants required within fabricated windows, provide window manufacturer's standard, permanently elastic, non-shrinking, and non-migrating type recommended by sealant manufacturer for joint size and movement.

#### **14.0 - Thermal Insulation**

All exterior walls to have a vapor barrier and insulation that meets or exceeds the local and national energy codes. At a minimum, the wall R value shall fill the stud cavity; however if a greater R value is required than the result shall be thicker wall framing / cavities and / or additional means of insulation system / designs to meet energy code requirements. In any case the insulation should extend from finish floor to bottom of floor or ceiling deck. Should the insulation be installed on the exterior side of the wall sheathing, insulation shall extend from finish floor to the top of the parapet. Roof deck to have a minimum R-30 insulation mechanically fastened to the underside of roof deck. Alternatively, Lessor may provide other approved roof assembly and insulation, such as rigid foam board insulation, that meets code requirements for fire and energy efficient bldg. However, such alternate shall not replace the requirement of any batt fill or rigid fill insulation that may be required in the roof / ceiling



fire rated assembly.

### **15.0 - Exterior Doors**

All doors to have weather-stripping and commercial grade hardware (equal Yale 8800 Series, Grade 1 mortise lockset or better). Doors shall meet all barrier-free, accessible requirements including but not limited to American Disability Act (ADA), and State Department of Health requirements. Lessor shall change the keys (reset tumblers) on all doors with locks after construction, but prior to commencement of the Lease, and shall provide Lessee with three (3) sets of keys. Final location of all doors to be determined by Lessee's architectural floor plan and shall be coordinated with Lessee's Architect. At a minimum, the following doors, frames and hardware shall be provided by the Lessor:

- Patient Entry Doors: Provide Storefront with insulated glass doors and Aluminum framing to the single or double sliding doors with a 48" clear wide opening with emergency push-release panel, sensor controls inside and outside that operate doors, and key switch operations at exterior of door frame as per lessee's operational requirement. (Specification shall be meet or exceed Horton 2000 series -Lessee to provide complete specifications)
- Patient Exit Doors: Provide Storefront with insulated glass doors and Aluminum framing to be a 48" wide door including-push paddle/panic bar hardware, continuous hinge and lock mechanism.
- Service Doors: Provide a two leaf 24" and 36" wide insulated hollow metal door (double doors), Heavy Duty Aluminum threshold, continuous hinge each leaf, flush bolts, T-astragal, prepped for panic bar hardware (as required by code) painted with rust inhibiting paint and prepped to receive a push button keypad lock provided by Lessee. Doors to have 180 degree wide angle door viewer installed in door. Doors to be provide with push button programmable lockset.
- Emergency Egress Doors: Provide 48" wide door with 16 gauge insulated hollow metal door or Aluminum frame/glass door with panic bar hardware and aluminum storefront frame, lock, hinges, closer, concealed-overhead stop and painted with rust inhibiting paint. Door to have a 10" square vision panel cut out with insulated glass installed if requested by Lessee.
- Teammate Entry Doors (non patient access doors): Provide a minimum 36-inch wide, 16-ga, insulated, hollow metal door and thermally-broken, welded, 16-ga hollow-metal frame (both finished with rust-inhibiting paint) with programmable keypad lockset, heavy-duty hinges, aluminum threshold, surface closer, and concealed-overhead stop. (Teammate Entry Door cannot be associated or overlapped with any patient egress door.)
- All exterior doors shall be provided with adequate and matching door sweeps and door flashing caps. All thresholds shall be heavy duty type exceeding standards. All doors are to be installed for water tight installation per proper industry standards meeting the intended finish application and performance of Lessee's occupied space. Any doors in service as an exit door shall have panic hardware. Lessor shall provide Lessee and Lessee's architect with submittals for all Lessor supplied and provided hardware.

### **16.0 - Utilities**

All utilities shall be separately metered and provided at designated utility entrance points into the building at locations approved by the Lessee. Lessor is responsible for all tap/connection and all impact fees for all utilities. All utilities to be coordinated with Lessee's Architect and Engineer. Lessor shall have contained within the building a common main room to accommodate the utility services which include, but not limited, to electrical, fire alarm, security alarm and fire riser if in a multi tenant building. Lessor shall bring all utilities into Lessee's space including but not limited to

gas, water, telephone, sewer and cable (cable if required by Lessee). Lessee responsibility shall begin inside the Lessee space. Lessor shall be responsible for all requirements for utilities per the municipal districts, code requirements and MBBI requirements beyond the Lessee premises.

Lessor shall be responsible for all tap / connections and all impact fees associated with utilities brought into the space excluding only any sanitary sewer / waste water discharge impact fee associated with Lessee's specific use.

#### **17.0 – Plumbing**

Lessor to provide a 2" segregated/dedicated potable water supply line connected to a municipal water district supply that will be sized by Lessee's Engineer based on Lessee's water requirements (not tied-in to any other lessee spaces, fire suppression systems, or irrigation systems unless mandated by Local Building and or Water Dept). Water supply shall be provided with a shut off valve, 1 (one) reduced pressure zone (RPZ) backflow preventer, and meter protected by a security cage. Water supply shall provide a continuous minimum pressure of 50 psi, maximum 80psi, with a minimum flow rate of 50 gallons per minute to Lessee space. The RPZ's and the Meter will be sized to the incoming line (but no less than 1-1/2" meter), or per water provider or municipality standards. Lessor to provide Lessee with the most recent site water flow and pressure test results (gallons per minute and psi) for approval. Lessor shall perform water flow and pressure test prior to lease execution. Lessor shall stub the dedicated water line into Lessee's space per location coordinated by Lessee. The municipal district water supply line main must be on a looped system.

Provide exterior (anti-freeze when required) hose bibs (minimum of 2) in locations approved by Lessee.

Building sanitary drain size will be determined by Lessee's Mech Engineer based on total combined drainage fixture units (DFU's) for entire building, but not less than 4 inch diameter. The drain shall be stubbed into the building per location coordinated by Lessee at an elevation no higher than 4 feet invert dimension below finished floor elevation, to a maximum of 10 feet invert dimension below finished floor elevation. (Coordinate actual depth and location with Lessee's Architect and Engineer.) Provide with a cleanout structure at building entry point. New sanitary building drain shall be properly pitched at minimum 2% slope to accommodate Lessee's sanitary system design per Lessee's plumbing plans, and per applicable Plumbing Code(s). Lift station/sewage ejectors will not be permitted. Septic Systems and Leach Field systems are not permitted.

Lessor shall install all required systems in this section in strict conformance with Oregon Plumbing Code and OSHPD III requirements. A sanitary sampling manhole to be installed by Lessor if required by local municipality.

Lessor to provide and pay for all tap fees related to new sanitary sewer and water services in accordance with local building and regulatory agencies.

If for any reason Lessor cannot ensure or verify the required water pressure and flow rate to Lessee's Lessee premises then Lessor shall provide a booster pump to ensure the continuous and uninterrupted volume and pressure of the water service as described in this section. The booster pump shall be as specified by Lessee's Engineer and to be located inside Lessee's space at a determined location per Lessee's tenant plan. All piping labor and materials cost from premise wall point of connection to the booster pump shall be the responsibility of the Lessor but purchased and installed by Lessee's plumbing contractor. Lessor shall reimburse Lessee the cost related to the booster pump including the piping, labor and material for the booster pump connection as described. The reimbursement amount shall not exceed \$25,000 (Twenty Five Thousand Dollars). Lessor shall

provide reimbursement at project turnover.

If for any reason Lessor cannot ensure the maximum flow rate of 80 PSI as described in this section then Lessor shall install a pressure reducer valve outside of Lessee's premises to maintain a pressure within the limits as described in this section. (Credit value must be reviewed and adjusted accordingly beyond this minimum value for each project)

#### **18.0 - Fire Suppression System**

A Sprinkler System will be installed if required by AHJ or if required by Tenant. Any single story standalone building or building that could expand to greater than 10,000SF will require a sprinkler system. Lessor shall design and install a complete turnkey sprinkler system that meets the requirements of NFPA #13 and all local building and life safety codes per NFPA 101-2000. This system will be on a dedicated water line independent of Lessee's potable water line requirements, or as required by local municipality or water provider. Lessor shall provide all municipal (or code authority) approved shop drawings, service drops and sprinkler heads at heights per Lessee's reflective ceiling plan, flow control switches wired and tested, alarms including wiring and an electrically/telephonically controlled fire alarm control panel connected to a monitoring systems for emergency dispatch.

#### **19.0 - Electrical**

Provide underground service with a dedicated meter via a new CT cabinet per utility company standards and all other necessary components and requirements for a complete system for power delivery to Lessee. Service size to be determined by Lessee's engineer dependant on facility size and gas availability (400 amp, 600 amp, 800 amp or 1000 amp) 120/208 volt, 3 phase, 4 wire to a distribution panel board in the Lessee's utility room (location to be per Code and coordinated with Lessee and Lessee's Architect) for Lessee's exclusive use in powering equipment, appliances, lighting, heating, cooling and miscellaneous use. Lessor's service provisions shall include transformer coordination with utility company, transformer pad, grounding, and underground conduit wire sized for service inclusive of excavation, trenching and restoration, utility metering, distribution panel board with main and branch circuit breakers, backing reinforcement, house panel and electrical service and building grounding per NEC. Lessee's engineer shall have the final approval on the electrical service size and location and the size and quantity of circuit breakers to be provided in the distribution panel board.

If lease space is in a multi-tenant building then Lessor to provide meter center with service disconnecting means, service grounding per NEC, dedicated combination CT cabinet with disconnect for Lessee and distribution panel board per above.

Lessor will allow Lessee to have installed, at Lessee cost, Transfer Switch for temporary generator hook-up, or permanent generator.

Lessor to provide main Fire Alarm Control panel that serves the Lessee space and will have the capacity to accommodate devices in Lessee space based on Fire Alarm system approved by local authority having jurisdiction. If lease space is in a multi-tenant building then Lessor to provide Fire Alarm panel to accommodate all tenants and locate panel in a common room with conduit stubbed into lessee space. Lessor's Fire Alarm panel shall include supervision of fire suppression system(s) and connections to emergency dispatch or third party monitoring service in accordance with the local authority having jurisdiction.

Fire Alarm system equipment shall be equipped for double detection activation if required.

## 20.0 - Gas

Natural gas service, at a minimum, will be rated to have 6" water column pressure and supply 1,200,000 BTU's. Natural gas pipeline shall be piped to all HVAC units and Hot Water Heater's per design drawings Clinic shall be individually metered and sized per demand by Lessee's Engineer. Additional electrical service capacity will be required if natural gas service is not available to the building. All manifold construction, metering and seismic connections shall be the responsibility of the Lessor.

Additional electrical service capacity will be required if natural gas service is not available to the building. All manifold construction, metering and seismic connections shall be the responsibility of the Lessor.

## 21.0 - Mechanical /Heating Ventilation Air Conditioning

Lessor to be responsible for the entire cost of the HVAC system and installation based on the below criteria and in conformance with (but not limited to) all applicable Codes, Occupancy requirements of Lessee, I-2.1 Occupancy criteria and requirements and OSHPD criteria and requirements. The criteria are as follows:

- Equipment to be High Efficiency Lennox RTU's per
- Supply air shall be provided to the Premises sufficient for cooling and ventilation at the rate of 250 square feet per ton to meet Lessee's demands for a dialysis facility and the base building Shell loads per I Occupancy and OSHPD III requirements.
- RTU Ductwork drops shall be concentric for air distribution until Lessee's General Contractor modifies distribution to align with Lessee's fit-out design criteria and layout and shall be extended 5' into the space for supply and return air. Extension of system beyond 5-feet shall be by Lessee's General Contractor. Duct drops shall be design and installed per and to accept Lessee's Engineered HVAC system distribution.
- System to be a fully ducted return air design and will be by Lessee's General Contractor for the interior fit-out
- All ductwork to be externally lined except for the drops from the units.
- Units shall be equipped with Filter bank systems installed on roof top.
- Provide 100% enthalpy economizer
- Units to include Power Exhaust
- Control system must be capable of performing all items outlined in the Sequence of Operations specification section.
- RTU controller shall be compatible with a Building Management System using BACnet communication protocol.
- Provide 18" curbs, 36" in Northern areas with significant snow fall
- Units to have disconnect and service outlet at unit
- Units will include motorized dampers for OA, RA & EA
- System shall be capable of providing 55deg supply air temperature when it is in the cooling mode
- Provide factory installed UV lights.

Equipment will be new and come with a full warranty on parts (minimum of 5yrs) including labor. The premises shall be supplied with up to 6 (six) HVAC unit(s) system and roof top filter bank systems that are separated from all other HVAC systems and exhaust to comply with code and as designed and specified by tenant mechanical engineering consultant. Ductwork shall be extended

from HVAC unit (thru filter where applicable) and 5' into the space for supply and return air. The system shall be a ducted return air design. All ductwork to be externally line accept for the drops from the units. Work to include, but not limited to, cut out of roof penetrations, roof framing, unit reinforcement, mechanical curbs, curb leveling and flashings. Gas, electrical hook-up, coordination with Building Management System supplier, temporary construction, thermostats and controls, start-up and commissioning. Any required roof penetrations / roof jacks for the all HVAC utilities shall be by the Lessor in order to maintain roof warranty. Lessee's architect shall provide plan of size and location for penetrations. Anticipate minimum up to 6 (six) zones with programmable thermostat.

Lessee's engineer shall have the final approval on the sizes, tonnages, zoning, location, curb sizes (heights) and number of HVAC units, components and appurtenances with separation distances as required by I occupancy code and OSHPD III requirements for a dialysis facility based on Lessee's design criteria. RTU's (or AHU's as needed) to be purchased using DaVita national contract pricing/ Furnish By Owner (FBO) program.

Lessor to furnish framing members, roof curbs and flashing to support Lessee exhaust fans and roof substrate penetrations. Minimum of 4 (four) exhaust fans to be located by Lessee's architect-

#### **22.0 - Telephone**

Lessor shall provide a single 2" PVC underground conduit entrance into Lessee's utility room to serve as chase way for new telephone service. Entrance conduit location shall be coordinated with Lessee.

#### **23.0 - Cable or Satellite TV**

Lessor shall provide a single 2" PVC underground conduit entrance into Lessee utility room to serve as chase way for new cable television service. Entrance conduit location shall be coordinated with Lessee. Lessee shall have the right to place a satellite dish on the roof and run appropriate electrical cabling from the Premises to such satellite dish and/or install cable service to the Premises at no additional fee. Lessor shall reasonably cooperate and grant "right of access" with Lessee's satellite or cable provider to ensure there is no delay in acquiring such services.

#### **24.0 - Handicap Accessibility**

Full compliance with ADA and all local jurisdictions' handicap requirements. Lessor shall comply with all ADA regulations affecting the Building and entrance to Tenant space including, but not limited to, the elevator, exterior and interior doors, concrete curb cuts, ramps and walk approaches to / from the parking lot, detectable warnings, parking lot striping for four (4) dedicated handicap stalls for a unit up to 20 station clinic and six (6) HC stalls for units over 20 stations handicap stalls inclusive of pavement markings and stall signs with current local provisions for handicap parking stalls, delivery areas and walkways.

Finish floor elevation is to be determined per Lessee's architectural plan in conjunction with Lessor's civil engineering and grading plans. If required, Lessor to construct concrete ramp of minimum 5' width, provide safety rails if needed, provide a gradual transitions from overhead canopy and parking lot grade to finish floor elevation. Concrete surfaces to be toweled for slip resistant finish condition according to accessible standards.

#### **25.0 - Exiting**

Lessor shall provide at the main entrance and rear doors safety lights, exterior service lights, exit sign and emergency lights with battery backup signs per doorway, in accordance with applicable building codes, local fire codes and other applicable regulations, ordinances and codes. The exiting shall encompass all routes from access points terminating at public right of way.

## **26.0 - Site Development Scope of Requirements**

Lessor to provide Lessee with a site boundary and topographic ALTA survey, civil engineering and grading plans prepared by a registered professional engineer. Civil engineering plan is to include necessary details to comply with municipal standards. Plans will be submitted to Lessee's Architect for coordination purposes. Site development is to include the following:

- Utility extensions, service entrance locations, inspection manholes;
- Parking lot design, stall sizes per municipal standard in conformance to zoning requirement;
- Site grading with Storm water management control measures (detention / retention / restrictions);
- Refuse enclosure location & construction details for trash and recycling;
- Handicap stall location to be as close to front entrance as possible;
- Side walk placement for patron access, delivery via service entrance;
- Concrete curbing for greenbelt management;
- Site lighting;
- Conduits for Lessee signage;
- Site and parking to accommodate tractor trailer 18 wheel truck delivery access to service entrance;
- Ramps and curb depressions.
- Landscaping shrub and turf as required per municipality;
- Irrigation system if Lessor so desires and will be designed by landscape architect and approved by planning department;
- Construction details, specifications / standards of installation and legends;
- Final grade will be sloped away from building.
- Lessor shall provide security to the site and building during the duration of the shell work up to the date of when Lessee takes possession. A seamless security transition shall take place or Lessor shall maintain and be fiscally responsible for security for the duration of the Lessee Improvement work as well.

## **27.0 - Refuse Enclosure**

Lessor to provide a minimum 6" thick reinforced concrete pad approx. 100 to 150 sf based on Lessee's requirements and an 8' x 12' apron to accommodate dumpster and vehicle weight. Enclosure to be large enough to accommodate a 4 yard bin for the exclusive use of Lessee and constructed as required by local codes, Waste Management Agency and local municipal regulations. Enclosure shall have a minimum inside area of 100 sf and accommodate recycling as required by local municipal regulations.

If Medical waste is to be contained at the exterior then Lessor shall also provide an additional 150 s.f. within the enclosure for medical waste. The design of the medical waste enclosure must meet local health code requirements. Medical waste enclosure must be approved by lessee prior to obtaining planning department approvals.

Lessee shall determine if the Medical waste is to be stored at the interior or the exterior.

## **28.0 - Generator**

Lessor to allow a generator to be installed onsite if required by code or Lessee chooses to provide one at Lessee's cost.

## **29.0 - Site Lighting**

Lessor to provide adequate lighting per code and to illuminate all parking, pathways, and building access points readied for connection into Lessee power panel. Location of pole fixtures per Lessor civil plan to maximize illumination coverage across site. Parking lot lighting to include timer (to be

Vancouver CON Building Lease (Facility #TBD)

programmed per Lessee hours of operation) or a photocell. Parking lot lighting shall be connected to and powered by Lessor house panel (if in a Multi tenant building).

### **30.0 - Exterior Building Lighting**

Lessor to provide adequate lighting and power per code and to illuminate the building main, exit and service entrance, landings and related sidewalks. Lighting shall be connected to and powered by Lessor house panel and equipped with a code compliant 90 minute battery back up at all access points.

### **31.0 - Parking Lot**

Provide adequate amount of handicap and standard parking stalls in accordance with dialysis use and overall building uses. Stalls to receive striping, lot to receive traffic directional arrows and concrete curb or parking bumpers. Bumpers to be firmly spiked anchored in place onto the asphalt per stall alignment.

Asphalt wearing and binder course to meet geographical location design requirements for parking area and for truck delivery driveway.

Asphalt to be graded gradual to meet handicap and civil site slope standards, graded into & out of new patient drop off canopy and provide positive drainage to in place storm catch basins leaving surface free of standing water, bird baths or ice buildup potential.

### **32.0 - Site Signage**

Lessor to allow for an illuminated site and/or façade mounted signs. Pylon and / or Monument sign, if required by Lessee, shall be provided by Lessor. Lessor shall provide a conduit and wire from the circuit breaker to the monument sign. The final sign layout to be approved by Lessee and the Governmental Jurisdiction having Authority.

**EXHIBIT D**

**FORM OF COMMENCEMENT DATE MEMORANDUM**

With respect to that certain lease ("Lease") dated \_\_\_\_\_, between \_\_\_\_\_ ("Lessor") and \_\_\_\_\_ ("Lessee"), whereby Lessor leased to Lessee space located at \_\_\_\_\_ (the "Premises"). Lessor and Lessee hereby acknowledge as follows:

- (1) Lessor delivered possession of the Premises to Lessee on \_\_\_\_\_ (the "Possession Date").
- (2) The Term of the Lease commenced on \_\_\_\_\_ (the "Commencement Date").
- (3) The Expiration Date of the Lease is \_\_\_\_\_.
- (4) It is agreed that the first Lease Year shall end on \_\_\_\_\_ and that each subsequent Lease Year shall end on \_\_\_\_\_.
- (5) Lessee shall commence payment of Rent and additional rent on \_\_\_\_\_.
- (6) The Premises contain \_\_\_\_\_ rentable square feet of space.
- (7) The last dates upon which the respective renewal options may be exercised are \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

All capitalized terms herein, not otherwise defined herein, shall have the meaning assigned in the Lease.

IN WITNESS WHEREOF, this Commencement Date Memorandum is executed the date(s) set forth below.

LESSOR:

LESSEE:

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



FOR LESSEE'S INTERNAL USE ONLY  
APPROVED AS TO FORM ONLY:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT E**

**FORM OF SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT**

**THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT** (this "Agreement") is entered into as of \_\_\_\_\_, 20\_\_ (the "Effective Date"), between \_\_\_\_\_ (the "Mortgagee"), and \_\_\_\_\_ (the "Lessee").

**WHEREAS**, by Lease dated \_\_\_\_\_, 20\_\_ (hereinafter called the "Lease"), \_\_\_\_\_ (hereinafter called "Lessor") has leased to Lessee and Lessee has rented from Lessor the approximately \_\_\_\_\_ rentable square feet of leased premises ("Lessee's Premises") located at \_\_\_\_\_ as more fully described in Exhibit A attached hereto and incorporated by reference (such real property, including all buildings, improvements, structures and fixtures located thereon, "Lessor's Premises").

**WHEREAS**, Mortgagee has made a loan to Lessor in the original principal amount of \$ \_\_\_\_\_ (the "Loan"); and

**WHEREAS**, To secure the Loan, Lessor has encumbered Lessor's Premises by entering into that certain [Mortgage and Security Agreement] dated \_\_\_\_\_, in favor of Mortgagee (as amended, increased, renewed, extended, spread, consolidated, severed, restated or otherwise changed from time to time, the "Mortgage") recorded on \_\_\_\_\_, under Clerk's File No. \_\_\_\_\_, in the Official Public Records of Real Property of the County of \_\_\_\_\_, State of \_\_\_\_\_.

**WHEREAS**, Lessee desires that Mortgagee recognize Lessee's rights under the Lease in the event of foreclosure of Mortgagee's lien, and Lessee is willing to agree to attorn to the purchaser at such foreclosure if Mortgagee will recognize Lessee's right of possession under the Lease.

**NOW, THEREFORE**, for and in consideration of their respective covenants herein made and the receipt of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

**1. Definitions.**

The following terms shall have the following meanings for purposes of this Agreement.

*Foreclosure Event.* A "Foreclosure Event" means: (a) foreclosure under the Mortgage; (b) any other exercise by Mortgagee of rights and remedies (whether under the Mortgage or under applicable Law, including bankruptcy Law) as holder of the Loan and/or the Mortgage, as a result of which Successor Lessor becomes owner of Lessor's Premises; or (c) delivery by Lessor to Mortgagee (or its designee or nominee) of a deed or other conveyance of Lessor's interest in Lessor's Premises in lieu of any of the foregoing.

1.2 *Former Lessor.* A "Former Lessor" means Lessor and any other party that was a Lessor under the Lease at any time before the occurrence of any attornment under this Agreement.

1.3 *Offset Right.* An "Offset Right" means any right or alleged right of Lessee to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor Lessor pursuant to this Agreement), claim, counterclaim, reduction, deduction or abatement against Lessee's payment of Rent or performance of Lessee's other obligations under the Lease, arising (whether under the Lease or other applicable law) from Lessor's breach or default under the Lease.

1.4 *Rent.* The "Rent" means any fixed rent, base rent or additional rent under the Lease.

1.5 *Successor Lessor.* A "Successor Lessor" means any party that becomes owner of Lessor's Premises as the result of a Foreclosure Event.

1.6 *Termination Right.* A "Termination Right" means any right of Lessee to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Lessor's breach or default under the Lease.

## **2. Subordination.**

The Lease shall be, and shall at all times remain, subject and subordinate to the Mortgage, the lien imposed by the Mortgage, and all advances made under the Mortgage.

## **3. Non-disturbance, Recognition and Attornment.**

3.1 *No Exercise of Mortgage Remedies Against Lessee.* So long as the Lease has not been terminated on account of Lessee's default (an "Event of Default"), Mortgagee shall not name or join Lessee as a defendant in any exercise of Mortgagee's rights and remedies arising upon a default under the Mortgage unless applicable law requires Lessee to be made a party thereto as a condition to proceeding against Lessor or prosecuting such rights and remedies. In the latter case, Mortgagee may join Lessee as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Lessee's rights under the Lease or this Agreement in such action. If Mortgagee joins Lessee in such action, Lessor, by executing the Consent hereinafter set forth, agrees to indemnify, defend and hold Lessee harmless from and against any loss, cost or expense incurred or suffered by Lessee, including without limitation, legal fees, in being a party to or arising from such action, which indemnity shall survive termination or expiration of this Agreement.

3.2 *Non-disturbance and Attornment.* If the Lease has not been terminated on account of an Event of Default by Lessee, then, when Successor Lessor takes title to Lessor's Premises: (a) Successor Lessor shall not terminate or disturb Lessee's possession or quiet enjoyment of Lessee's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Successor Lessor shall be bound to Lessee under all the terms and

conditions of the Lease (except as provided in this Agreement); (c) Lessee shall recognize and attorn to Successor Lessor as Lessee's direct Lessor under the Lease as affected by this Agreement; and (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Successor Lessor and Lessee.

3.3 *Further Documentation.* The provisions of Section 3 shall be effective and self-operative without any need for Successor Lessor or Lessee to execute any further documents. Lessee and Successor Lessor shall, however, confirm the provisions of Section 3 in writing upon request by either of them.

3.4 *Consent to Lease.* Mortgagee hereby consents to the Lease and all of the terms and conditions thereof. The Lease has not been amended or modified in any way; and there are no documents or written agreements between Lessee and Lessor with respect to the Lease. Neither Lessor's nor Lessee's interests under the Lease have been assigned or transferred, whether for purposes of security or otherwise, and each party has all the requisite power and authority to enter into this agreement with Mortgagee.

3.5 *Assignment of Rents.* Lessee acknowledges notice of and consents to the assignment of leases and rents included as part of the Mortgage, and agrees that if Mortgagee shall give both written notice to Lessee that Mortgagee has elected to require Lessee to pay Rent to Mortgagee and a W-9 for Mortgagee, then Lessee shall, until Mortgagee shall have cancelled such election, pay to Mortgagee all Rent and other sums payable under the Lease. Lessor consents to this provision and agrees that any payment by Lessee of Rent and other charges to Mortgagee pursuant to this provision shall be deemed to be paid in accordance with the provisions of the Lease.

3.6 *Notice of Lessor Default.* Lessee covenants and agrees to give Mortgagee a copy of any notice of default under the Lease served by Lessee upon Lessor as Lessor. Mortgagee shall have the right, but not the obligation, to remedy any such default, and Lessee agrees that the correction of any such default by Mortgagee shall have the same effect and be treated as a correction by Lessor. The foregoing does not create any obligation of the Mortgagee to remedy any default.

#### **4. Protection of Successor Lessor.**

Notwithstanding anything to the contrary in the Lease or the Mortgage, Successor Lessor shall not be liable for or bound by any of the following matters:

4.1 *Claims Against Former Lessor.* Any Offset Right that Lessee may have against any Former Lessor relating to any event or occurrence before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by Former Lessor that occurred before the date of attornment. (The foregoing shall not limit Lessee's right to exercise against Successor Lessor any Offset Right otherwise available to Lessee because of events occurring after the date of attornment, if any; provided that Lessee shall have delivered written notice of such event to Successor Lessor, and Successor Lessor shall have the same cure period as provided for under the Lease following delivery of such notice, whether the notice is delivered prior to or following the date of attornment.)

4.2 *Prepayments.* Any payment of Rent that Lessee may have made to Former Lessor more than thirty (30) days before the date such Rent was first due and payable under the Lease with respect to any period after the date of attornment other than, and only to the extent that, the Lease expressly required such a prepayment.

4.3 *Payment; Security Deposit.* Any obligation: (a) to pay Lessee any sum(s) that any Former Lessor owed to Lessee or (b) with respect to any security deposited with Former Lessor, unless such security was actually delivered to Mortgagee.

4.4 *Termination, Surrender, Etc.* Any consensual or negotiated surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Lessor and Lessee, unless effected unilaterally by Lessee pursuant to the express terms of the Lease or which results because of a default by Lessor under the Lease.

## 5. Miscellaneous.

5.1 *Notices.* All notices or other communications required or permitted under this Agreement shall be in writing and given by certified mail (return receipt requested) or by nationally recognized overnight courier service that regularly maintains records of items delivered. Notices shall be effective the next business day after being sent by overnight courier service, and three (3) business days after being sent by certified mail (return receipt requested). Unless and until notice of a change of address is given under this Agreement, notices or other communications shall be given to Mortgagee and Lessee, respectively, at the following address:

Mortgagee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Lessor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Lessee:

\_\_\_\_\_  
c/o DaVita Inc.  
Attention: Real Estate Legal  
2000 16<sup>th</sup> Street  
Denver, CO 80202

With a copy to:

relegal@davita.com  
Subject: [Clinic #, City, State]

5.2 *Successors and Assigns.* This Agreement shall bind and benefit the parties their successors and assigns, any Successor Lessor, and its successors and assigns.

5.3 *Entire Agreement.* This Agreement constitutes the entire agreement between Mortgagee and Lessee regarding the subordination of the Lease to the Mortgage and the rights and obligations of Lessee and Mortgagee as to the subject matter of this Agreement.

5.4 *Interaction with Lease and with Mortgage.* If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties to this Agreement and any Successor Lessor, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of non-disturbance agreements by the holder of the Mortgage. Mortgagee confirms that Mortgagee has consented to Lessor's entering into the Lease.

5.5 *Mortgagee's Rights and Obligations.* Except as expressly provided for in this Agreement, Mortgagee shall have no obligation to Lessee with respect to the Lease.

5.6 *Interpretation; Governing Law.* The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State where the Premises is located, including its principles of conflict of laws.

5.7 *Amendments.* This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by all parties to this Agreement.

5.8 *Execution.* This Agreement may be executed electronically and in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

5.9 *Representations.* Each party represents that it has full authority to enter into this Agreement and that those signatories executing this Agreement on its behalf have full power and authority to executed this Agreement. Mortgagee agrees to keep a copy of this Agreement in its permanent mortgage records with respect to the Loan. This Agreement shall be null and void unless Lessee receives a fully executed original counterpart hereof on or before the sixtieth (60<sup>th</sup>) day following the date of Lessee's execution.

5.10 *Recordation.* Upon full execution, this Agreement may be recorded in the real property records of the county in which the Premises is located by either party hereto, provided that the recording party delivers to the other party a copy of the recorded document. The recording party shall be responsible for the costs of recording this Agreement.

[Signature page follows.]



**LESSEE:**

[DAVITA ENTITY],

a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit**

STATE OF \_\_\_\_\_ )

) SS

COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a Notary Public in and for the County and State aforesaid, do hereby certify that \_\_\_\_\_ the \_\_\_\_\_ of \_\_\_\_\_, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he/she signed, sealed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said \_\_\_\_\_, for the uses and purposes therein set forth.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_





**EXHIBIT A TO**  
**SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

**Lessor's Premises**

**EXHIBIT F**

**FORM OF ESTOPPEL CERTIFICATE**

THIS ESTOPPEL CERTIFICATE is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_ ("Lessee") in connection with that certain Lease Agreement dated \_\_\_\_\_ by and between Lessee and \_\_\_\_\_, as Lessor (the "Lease") for the premises located at \_\_\_\_\_ (the "Premises").

Lessee hereby certifies to \_\_\_\_\_ as follows:

1. A true and correct copy of the Lease together with all amendments is attached hereto as Exhibit "A". There are no other oral or written agreements or understandings between Lessor and Lessee relating to the Premises.
2. The information set forth below is true and correct as of the date hereof:
  - (a) Approximate square footage of the Premises: \_\_\_\_\_ rentable square feet
  - (b) Monthly installment of Rent as of the date hereof: \$ \_\_\_\_\_
  - (c) Commencement Date: \_\_\_\_\_
  - (d) Termination date: \_\_\_\_\_
  - (e) Security deposit: \_\_\_\_\_
  - (f) Prepaid rent in the amount of: \_\_\_\_\_
  - (g) Renewal Options: \_\_\_\_\_
3. Lessee has accepted possession of the Premises and is in occupancy thereof under the Lease. As of the date hereof, the Lease is in full force and effect.
4. To the best of Lessee's actual knowledge and belief, without inquiry or investigation, there exists no default, no facts or circumstances exist that, with the passage of time or giving of notice, will or could constitute a default, event of default, or breach on the part of either Lessee or Lessor.
5. No rent has been or will be paid more than thirty (30) days in advance.
6. Lessee has no right of first refusal, option, or other right to purchase the Building or any part thereof, including, without limitation, the Premises.

[Signature page follows]

IN WITNESS WHEREOF, Lessee has executed this Estoppel Certificate as of the date first above written.

LESSEE:

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

*FOR LESSEE'S INTERNAL PURPOSES*

*ONLY: APPROVAL AS TO FORM ONLY*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**GUARANTOR ACKNOWLEDGEMENT:**

DaVita Inc. (hereinafter referred to as "Guarantor") is the guarantor of Lessee's obligations under the Lease pursuant to its Guaranty entered into and effective on \_\_\_\_\_, 20\_\_\_\_ ("Guaranty"). Guarantor is the parent company of Lessee, and, as such, the leasing of the Premises by Lessor to Lessee is of value to the Guarantor. Guarantor hereby represents and acknowledges that the Guaranty is in full force and effect, and that the Guaranty will remain in full force and effect for the initial Term of the Lease. Guarantor has no present defense to the payment and performance of all of Guarantor's obligations under the Guaranty in the event of the enforcement of the Guaranty in accordance with its terms.

**Guarantor:**

DAVITA INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A TO ESTOPPEL CERTIFICATE**

COPY OF LEASE

(attached)

**EXHIBIT G**

**FORM OF GUARANTY**

**GUARANTY**

WHEREAS, MARKET STREET DEVELOPMENT, LLC ("Lessor") and TOTAL RENAL CARE INC. ("Lessee"), have entered into a certain lease agreement dated on or about the date hereof (the "Lease") covering certain premises located at 16575 SE 18th St., Vancouver, Washington (the "Premises"); and

WHEREAS, the Lessor requires as a condition to its execution of the Lease that the undersigned unconditionally becomes a guarantor to Lessor for the obligations of Lessee under the Lease; and

WHEREAS, the undersigned is the parent corporation of Lessee and as such is desirous that Lessor enter into the Lease with Lessee.

NOW THEREFORE, in consideration of the execution of the Lease by Lessor and other good and valuable consideration and intending to be legally bound hereby, the undersigned hereby unconditionally becomes a guarantor to Lessor, its successors and assigns as follows:

1. The undersigned guaranties the full, faithful and punctual performance of each and all of the covenants, agreements and conditions of the Lease, to be kept and performed by Lessee (subject to all applicable notice and/or cure periods set forth in the Lease), in accordance with and within the time prescribed by the Lease (hereinafter collectively referred to as the "Liabilities"). Notwithstanding anything herein to the contrary, this Guaranty, and all the obligations of the undersigned hereunder, shall terminate upon the expiration of the initial "Term" (as defined in the Lease) of the Lease.

2. Lessor shall have the right from time to time, and at any time in its sole discretion, without notice to or consent from the undersigned, or without affecting, impairing or discharging in whole or in part, the Liabilities or the obligations of the undersigned hereunder, to modify, change, extend, alter, amend, or supplement in any respect whatever, the Lease, or any agreement or transaction between Lessor and Lessee or between Lessor and any other party liable for the Liabilities, or any portion or provision thereof; to grant extension of time and other indulgences of any kind to Lessee; to compromise, release, substitute, exercise, enforce or fail to refuse to exercise or enforce any claims, rights, or remedies of any kind which Lessor may have at any time against Lessee or any other party liable for the Liabilities, or any thereof, or with respect to any security of any kind held by Lessor at any time under any agreement or otherwise.

3. The undersigned waives: (a) all notice, including but not limited to (i) notice of acceptance of this Guaranty; (ii) notice of presentment, demand for payment, or protest of any of the Liabilities, or the obligation of any person, firm, or corporation held by Lessor as collateral security; (b) trial by jury and the right thereto in any proceeding of any kind, whether arising on

or out of, under or by reason of this Guaranty, or any other agreement or transaction between the undersigned, Lessor and/or Lessee; and (c) all notices of the financial condition or of any adverse or other change in the financial condition of Lessee.

4. Lessor may, without notice, assign this Guaranty in whole or in part to Lessor's successor in interest under the Lease, and no assignment of this Guaranty shall operate to extinguish or diminish the liability of the undersigned hereunder. The assignment of the Lease by Lessee to an entity not affiliated with the undersigned, to the extent such assignment is made in accordance with the terms of the Lease, shall automatically terminate this Guaranty, and thereafter, the undersigned shall have no further liability hereunder; provided, however, if Lessee assigns the Lease to any person, corporation, partnership or other entity which acquires all or substantially all of the business or assets of Lessee or stock in Lessee without Lessor's consent in accordance with the terms of the Lease, then the Guaranty shall automatically terminate only if (i) such assignee has a net worth of at least Fifty Million Dollars (\$50,000,000), and (ii) either, (a) such assignee provide a guaranty to Lessor from a creditworthy source satisfactory to Lessor in its reasonable discretion, (b) such assignee provides Lessor, as security for the assignee's obligations under the Lease, a letter of credit in an amount the parties agree is commercially reasonable in light of the assignee's creditworthiness and the amount of base rent payable from the effective date of the assignment through the expiration of the initial Term of the Lease, or (c) the parties agree upon another mutually satisfactory replacement for this Guaranty.

5. The liability of the undersigned under the Guaranty shall be primary under any right of action which shall accrue to Lessor under the Lease and Lessor may, at its option, proceed against the undersigned without having to commence any action, or have obtained any judgment against Lessee.

6. All of the Liabilities and the obligations of the undersigned hereunder shall be immediately due and payable by the undersigned, anything contained herein to the contrary notwithstanding, immediately upon the occurrence of a default under the Lease which continues beyond the expiration of the applicable notice and/or grace period, if any, under the Lease.

7. The obligations of the undersigned hereunder shall not be affected, impaired or discharged, in whole or in part, by reason of: (a) the entry of an order for relief pursuant to the United States Bankruptcy Code by or against Lessee or the undersigned; or (b) the proposal of or the consummation of a plan of reorganization concerning Lessee or the undersigned.

8. The waiver of any right by Lessor or its failure to exercise promptly any right shall not be construed as the waiver of any other right including the right to exercise the same at any time thereafter. No waiver or modification of any of the terms or conditions of this Guaranty shall be binding against Lessor unless such waiver or modification is in a writing signed by Lessor.

9. The provisions of the Guaranty shall bind all of the respective successors and assigns of the undersigned and shall inure to the benefit of Lessor, its successors and assigns.

10. All rights and remedies of Lessor are cumulative and not alternative. This Guaranty is, and shall be deemed to be, a contract entered into under and pursuant to the laws of the State of Washington and shall be in all respects governed, construed, applied and enforced in accordance with the laws of said State.

11. The undersigned represents that at the time of the execution and delivery of this Guaranty nothing exists to impair the effectiveness of the obligations of the undersigned to Lessor hereunder, or the immediate taking effect of this Guaranty between the undersigned and Lessor with respect to the undersigned becoming a surety for the Liabilities.

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be executed on

\_\_\_\_\_

**DAVITA INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*APPROVAL AS TO FORM ONLY*

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**GROUND LEASE**

**BY AND BETWEEN**

**KIRKWOOD PROPERTIES TWO, LLC**

**(“LANDLORD”)**

**AND**

**MARKET STREET DEVELOPMENT, LLC.**

**(“TENANT”)**

**FOR PROPERTY AT:**

16575 SE 18th St., Vancouver, Washington

Dated: MAY 28<sup>th</sup> 2019

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**EXHIBITS**

- EXHIBIT A - LEGAL DESCRIPTION OF THE PREMISES
- EXHIBIT B - INTENTIONALLY DELETED
- EXHIBIT C - FORM OF SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT
- EXHIBIT D - FORM OF ESTOPPEL CERTIFICATE
- EXHIBIT E - FORM OF MEMORANDUM OF LEASE

## DATA SHEET

Landlord: Kirkwood Properties Two, LLC,  
a Washington limited liability company

Address of Landlord: c/o Kirkwood and Kirkwood, Inc.  
2101 NE 129<sup>th</sup> Street, Ste. 200  
Vancouver, WA 98686  
Phone: (360) 816-8515  
Email: daniel@kirkwoodandkirkwood.com

With a copy to Dunn Carney, LLP  
851 SW 6<sup>th</sup> Avenue, Suite 1500  
Portland, OR 97204  
Attn: J. David Zehntbauer

Address for Payment of Rent: Same as above

Tenant: Market Street Development, LLC,  
a Washington limited liability company

Address of Tenant: 1602 Colby Avenue  
Everett, WA 98201  
Subject: Vancouver, WA (Facility #TBD)

If related to Base Rent or  
Operating Expenses,  
a copy to: 1602 Colby Avenue  
Everett, WA 98201

Premises Address: 16575 SE 18th St, Vancouver, Washington  
(Clark County Parcel ID #986049267)

## GROUND LEASE

*JK* MAY 28<sup>th</sup> 2019 THIS GROUND LEASE (this "Lease"), made and entered into as of (the "Effective Date") by and between **KIRKWOOD PROPERTIES TWO, LLC**, a Washington limited liability company ("Landlord"), and **MARKET STREET DEVELOPMENT, LLC**, a Washington limited liability company ("Tenant").

### WITNESSETH:

**WHEREAS**, Landlord is the fee simple owner of certain real property known as Clark County Parcel ID #986049267, located at 16575 SE 18th St., Vancouver, WA ("City"), County of Clark ("County"), State of Washington (the "State"), containing approximately 59,677 square feet of buildable land (the "Premises") which is legally described on Exhibit A;

**WHEREAS**, Landlord desires to demise, lease and rent unto Tenant, and Tenant desires to rent and lease from Landlord, upon the terms and conditions of this Lease, (a) the Premises; and (b) all easements, declarations and rights of way (including, but not limited to, the access easement on the eastern boundary of the Premises), and all improvements presently on the Premises (if any);

**WHEREAS**, Tenant intends to construct upon the Premises certain improvements, including without limitation a building consisting of an approximately 12,000 square foot (the "Building"), (collectively, with the Building, the "Improvements"), the title of which shall be retained by Tenant until surrendered to Landlord pursuant to Section 40 of this Lease; and

**WHEREAS**, Tenant intends to sublease, subject to Section 7, the Building for the purpose of the operating an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, general medical offices, clinical laboratory, including all incidental, related and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of subtenant and related office and administrative uses (the "Intended Use");

**NOW, THEREFORE**, for and in consideration of the rent, and the mutual covenants, promises and agreements herein contained, and for other valuable consideration, the receipt of which is hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Demise; Premises. Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, the Premises and all easements, declarations and rights of way relating to the Premises and all improvements presently on the Premises (if any) for the rents, covenants and conditions (including limitations, restrictions and reservations affecting the Premises) hereinafter provided.

Within ten days following the Effective Date, Landlord shall deliver to Tenant copies of any plans, permits, studies, or other documents related to the Premises, including but not limited to soils tests, surveys, engineering studies, declarations or other private restrictions, access

and easement agreements,, and environmental reports to Tenant to the extent such items are within Landlord's possession.

2. Term and Delivery of Premises. <sup>DK</sup> MAY 28, 2019 - MAY 27, 2024

2.1 **Term.** The term of this Lease (the "Term") shall be for 5 Lease Years (as defined below) and shall commence on ~~May 24, 2019~~ (the "Commencement Date"). The expiration date of the Term shall be ~~May 23, 2024~~ (the "Termination Date"). A "Lease Year" shall mean a full 12-month period and the first Lease Year shall begin on the Commencement Date and end on the day before the annual anniversary of the Commencement Date.

2.2 **Notice to Proceed.** Tenant and Landlord acknowledge and agree that DaVita, Inc., a California corporation ("DaVita"), shall, based on its sublease rights provided in Section 7, pursue a Certificate of Need ("CON") with the State of Washington Health Department (the "Health Department") for the Intended Use. In the event DaVita receives the CON approving the Intended Use on the Premises, DaVita shall issue a Notice to Proceed to Tenant (with a copy to Landlord). Within ten (10) business days of the receipt of the Notice to Proceed from DaVita, Tenant shall issue the Confirmation pursuant to Section 53.1, and Tenant acknowledges and agrees that, notwithstanding the receipt of the Notice to Proceed and Confirmation, the Term shall continue until either (i) the closing of Tenant's purchase of the Premises pursuant to Section 53.5, or (ii) Tenant providing Landlord with the termination notice pursuant to Section 55.1 (relating to Due Diligence) or Section 55.2 (relating to Required Approvals).

2.3 **Early Expiration.** Notwithstanding the above definition of the Term, in the event that (i) the Health Department issues a CON approving a use similar to the Intended Use on any other location which would, under the Health Department's standard procedures, prevent a CON being issued for the Intended Use on the Premises, (ii) the Health Department decides not to issue a CON approving the Intended Use on the Premises, (iii) closing of Tenant's purchase pursuant to Section 53.5 occurs; or (iv) Tenant provides Landlord a termination notice pursuant to Section 55.1 or Section 55.2, then, the Expiration Date shall be the earliest date (the "Early Expiration Date") which is both the last day of a Lease Month and at least thirty (30) days after such an issuance or decision is final and no longer subject to appeal, but in no event later than the last day of the Term. Upon the Early Expiration Date, Tenant shall pay Landlord an early termination fee equal to Landlord's reasonable attorneys' fees paid by Landlord related to negotiation and execution of this Lease, not to exceed \$2,500.00.

2.4 **Possession Date; Delay in Delivery.** Subject to the Construction License, Landlord shall deliver possession of the Premises to Tenant within 5 business days of the Confirmation (the "Estimated Possession Date"). The date on which Landlord actually delivers possession of the Premises to Tenant is the "Possession Date". Landlord shall deliver the Premises to Tenant in "AS IS" "WHERE IS" condition, with no obligation to improve the Premises or to remove any fill or other materials, and Tenant's acceptance of possession shall be conclusive evidence that Tenant accepts the condition of the Premises

and the square footage stated herein. If Landlord, for any reason, does not deliver possession of the Premises on the Estimated Possession Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting from such delay. In that event, however, Landlord shall deliver possession of the Premises as soon as reasonably practicable. If Landlord, for any reason not attributable to Tenant, is unable to deliver possession of the Premises within ninety (90) days following the Estimated Possession Date, Tenant may terminate this Lease by written notice given within ten (10) days following such party's acquiring knowledge of such delay, upon which termination, neither party shall have further obligations under this Lease after the date of termination, except those that expressly survive such termination. Base Rent and Additional Rent shall be abated for each day of delay in delivery beyond the Estimated Possession Date.

2.5 **Remeasurement.** Intentionally deleted.

3. Rent.

3.1 **Holding Fee.** Intentionally Deleted.

3.2 **Rent.** On or before **May 30, 2019**, Tenant shall pay as initial annual base rent Ninety-Five Thousand and 00/100 Dollars (\$95,000.00) ("Base Rent"). Tenant shall pay such Base Rent in annual installments. Each annual installment of Base Rent following the initial annual Base Rent shall be paid, in advance, 30 calendar days prior to the first day of the upcoming Lease Year. Any Base Rent or Additional Rent (defined below) or other charges shall be prorated for any partial calendar month or partial annual term in which the Early Expiration Date occurs. All sums (other than the Base Rent) which may be due and payable under this Lease shall be deemed to be "Additional Rent" hereunder and in the event that Base Rent shall be prorated or shall abate pursuant to the terms of this Lease then such Additional Rent shall be prorated or abate to the same extent and in the same manner, unless otherwise specifically provided for in this Lease.

3.3 **Additional Rent.** All amounts (unless otherwise provided herein) other than Base Rent and the adjustments thereto described in this Section 3 owed by Tenant to Landlord hereunder shall be deemed Additional Rent. Landlord shall provide Tenant with a completed Form W-9 Request for Taxpayer Information and Certification.

Except as otherwise provided in this Lease, it is the intention of the parties that Landlord shall receive Base Rent, Additional Rent and all other sums payable by Tenant under this Lease free of all taxes, expenses, charges, damages and deductions of any nature whatsoever (except as otherwise provided herein). Tenant shall be under no obligation to pay principal or interest on any mortgage on the fee of the Premises, penalties or interest for late or partial payment nor any income, franchise, margin, inheritance, estate, transfer, excise, gift or capital gain taxes, that are or may be payable by Landlord. If, following the Effective Date, the voters of the state or the state legislature in which the Premises are located enacts a real property tax limitation, then any substitute taxes, in any name or form, that may be adopted to replace or supplement real property taxes, shall be added to Taxes for purposes of this Section 3.3 and Section 8. Should there be in effect during the Term any



law, statute, or ordinance that levies, assesses, or imposes any tax (other than federal or state income tax) upon the Rent or Additional Rent received by Landlord, Tenant shall pay such taxes as may be attributable to the Rent or Additional Rent under this Lease or shall reimburse Landlord for any such taxes paid by Landlord within ten (10) days after Landlord bills Tenant for the same.

Upon request from Tenant, Landlord shall provide to Tenant electronically, true and accurate records, to the best of Landlord's knowledge, of items that constitute Additional Rent, including without limitation insurance, taxes, and other "Impositions" (as defined in Section 8 below). Tenant or its duly authorized representative shall have the right to request and inspect such records from time to time for a period of 120 days after the close of each calendar year. If any audit of Landlord's submitted reports shall disclose an overcharge, Landlord shall promptly pay to Tenant, within 30 days, the amount of such overcharge, and if such audit discloses an overcharge of more than 5%, Landlord shall reimburse Tenant its actual costs incurred in connection with such audit. If any audit of Landlord's submitted reports shall disclose an undercharge, Tenant shall promptly pay to Landlord, within 30 days, the amount of such undercharge. The provisions of this paragraph shall survive the termination or expiration of this Lease.

3.4 If any payment of the Base Rent or Additional Rent is not received by Landlord within five (5) days after the same is due, Tenant shall pay to Landlord a late payment charge equal to five percent (5%) of the amount of such delinquent payment of Base Rent or Additional Rent in addition to the installment of Base Rent or Additional Rent then owing, regardless of whether or not a notice of default has been given by Landlord. In addition, Tenant shall pay interest on such late payment and late charge from the due date of the late payment at an interest rate equal to the higher of: (a) twelve percent (12%) or (b) the prevailing prime (reference) rate as published by Bank of America (or any successor bank) at its Seattle main branch office, or any successor rate of interest, plus three (3) percentage points, but in no event higher than the maximum rate permitted by applicable law (hereafter the "Default Rate"), until such amounts are paid. Landlord and Tenant recognize that the damages which Landlord will suffer as a result of Tenant's failure to timely pay Base Rent or Additional Rent are difficult or impracticable to ascertain, and agree that said interest and late charge are a reasonable approximation of the damages which Landlord will suffer in the event of Tenant's late payment. This provision shall not relieve Tenant from payment of Base Rent or Additional Rent at the time and in the manner herein specified. Acceptance by Landlord of any such interest and late charge shall not constitute a waiver of Tenant's default with respect to said overdue amount, nor shall it prevent Landlord from exercising any other rights or remedies available to Landlord.

4. Intentionally Omitted.

5. Condition of Premises. The Premises are demised and let in an "AS IS" and "WHERE IS" condition as of the Possession Date. Landlord has disclosed to Tenant and Tenant acknowledges and accepts that the Premises is subject to a Construction Staging and License Agreement between Landlord and Banner Vancouver Storage, LLC ("Banner"), dated effective April 12, 2019, pursuant to which Banner has the right to use 30,000 square

feet of the Premises for the storage of construction related materials and equipment and for the placement of excess fill (the "Construction License"), the term of which expires on April 11, 2020. Tenant shall take possession of the Premises subject to all matters of record.

6. Use. It is intended that Tenant shall cause or permit the Premises to be used for the Intended Use (the "Permitted Use"), subject to the following exclusive uses and restrictions as set forth on Schedule 6 attached hereto and incorporated herein. The Premises may be operated during such days and hours as Tenant may determine, without the imposition of minimum or maximum hours of operation. Neither the foregoing language nor any other language contained in this Lease shall be construed to obligate Tenant to build, operate or rebuild a dialysis center or other business related to the Intended Use within the Building. Tenant shall, at Tenant's sole cost and expense, comply with applicable requirements of municipal, county, state, federal and other applicable governmental authorities now or hereafter in force pertaining to Tenant's business operations, alterations and/or specific use of the Premises and/or the Building, and shall secure any necessary permits therefore and shall faithfully observe in the use of the Premises and the Building, applicable municipal, county, state, federal and other applicable governmental entities' requirements which are now or which may hereafter be in force.

7. Assignment/Subletting. Except as otherwise provided herein, Tenant shall not assign, mortgage, pledge or otherwise transfer or encumber this Lease, in whole or in part, nor sublet, assign, or permit occupancy by any party other than Tenant of all or any part of the Premises, without the prior written consent of Landlord in each instance which consent shall not be unreasonably withheld or delayed. Tenant shall at the time the Tenant requests the consent of Landlord, deliver to Landlord such information in writing as Landlord may reasonably require respecting the proposed assignee or subtenant including, without limitation, the name, address, nature of business, ownership, financial responsibility and standing of such proposed assignee or subtenant and Landlord shall have not less than twenty (20) business days after receipt of all required information to elect one of the following: (a) consent to such proposed assignment, encumbrance or sublease, or (b) reasonably refuse such consent together with the reasons underlying the refusal. In addition, as a condition to Landlord's consent to any assignment, sublease or encumbrance of this Lease shall be the delivery to Landlord of a true copy of the fully executed instrument of assignment, transfer or encumbrance and an agreement executed by the assignee, sublessee or other transferee in form and substance satisfactory to Landlord and expressly enforceable by Landlord, whereby the assignee assumes and agrees to be bound by the terms and provisions of this Lease and perform all the obligations of Tenant hereunder with respect to the assigned or subleased portion of the Premises. No assignment or subletting by Tenant shall relieve Tenant of any obligation under this Lease, including Tenant's obligation to pay Base Rent and Additional Rent hereunder. Any purported assignment or subletting contrary to the provisions hereof without consent shall be void. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. Tenant's sole remedy for Landlord's refusal to consent to a proposed assignee or sublessee of Tenant will be an action or proceeding for specific performance, injunction or declaratory relief. Tenant shall pay Landlord's reasonable processing costs up to a maximum of one thousand dollars

(\$1,000.00) and Landlord's reasonable attorneys' fees up to a maximum of two thousand five hundred dollars (\$2,500.00) incurred in reviewing any proposed Assignment or sublease.

Notwithstanding the foregoing, so long as Tenant provides Landlord with not less than fifteen (15) days prior written notice, Tenant shall have the right, at any time, to sublet the Premises to Total Renal Care, Inc., a California corporation ("TRC") or to DaVita (each a "Permitted Sublease"). Furthermore, and notwithstanding anything to the contrary in this Section and so long as Tenant provides Landlord with not less than fifteen (15) days prior written notice, no prior written consent of Landlord shall be required for any assignment or sublease with: (i) an entity into or with which Tenant is merged or consolidated or with an entity to which all or substantially all of Tenant's assets are transferred, provided (x) such merger, consolidation or transfer of assets is for a valid business purpose and not principally for the purpose of transferring the leasehold estate created hereby, and (y) the assignee or successor entity has a net worth (determined in accordance with generally accepted accounting principles consistently applied) at least equal to or in excess of the net worth of Tenant immediately prior to such merger, consolidation or transfer and Landlord has been provided with reasonable proof thereof prior to such transaction or (ii) any entity which is a parent, subsidiary or affiliate of Tenant. The entities described in clauses (i) and (ii) above are each herein referred to as a "Permitted Transferee." As used herein, the term "affiliate" means an entity controlled by, controlling or under common control with Tenant. For the purposes of this Section, "control" means direct ownership of not less than 51% of the voting control of such entity. Landlord shall have no right to recapture any subleased or assigned space. No assignment or subletting by Tenant shall relieve Tenant of any obligation under this Lease, including Tenant's obligation to pay Base Rent and Additional Rent hereunder.

## 8. Operating Expenses and Utilities.

8.1 Tenant shall pay prior to the due date all real estate taxes, assessments, water and sewer charges, premiums for Landlord's insurance pursuant to Section 18.1, and other governmental levies, including, but not limited to, the purchase of any transportation impact fees from the Landlord in the full amount required by the City (which purchase shall be made at the time Tenant receives the "Required Approvals" as provided in Section 55.2), and any applicable ownership association fees including without limitation landscape maintenance fees ("Impositions") which are charged, levied, assessed or imposed against the Premises and the Improvements located on the Premises, or which are charged to Landlord as a result of its ownership of the Premises, from and after the Commencement Date and during the Term. The amount to be paid by Tenant on account of taxes during the first and last calendar years in which any portion of the Term falls shall be prorated per diem so that Tenant is liable only for so much of such taxes as the portion of the Term which falls within such calendar year bears to a full calendar year. If real estate taxes are payable in arrears, Tenant shall be responsible for real estate taxes on the basis of the years for which taxes are assessed as opposed to the years during which such taxes are payable. In case of special taxes which may be payable in installments, only the amount of each installment payable during a calendar year shall be included in taxes for that calendar year. Taxes payable by Tenant shall not include (i) "roll back" real estate taxes, (ii) any penalties or interest for late or partial payment if not caused by Tenant, or (iii) any income, franchise,

margin, inheritance, estate, transfer, excise, gift or capital gain taxes, that are or may be payable by Landlord or that may be imposed against Landlord or against the rents payable hereunder; provided, however, that Taxes shall include any substitute taxes, in any name or form, that may be adopted to replace or supplement real property taxes. Should there be in effect during the Term any law, statute, or ordinance that levies, assesses, or imposes any tax (other than federal or state income tax) upon the Rent or Additional Rent received by Landlord, Tenant shall pay such taxes as may be attributable to the Rent or Additional Rent under this Lease or shall reimburse Landlord for any such taxes paid by Landlord within ten (10) days after Landlord bills Tenant for the same. Landlord and Tenant shall use their best efforts to cause the tax bills to be sent directly to Tenant from the tax collector and shall cause the Premises to be assessed separately and apart from any other land or improvements. Landlord shall provide to Tenant a copy of all final tax bill(s) for each calendar year within ten days after Landlord's receipt of such tax bill(s), and in any event at least 30 days before the same are due and payable.

8.2 Tenant shall pay the net cost (after applying any discounts or incentives) of all utilities and other services necessary in the operation of the Premises, including but not limited to, gas, fuel oil, electrical, telephone and other utility charges, janitorial services (if Tenant shall contract for such services) and grounds maintenance (which shall be subject to a Reciprocal Maintenance Agreement with the owner/s of adjoining properties, to provide for shared costs and responsibilities regarding maintenance of street-front trees and landscaping). Tenant shall contract directly with all utility providers such that all utilities for the Premises shall be in Tenant's name.

8.3 Tenant may contest the amount, assessment or validity of any Imposition described in this Section 8 by appropriate proceedings. However, Tenant shall promptly pay such Imposition unless such proceedings shall operate to prevent or stay the collection of the Imposition so contested. The Landlord, at Tenant's sole cost and expense, shall join in any such contestation proceedings if any Law (as defined below) shall so require. Landlord agrees to cooperate with Tenant and appoints Tenant as its agent for the sole purpose of obtaining information and other data from the applicable taxing authority and instituting and maintaining any proceeding or contest allowed under this Section 8 with respect to all Impositions, provided that Tenant shall give written notice to Landlord prior to instituting any such proceeding or contest.

8.4 Tenant may at its option pay any tax, assessment or other Imposition in installments to the extent permitted by applicable Law.

8.4 Landlord authorizes Tenant to make all payments to be made by Tenant pursuant to any of the provisions of this Lease to persons other than Landlord. In case any person to whom any sum is directly payable by Tenant under any of the provisions of this Lease shall refuse to accept payment of such sum from Tenant, Tenant shall thereupon give written notice of such fact to Landlord and shall pay such sum directly to Landlord, who shall thereupon pay such sum to such person.

8.5 Tenant shall pay or cause to be paid, prior to delinquency, any and all taxes and assessments levied upon all trade fixtures, inventories and other personal property placed or installed in and upon the Premises by Tenant.

9. Construction of the Improvements. Subject to compliance with all applicable Laws (defined herein) and subject to Landlord's approval of the plans, materials and contractor, which shall not be unreasonably withheld, conditioned or delayed (as hereinafter provided), Tenant has the right, but not the obligation, to construct, at its sole cost and expense, the Building and other Improvements on the Premises, including, but not limited to, installing utilities, paving, canopies and drop-off lanes, generators and generator pads, trash containers, parking lots and landscaping. In connection with the demolition of any existing improvements and/or the construction of the new Improvements on all or part of the Premises, Tenant shall have the right to modify or change the contour or grade, or both, of the Premises, and to remove trees and/or vegetation, if any from the Premises as necessary for the construction of the Improvements. Tenant's improvements shall comply with the Tree Plan for the Eastside Spectrum Development.

Tenant shall select all personnel, labor, materials, equipment, services, utilities and other elements, enter into contracts therefore and determine and do any and all matters and things which Tenant, in its reasonable discretion, shall deem necessary or advisable in connection with the construction of the Improvements. Tenant shall deliver to Landlord the contractor's name, references and state license number, a certificate of liability insurance naming Landlord and Landlord's manager and lender(s) as an additional insured, as well as full and complete plans and specifications of all such alterations, additions or improvements, and any subsequent modifications or additions to such plans and specifications, and no proposed work shall be commenced or continued by Tenant until Landlord has received and given its written approval of each of the foregoing. Landlord shall either approve or disapprove any proposed alteration, addition or improvement on or before twenty (20) days following receipt of all of the foregoing items. Landlord does not expressly or implicitly covenant or warrant that any plans or specifications submitted by Tenant are accurate, safe or sufficient or that the same comply with any applicable laws, ordinances, building codes, or the like. Further, Tenant shall indemnify, protect, defend and hold Landlord and Landlord's agents, employees and contractors harmless for, from and against any loss, damage, liability, claims, cost or expense, including attorneys' fees and costs, incurred as a result of any defects in design, materials or workmanship resulting from Tenant's alterations, additions or Improvements to the Premises. All Improvements alterations, additions and restorations by Tenant shall be done in a good and workmanlike manner and in compliance with the plans and specifications approved by Landlord and in compliance with all applicable laws and ordinances, building codes, bylaws, regulations and orders of any federal, state, county, municipal or other public authority and of the insurers of the Premises and as-built plans and specifications shall be provided to Landlord by Tenant upon completion of the work. Landlord shall not charge Tenant a fee or other charges for the supervision and/or overhead associated with the construction of the Tenant Improvements, nor shall Landlord provide such services unless agreed to by Landlord and Tenant pursuant to a separate written agreement. Landlord agrees to cooperate in a commercially reasonable manner, at no cost to Landlord, with Tenant and all governmental authorities having jurisdiction, to facilitate Tenant's construction,

maintenance and operation of the Premises, including, without limitation, Landlord's joinder in documents relating to the granting of entitlements, easements and similar matters.

Tenant will directly contract with local utility companies, and shall have, for use by Tenant and its servants, agents, employees and independent contractors, on or in connection with the Improvements, all necessary or appropriate rights of access, ingress and egress to and from the Premises during the course of the construction of the Improvements and the right to do all such other things as may be incidental to the construction of the Improvements. Landlord shall cooperate reasonably with Tenant so that the construction of the Improvements may proceed as expeditiously as possible.

During the Term, title to all Improvements (including without limitation, the Building) shall remain in Tenant alone, and Tenant shall be entitled to claim all depreciation to any Improvements constructed on the Premises by Tenant.

Tenant shall promptly file and/or record, as applicable, all notices of completion provided for by law, and shall pay and discharge all claims for work or labor done, supplies furnished or services rendered at the request of Tenant or at the request of Landlord on behalf of Tenant, and shall keep the Premises and the Building free and clear of all mechanics' and materialmen's liens in connection therewith. If any such lien is filed, Tenant shall cause same to be discharged of record within ten (10) days following written notice thereof, or if Tenant disputes the correctness or validity of any claim of lien, Landlord may, in its reasonable discretion, permit Tenant to post or provide security in a form and amount acceptable to Landlord to insure that title to the Building and Premises remains free from the lien claimed. If said lien is not timely discharged, Landlord may, but shall not be required to, take such action or pay such amount as may be necessary to remove such lien and Tenant shall pay to Landlord as Additional Rent any such amounts expended by Landlord, together with interest thereon at the Default Rate (as defined in Section 3.4 hereof), within five (5) days after notice is received from Landlord of the amount expended by Landlord.

10. Signage. Tenant shall have the right, at Tenant's sole cost and expense, to erect, affix and display such signage as Tenant may consider necessary or desirable on the exterior and interior walls, doors and windows of the Building (including directional and designated parking signage in parking areas) and signs on the exterior of the Building at locations on the Premises as Tenant may so desire. All such signs shall comply with all applicable zoning Laws or private restrictions (including without limitation height restrictions), and shall be subject to applicable municipal permits. Any use or access to the monument sign for the Eastside Spectrum Development shall be subject to Landlord's consent and entry into a separate agreement with Landlord for such use.

11. Alterations. Subject to compliance with Section 9, Tenant may, at any time and from time to time during the Term, make any alterations, changes, additions and improvements to the Improvements and the Premises that Tenant deems necessary or appropriate. Tenant may at any time during the Term install within the Building any and all trade fixtures and operating equipment which it may deem necessary or advisable in connection with the conduct of its business. Any and all of such fixtures and equipment may

at any time and from time to time during the Term be removed by Tenant (or any lessee, licensee or user of all or any portion of the Premises under a sublease, license or similar agreement with Tenant or any other person, if permitted thereunder (each, an "Occupant")), from the Building.

## 12. Environmental.

12.1 Tenant shall not cause or permit any hazardous or toxic substances, materials or waste, including, without limitation, medical waste and asbestos ("Hazardous Substances") to be used, generated, stored or disposed of in, on or under, or transported to or from, the Premises in violation of any applicable local, state, and federal laws, ordinances, statutes, rules, regulations, executive orders, judgments, decrees, case law and/or other determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon such person or any of its property or to which such person or any of its property is subject ("Laws") whether now in existence or hereafter adopted, relating to Hazardous Substances or otherwise pertaining to the environment (the "Environmental Laws"). Tenant shall, in full compliance with all Laws, periodically cause to be removed from the Premises such Hazardous Substances placed thereon by Tenant or Tenant's Occupants, agents, servants, employees, guests, invitees or independent contractors in accordance with good business practices, such removal to be performed by persons or entities duly qualified to handle and dispose of Hazardous Substances. Without limiting the generality of the foregoing, Landlord acknowledges that the following Hazardous Substances are required for the Intended Use: bleach, cidex, hibiclens, metricide, hydrogen peroxide and formaldehyde. Upon the expiration or earlier termination of this Lease, Tenant shall cause all Hazardous Substances placed on the Premises by Tenant or its Occupants to be removed from the Premises, at Tenant's cost and expense and disposed of in strict accordance with Environmental Laws. Tenant acknowledges and agrees that all reporting and warning obligations required under Hazardous Substances Laws resulting from or in any way relating to Tenant's use of the Premises or Building are Tenant's sole responsibility, regardless whether the Hazardous Substances Laws permit or require Landlord to report or warn.

12.2 Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord) and hold Landlord harmless, from and against any and all claims, liabilities, penalties, fines, judgment, forfeitures, losses, costs (including clean-up costs) or expenses (including reasonable attorney's fees, consultant's fees and expert's fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (a) the presence after the Possession Date in, on, under or about the Premises of any Hazardous Substances caused by Tenant, agents, servants, employees, guests, invitees or independent contractors; (b) any discharge or release by Tenant, agents, servants, employees, guests, invitees or independent contractors after the Possession Date in or from the Premises of any Hazardous Substances; (c) Tenant's use, storage, transportation, generation, disposal, release or discharge after the Possession Date of Hazardous Substances to, in, on, under, about or from the Premises; or (d) Tenant's failure after the Possession Date to comply with any Environmental Law (other than to the extent caused by or related to Landlord's use, generation, storage or disposal of Hazardous

Substances in, on or under the Premises). The indemnities set forth in this Section 12 shall survive termination or expiration of this Lease.

12.3 Landlord shall indemnify, defend (by counsel reasonably acceptable to Tenant) and hold Tenant harmless, from and against any and all claims, liabilities, penalties, fines, judgment, forfeitures, losses, costs (including clean-up costs) or expenses (including reasonable attorney's fees, consultant's fees and expert's fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (a) the presence on or prior to the Possession Date in, on, under or about the Premises of any Hazardous Substances; (b) any discharge or release on or prior to the Possession Date in or from the Premises of any Hazardous Substances by Landlord; (c) the use, storage, transportation, generation, disposal, release or discharge of Hazardous Substances by Landlord or its agents, servants, employees, guests, invitees, or independent contractors to, in, on, under, about or from the Premises; or (d) Landlord's failure to comply with any Environmental Law (other than to the extent caused by or related to Tenant's use, generation, storage or disposal of Hazardous Substances in, on or under the Premises). Landlord agrees to remediate, at Landlord's cost and expense, immediately upon receipt of notice from Tenant any condition described in (a) through (d) of the previous sentence. The indemnities set forth in this Section 12 shall survive termination or expiration of this Lease.

12.4 Landlord represents and warrants to Tenant that Landlord has received no notice from any governmental or private entity relating to Hazardous Substances in, on, under or about the Premises.

12.5 Tenant shall promptly deliver to Landlord copies of all notices made by Tenant to, or received by Tenant from, any state, county, municipal or other agency having authority to enforce any Environmental Law or from the United States Occupational Safety and Health Administration ("Enforcement Agency") concerning environmental matters or Hazardous Substances at the Premises. Landlord shall promptly deliver to Tenant copies of all notices received by Landlord from any Enforcement Agency concerning environmental matters or Hazardous Substances at the Premises.

12.6 Upon the expiration or earlier termination of this Lease, and/or prior to vacating the Premises, upon request by Landlord, Tenant will obtain and submit to Landlord a Phase 1 environmental site assessment from an environmental consulting company reasonably acceptable to Landlord.

### 13. Damage to Premises by Fire or Casualty.

13.1 Except as otherwise provided in Section 13.2 hereof, in the event of damage to or destruction of the whole or any part of the Improvements by fire or any other casualty during the Term of this Lease, Tenant, at Tenant's sole cost and expense, shall either (a) repair and restore such Improvements to such condition as Tenant's deems desirable, or (b) demolish such Improvements and remove any resulting debris, including without limitation removal of all Hazardous Substances in strict compliance with Section



12.1, and plant grass over the stripped area. All repairs and restoration shall be performed in a commercially reasonable time and in a manner and quality consistent with the terms and conditions of Section 9 hereof. All insurance proceeds attributable to the damage to or the destruction of the Improvements shall be made available to Tenant for the purpose of performing its obligations under this Section and with any surplus insurance proceeds to be used as Tenant determines in its sole and absolute discretion.

13.2 Notwithstanding anything contained herein to the contrary, if more than twenty-five percent (25%) of the square footage of the Building is damaged or destroyed by fire or other casualty (as estimated by Tenant in its good faith business judgment), then either party shall have the right to terminate this Lease by giving the other party written notice of such termination within 180 days after the date of such casualty, specifying a termination date of at least 30 days and not more than 90 days after the date of the notice of termination. If either party gives notice of termination within such 180-day period, then Tenant will complete the demolition work required under "option (b)" of Section 13.1 hereof by the effective date of such termination. If neither party gives notice of termination within such 180-day period, the parties shall be deemed to have waived such right of termination, and Tenant shall remain obligated to perform its restoration obligations in accordance with Section 13.1 hereof.

#### 14. Eminent Domain.

14.1 **Taking.** If by any lawful authority through condemnation or under the power of eminent domain: (a) the whole of the Premises shall be permanently taken; (b) less than the entire Premises shall be permanently taken, but the remainder of the Premises are not, in Tenant's reasonable judgment, fit for Tenant or any Tenant Occupant to carry on the normal operation of its business therein; (c) Tenant determines, in its reasonable judgment, that after such taking adequate parking space will not be available near the Premises; (d) there is any substantial impairment of ingress or egress from or to or visibility of the Premises; (e) all or any portion of the Premises shall be taken resulting in a material interference with the operations of or access to Tenant's or and Tenant Occupant's business, or (f) a temporary taking of all or a material portion of the Premises continues for a period of one year, then in any such event, Tenant may terminate this Lease by written notice, effective as of the date of such taking, and Rent and Additional Rent shall be prorated as of the date of such termination.

14.2 **Rent Adjustment.** Upon taking of less than all of the Premises, if Tenant does not exercise its right to terminate this Lease under Section 14.1 hereof, this Lease shall remain in effect for the balance of the Premises not so taken, Rent shall be abated as provided below and Tenant shall, in a commercially reasonable prompt and diligent manner, restore the remainder of the Premises as near as possible to the condition it was in immediately prior to such taking. Upon a taking of any portion of the Premises, annual Base Rent shall be an amount equal to the product of the annual Base Rent otherwise payable under this Lease, multiplied by a fraction, the numerator of which is the square footage of Premises taken and the denominator of which is the square footage of the Premises immediately prior to such taking. Upon a taking of any portion of the Building,

annual fixed Rent shall be reduced by an amount equal to the product of the annual Base Rent otherwise payable under this Lease, multiplied by a fraction, the numerator of which is the total square feet of the Building taken and the denominator of which is the total square feet of the Building immediately prior to such taking.

14.3 **Awards.** Both Landlord and Tenant shall have the right to participate in any condemnation proceedings. Each shall notify the other promptly of any contemplated or threatened condemnation proceeding of which it shall become aware and shall keep the other informed of developments with respect thereto.

The full amount of any award whether pro tanto or final for any taking (the "Award") shall, notwithstanding any allocation made by the awarding authority, be paid into an escrow account, with an escrow agent which shall be appointed pursuant to a mutually agreed to escrow agreement, provided that there shall first be deducted from the Award all reasonable fees and expenses of collection, including but not limited to, reasonable attorneys' fees and experts' fees. The Landlord and the Tenant shall then attempt to fairly allocate (taking into account) the Award between the Landlord's interest in the Premises and the Tenant's interest in the remainder of the Term of this Lease, taking into account their respective interests, any restoration obligation of the Tenant, any existing appraisals used to determine or to contest the amount of the Award and any other relevant information and analysis. Upon determination of the allocation of the Award between the Landlord and the Tenant, the Landlord's and Tenant's portion thereof shall be paid forthwith.

15. Intentionally Omitted.

16. Indemnity. Tenant agrees to indemnify Landlord and save Landlord and its managers, members, employees, contractors and agents harmless from any and all liability, claims and loss for personal injury or property damage, or both, (including without limitation reasonable attorneys' fees) sustained or claimed to have been sustained by any person or persons, or property in, upon or about the Premises caused or brought about by the act or neglect of Tenant or its Occupants, contractors, agents, servants or employees including without limitation the Tenant's construction of the Building and Improvements on the Premises. Landlord agrees to indemnify Tenant and save Tenant harmless from any and all liability, claims and loss for personal injury or property damage, or both, sustained or claimed to have been sustained by any person or persons, or property in, upon or about the Premises solely caused by the gross negligence or intentional misconduct of Landlord or its agents, servants or employees. The indemnities set forth in this Section 16 shall survive termination or expiration of this Lease.

17. Default and Remedies.

17.1 **Tenant Default and Landlord Remedies.** In the event that (a) Tenant fails to pay any Base Rent, Additional Rent, or any other charge required under this Lease when it is due and such failure is not cured on or before the fifth (5<sup>th</sup>) day after delivery of written notice to Tenant; provided, however, that Tenant shall be entitled to only one (1) such notice of non-payment in any calendar year after which if Tenant fails to pay Base Rent, Additional

Rent or any other charge required under this Lease when due; (b) Tenant defaults in the performance of any other provisions of this Lease and such default is not cured within 30 days following written notice from Landlord specifying such default (unless such default is not reasonably capable of being cured within such 30 day period and Tenant is diligently prosecuting such cure to completion); (c) a petition in bankruptcy is filed by or against Tenant (provided Tenant shall have 90 calendar days to stay any involuntary proceeding); or (d) Tenant makes an assignment for the benefit of its creditors, or a receiver is appointed for Tenant and such receiver is not dismissed within 60 days of its appointment; then, in any of these events, Landlord may, at its option and in addition to any other remedies available to Landlord at law or in equity (x) proceed for past due installments of Rent, Additional Rent, Holding Fee or any other charge, reserving its right to proceed later the remaining installments when due; or (y) declare the rights of Tenant under this Lease terminated and, thereafter, recover possession of the Premises through legal process. Notwithstanding the remedy Landlord may seek, the foregoing cure periods shall be applicable.

Upon and after termination of this Lease, Tenant shall pay to Landlord the Base Rent and Additional Rent up to the time of such termination, in addition to any amounts payable by Tenant to Landlord pursuant to the immediately following paragraph. Landlord shall make a commercially reasonable effort to mitigate its damages and relet the Premises or any part thereof to any person, firm or corporation other than Tenant for such rent, for such time and upon such terms as Landlord in Landlord's reasonable discretion shall determine.

In the event of any such termination, Landlord may: (A) choose to have Tenant remain liable for, and pay on the days originally fixed for such payment hereunder, the full amount of all Base Rent and Additional Rent as if this Lease had not been terminated; provided, however, if Landlord relets the Premises there shall be credited against such obligation the amount actually received by Landlord as a result of such reletting after deducting all costs and expenses incurred by Landlord in connection with reletting the Premises including, without limitation, all repossession costs, brokerage commissions, legal expenses, reasonable attorneys' fees, alteration costs and expenses of preparation for such reletting; or (B) recover from Tenant: (i) any unpaid Base Rent and Additional Rent which has been earned at the time of such termination plus interest at the rates contemplated by this Lease; plus (ii) the amount by which the unpaid Base Rent and Additional Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided plus interest at the rates contemplated by this Lease; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus (iv) the unamortized balance of the value of any free Base Rent, tenant improvement costs, commissions and any other monetary concessions provided to Tenant pursuant to this Lease, as amortized over the initial Term of this Lease; plus (v) any other amount necessary to compensate Landlord for all the damage proximately caused by Tenant's failure to perform Tenant's obligation under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, costs to restore the Premises to good condition, costs to remodel, renovate or otherwise prepare the Premises, or portions thereof, for a new tenant, leasing commissions, marketing expenses, attorneys' fees, and free rent, moving allowances and other types of

leasing concessions. The “worth at the time of award” is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

In the event that Landlord shall relet, the rents received by Landlord from such reletting shall be applied: first to the payment of any indebtedness other than Rent and Additional Rent due hereunder from Tenant to Landlord; second to the payment of any costs of such reletting; third, to the payment of the cost of any alterations and repairs to the Premises; fourth, to the payment of Rent and Additional Rent due and unpaid hereunder; and the residual, if any, shall be held by Landlord and applied to payment of future Base Rent and Additional Rent as the same shall become due and payable hereunder. Should that portion of such rents received from such reletting during the month which is applied to the payment of Rent be less than the Rent payable during that month by Tenant hereunder, then Tenant shall pay any such deficiency to Landlord immediately upon demand therefor by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as is certain, any of the costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rents received from such reletting.

All rights, options and remedies of Landlord contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver of any default of Tenant hereunder shall be implied from any acceptance by Landlord of any Base Rent, Additional Rent, or other payments due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver. The consent or approval of Landlord to or of any act by Tenant requiring Landlord’s consent or approval shall not be deemed to waive or render unnecessary Landlord’s consent or approval to or of any subsequent similar acts by Tenant.

**17.2 Landlord Default and Tenant Remedies.** Subject to the terms and provisions below, and in addition to any other remedy expressly available to Tenant pursuant to this Lease or at law or in equity, should Landlord fail to perform any term or covenant under this Lease (each and any such failure, a “Landlord Default”) and if any such Landlord Default is not cured and continues for 30 days following written notice by Tenant to Landlord (and to any “Mortgagee” (as defined in Section 25 below) that has delivered written notice to Landlord requesting notice of a Landlord Default and a right to cure) of such Landlord Default (unless such default is not reasonably capable of being cured within such expressed period and Landlord or Mortgagee is diligently prosecuting such cure to completion, but in no event to extend beyond 90 days), then Tenant shall have the option, (at Tenant’s sole discretion) to remedy such Landlord Default and, in connection therewith, incur expenses for the account of Landlord, and any and all such sums expended or obligations incurred by Tenant in connection therewith shall be paid by Landlord to Tenant upon demand, and if Landlord fails to immediately reimburse and pay same to Tenant, Tenant may, in addition to any other right or remedy that Tenant may have under this Lease, deduct such amount (together with interest thereon at the default interest rate set forth in Section 3.4 from the date of any such

expenditure by Tenant until the date of repayment thereof by Landlord to Tenant) from subsequent installments of Base Rent and Additional Rent that from time to time become due and payable by Tenant to Landlord hereunder.

If Landlord is or becomes a Referral Source (as defined in Section 36) and if this Lease is terminated for any reason before the first anniversary of the Commencement Date, then Landlord and Tenant shall not enter into any similar lease agreement with each other for the Premises or substantially similar space before the first anniversary of the Commencement Date.

## 18. Insurance.

**18.1 Landlord's Insurance.** During the Term, Landlord shall procure and maintain in full force and effect a policy of commercial liability insurance in a minimum amount of \$1,000,000.00 per claim and \$3,000,000.00 in the aggregate for both bodily injury and property damage insuring Landlord's activities with respect to the Premises for loss, damage or liability for personal injury or death of any person or loss or damage to property occurring in, upon or about the Premises caused by Landlord or its agents, servants, employees, guests, invitees or independent contractors.

**18.2 Tenant's Insurance.** During the Term, Tenant shall obtain and keep in force with respect to the Premises and the Improvements and Tenant's use thereof commercial general liability insurance in a minimum amount of \$1,000,000.00 per claim and \$3,000,000.00 in the aggregate for both bodily injury and property damage. In no event shall Tenant's insurance provide coverage or indemnity to Landlord for any claim, loss, suit, action or other legal proceeding solely caused by the grossly negligent or willful act of Landlord or its agents, servants, employees, guests, invitees or independent contractors. Rather, it is the intent of this Section to provide general liability coverage to Landlord, as an additional insured, when it is made a party to a claim, loss, suit, action or other legal proceeding for which it's grossly negligent or willful act is not the sole cause. In the event that both Landlord and Tenant bear responsibility for the claim, loss, suit, action or other legal proceeding, then each party will look to its own insurance for coverage. Tenant may carry any insurance required by this Lease under a blanket policy.

**18.3 General Requirements.** All policies of insurance required to be carried under this Lease by Landlord and Tenant shall be written by companies rated A- VII or better in Best's Key Rating Guide. Upon request, Landlord and Tenant shall each furnish to the other party a certificate evidencing the insurance required to be maintained pursuant to this Lease. Tenant and Landlord shall endeavor to give to any party listed as an additional insured 30 days written notice prior to any cancellation of the policy.

19. Subrogation. Each of the parties hereto hereby releases the other and the other's partners, agents and employees, to the extent of each party's property insurance coverage, from any and all liability for any loss or damage which may be inflicted upon the property of such party even if such loss or damage shall be brought about by the fault or negligence of the other party or its partners, agents or employees; provided, however, that

this release shall be effective only with respect to loss or damage occurring during such time as the appropriate policy of insurance shall contain a clause to the effect that this release shall not affect said policy or the right of the insured to recover thereunder. If any policy does not permit such a waiver, and if the party to benefit therefrom requests that such a waiver be obtained, the other party agrees to obtain an endorsement to its insurance policies permitting such waiver of subrogation if it is commercially available and if such policies do not provide therefor. If an additional premium is charged for such waiver, the party benefiting from the waiver, if it desires to have the waiver, agrees to pay to the other the amount of such additional premium promptly upon being billed therefor.

20. Tenant's Maintenance Responsibilities. Throughout the Term, Tenant, at its sole expense, shall maintain the Premises including the Improvements in good condition, in accordance with any applicable declarations or covenants, and shall be responsible for any and all maintenance and repairs thereto, ordinary wear and tear and casualty excepted. Landlord shall have no maintenance, repair or replacement obligation with respect to the Premises or Improvements.

21. Emergency. If Landlord is unable or unwilling to take action which it is obligated to take hereunder where an emergency has occurred with respect to the Premises, and following 30 days following written notice by Tenant to Landlord (and to any "Mortgagee" (as defined in Section 25 below) that has delivered written notice to Landlord requesting notice of a Landlord Default and a right to cure) then Tenant may take such action as is reasonably necessary to protect the Premises and persons or property in the Premises and Landlord shall, within 15 days after written notice thereof from Tenant reimburse Tenant for its reasonable out-of-pocket expenses incurred in curing such emergency; provided, however, should Landlord fail to reimburse Tenant within the 15 day period, then Tenant may, at its option, offset such amount against Base Rent and Additional Rent due under this Lease.

22. Title and Parking. Landlord hereby represents and warrants to Tenant that Landlord has good and indefeasible fee simple title to the Premises and has the right and authority to enter into this Lease. Landlord further represents that Landlord and those signatories executing this Lease on behalf of Landlord have full power and authority to execute this Lease.

Except to the extent required by applicable Law or the Construction License, Landlord shall not make any material modifications to the Premises (including, without limitation, the parking areas, driveways and walks) without Tenant's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Tenant shall be entitled to the use of the entire parking area on the Premises in accordance with a parking ratio as may be required by local code, including handicapped parking spaces located near the front door of the Premises, subject to all recorded reciprocal easements and matters of record.

23. Compliance with Laws. Both parties shall comply with all applicable Laws throughout the Term. Landlord represents and warrants that it has received no notices or communications from any public authority having jurisdiction alleging violation of any Laws relating to the Premises and has received no notices alleging violation of any title instrument.

24. Brokers. Landlord and Tenant each represent to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, except for Cushman & Wakefield, representing Tenant (the "Tenant's Broker") and Deborah Ewing of Fuller Group CRE, representing Landlord. Landlord's Broker shall be paid a commission of 6% of the Base Rent for years 1-5 of the Term, which shall be split 50-50 with Tenant's Broker. The commission paid for this Lease shall be deducted from any further commission payment due upon the closing of any sale of the Premises to Tenant (i.e. should Tenant exercise Tenant's Option to Purchase and close on that purchase), with the balance due at the closing of the purchase. Tenant's Broker has agreed to waive its commission in the event Tenant fails to exercise Tenant's Option to Purchase and close its purchase prior to the end of the third Lease Year.

25. Tenant to Subordinate. The rights of Tenant hereunder are and shall be, at the election of any mortgagee or the beneficiary of a deed of trust encumbering the Premises, subject and subordinate to the lien of such mortgage or deed of trust, or the lien resulting from any other method of financing or refinancing, now or hereafter in force against the Premises, and to all advances made or hereafter to be made upon the security thereof. Tenant shall, upon written request of the holder of a mortgage or deed of trust in the nature of a mortgage on the Premises ("Mortgagee") subordinate any interest which it has by virtue of this Lease, and any extensions and renewals thereof to any mortgages or deeds of trust placed upon the Premises by Landlord, if and only if such Mortgagee shall execute, deliver and record in the appropriate registry of deeds a recognition and non-disturbance agreement in form and content reasonably acceptable to the Landlord, Tenant and Mortgagee, which may be similar to Exhibit C or may be such other commercially reasonable form as may be agreed upon by the parties. Tenant shall respond to any such requests within 15 business days following receipt of the Mortgagee's written request. Such agreements shall provide by their terms that notwithstanding any foreclosure of such mortgage or deed of trust Tenant may continue to occupy the Premises during the Term or any extensions or renewals thereof under the same terms, conditions and provisions of this Lease unless Tenant shall be in default beyond any applicable grace periods provided for herein. Landlord shall, at or prior to the Commencement Date, use commercially reasonable efforts to secure from Landlord's present Mortgagee of the Premises a non-disturbance agreement in a form reasonably acceptable to Tenant. Landlord shall also secure from any future Mortgagee or lienholders of Landlord non-disturbance agreements during the Term.

25. Quiet Enjoyment. Subject to the Construction License, and if and so long as Tenant shall pay all Rent and Additional Rent and other charges herein provided, Landlord warrants peaceful and quiet occupation and enjoyment of the Premises by Tenant.

26. Memorandum of Lease and Option to Purchase. Upon or after the Effective Date, Landlord and Tenant will enter into and have recorded a recordable Memorandum of Lease and Option to Purchase in the form attached as Exhibit E (the "Memorandum of Lease"). Landlord shall pay as and when due any and all State, County, and municipal conveyance and/or transfer taxes and fees due in connection with this Lease and Tenant shall pay the cost of recording the Memorandum of Lease. Landlord and Tenant acknowledge that the Memorandum of Lease may be modified based on other easements

agreed to or other agreed upon modifications that arise after the Effective Date, in which event an amendment to the Memorandum of Lease will be entered into and recorded by the parties.

27. Notices. All notices, demands and requests which may be or are required to be given by either party to the other shall be in writing and shall be either (1) sent by registered or certified mail, return receipt requested, postage prepaid or (2) delivered, by hand, or (3) sent by overnight courier such as Federal Express. All notices to Landlord should be addressed to Landlord at the address set forth on this Lease or at such other place as Landlord may from time to time designate in written notice to Tenant. All notices to Tenant shall be addressed to Tenant at the addresses set forth on this Lease or to any such other place as Tenant may from time to time designate in written notice to Landlord. Any written notice by either Landlord or Tenant to the other party may be transmitted by electronic transmission, and that the electronic copies of such party's signature shall have the same effect as if it were an original signature, provided that Landlord or Tenant shall execute and deliver to the other party an original copy of the notice via one of the methods provided in this Section.

28. Estoppel Certificate. Each of Landlord and Tenant agree at any time and from time to time upon not less than 15 business days' prior written request by the other to execute, acknowledge and deliver to the other an estoppel certificate in the form attached as Exhibit D certifying that (a) this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), (b) the dates to which Rent and other charges have been paid in advance, if any, (c) all of the defaults of Landlord or Tenant hereunder, if any, (and if there are no defaults a statement to that effect), and (d) any other information reasonably requested, it being intended that any such estoppel certificate delivered pursuant to this Section 28 may be relied upon by any prospective purchaser of the Premises or any mortgagee or assignee of any mortgage upon the fee or leasehold of the Premises or by any prospective assignee of this Lease or subtenant of the whole or any portion of the Premises and/or by other party interested in the Premises or any part thereof.

29. Landlord's Sale of the Building. Upon Landlord's transfer of interest in the Premises (the "Landlord's Sale"), Landlord shall be released from all liability to Tenant and Tenant's successors and assigns arising from this Lease because of any act, occurrence or omission of Landlord occurring after such Landlord's Sale, and Tenant shall look solely to Landlord's successor in connection with the same. Within no less than 30 days prior to the effective date of a transfer of interest in the Premises, Landlord shall notify Tenant of the identity of Landlord's successor-in-interest and assignee to this Lease, with sufficient particularity to allow Tenant to determine whether such successor would or would not be a Referral Source as described below.

30-35. Intentionally Deleted.

36. Intentionally Deleted.



37. Cooperation with Tenant's Cost Reporting Responsibilities. Landlord's commercially reasonable cooperation with applicable authorities in connection with cost reporting is essential for Tenant's continued operation of its business. Therefore, Landlord agrees to provide to Tenant, at Tenant's sole cost and expense and at no cost to Landlord (including administrative costs) within 30 days of Tenant's request, information relating to the Premises and this Lease that is reasonably necessary for Tenant to fulfill its cost reporting requirements to such applicable authorities.

38. Protected Health Information.

38.1 Landlord acknowledges and agrees that from time to time during the Term, Landlord and/or its employees, representatives or assigns may be exposed to, or have access to, Protected Health Information ("PHI"), as defined by the Health Insurance Portability and Accountability Act of 1996 and related regulations ("HIPAA"), 45 CFR Parts 160 and 164. Landlord agrees that it will not use or disclose, and Landlord shall cause its employees, or assigns not to use or disclose, PHI for any purpose unless required by a court of competent jurisdiction or by any governmental authority in accordance with the requirements of HIPAA and all other applicable medical privacy Laws. Landlord further agrees that, notwithstanding the rights granted to Landlord pursuant to this Lease, except when accompanied by an authorized representative of Tenant, neither Landlord nor its employees, agents, representatives or contractors shall be permitted to enter areas of the Premises designated by Tenant as location where patient medical records are kept or stored or where such entry is prohibited by applicable state or federal health care privacy Laws. Tenant shall, at no cost to Landlord, take all necessary steps to protect PHI. Tenant agrees to indemnify Landlord and save Landlord and its managers, members, employees, contractors and agents harmless from any and all liability, claims and loss for personal injury or property damage, or both, (including without limitation reasonable attorneys' fees) sustained or claimed to have been sustained by any person or persons as a result of Tenant's obligations in connection with protection of PHI.

38.2 **Intentionally deleted.**

39. Landlord's Consent. Unless otherwise expressly stated herein, whenever Landlord's consent is required under this Lease, such consent shall be in Landlord's sole discretion.

40. Surrender of Premises. At the expiration of the Term, whether by expiration of time or otherwise, and subject to Tenant's right under this Lease, Tenant shall surrender the Premises to Landlord together with all alterations, changes and improvements then a part of the Premises in good order and condition; reasonable wear and tear, loss or damage by fire or casualty and condemnation excepted; at which time title to the Improvements shall revert to Landlord. Tenant shall deliver to Landlord a Bill of Sale for the Building and all Improvements and, upon request of Landlord, a deed in a form reasonably acceptable to Landlord. Tenant, at Tenant's sole cost and expense, shall remove its trade fixtures, equipment and any personal property from the Building and the Premises. Tenant, at Tenant's sole cost and expenses, shall remove all records and other information constituting

PHI. All trade fixtures, equipment and personal property remaining on the Premises 30 days after the expiration of the Term which Tenant has not removed may be removed and destroyed by Landlord at Tenant's sole cost. In the event Tenant leaves any records and other information constituting PHI at the Premises, Landlord shall contract with, at Tenant's sole cost and expense, a company competent in the proper handling of PHI. If the Building is not in the condition required under this Lease on the surrender of the Premises to Landlord, Tenant shall, at Tenant's sole cost and expense, perform all necessary repairs and replacements to restore the Building. Upon surrender of the Premises and Building, Tenant shall cause the release of the lien of any Leasehold Mortgage. Subject to the rights of a Leasehold Mortgagee (as defined below) as provided in Section 42, upon such expiration or termination all Improvements on the Premises or portion thereof so terminated shall become the sole property of the Landlord at no cost to the Landlord and shall be free of all liens and encumbrances other than as set forth in the Preliminary Commitment (defined below) and in good condition, subject only to reasonable wear and tear and casualty.

41. Holding Over. In the event Tenant remains in possession of the Premises after the expiration of the Term without the written consent of Landlord, this Lease shall continue on a month-to-month basis, terminable by either party upon 30 days' prior written notice and Tenant shall be obligated to pay Rent at 110% the then current rate at the end of the Term (including all adjustments), with all other sums then payable hereunder prorated on a daily basis for each day that Landlord is kept out of possession of the Premises. The acceptance by Landlord of Rent or Additional Rent after such expiration or early termination shall not result in a renewal or extension of this Lease. The foregoing provisions of this Section are in addition to and do not affect Landlord's right of re-entry or any other rights of Landlord hereunder or as otherwise provided by Law.

42. Leasehold Mortgages. Notwithstanding anything contained in this Lease to the contrary, on one or more occasions during the Term, Tenant may, subject to Landlord's reasonable consent, which consent shall not be unreasonably withheld, conditioned or delayed, mortgage or otherwise encumber its interest in this Lease, Tenant's interest in the Improvements, including but not limited to the Building, or any part thereof or property therein, and any sublease, under one or more mortgage(s) and to assign this Lease and any sublease as collateral security for such mortgages, upon the condition that all rights acquired under such mortgages shall be subject to each and all of the covenants, conditions and restrictions set forth in this Lease, and to all rights and interests of Landlord herein, none of which covenants, conditions or restrictions is or shall be waived by Landlord by reason of the right given to so mortgage such interest in this Lease.

42.1 If Tenant shall mortgage this leasehold pursuant to the provisions hereof, and if the holder(s) of any such mortgage(s) (each, a "Leasehold Mortgagee") shall send to Landlord a true copy thereof, together with written notice specifying the name and address of the Lease Mortgagee(s) and the pertinent recording data with respect to such mortgage(s), Landlord agrees that so long as any such leasehold mortgage(s) shall remain unsatisfied, the following provisions shall apply:

(a) There shall be no cancellation, surrender or modification of this Lease by joint action of Landlord and Tenant without the prior consent in writing of the Leasehold Mortgagee(s).

(b) Landlord shall, upon serving Tenant with any notice of default, simultaneously serve a copy of such notice upon the Leasehold Mortgagee(s). The Leasehold Mortgagee(s) shall thereupon have the same period, after service of such notice upon it, as is allowed to Tenant, to remedy or cause to be remedied the defaults complained of, and Landlord shall accept such performance by or at the instigation of the Leasehold Mortgagee(s) in response to any such notice of default as if the same had been performed by Tenant.

(c) Notwithstanding anything contained herein to the contrary, while such leasehold mortgage(s) remains unsatisfied, or until written notice of satisfaction is given by the holder(s) thereof to Landlord, if any default shall occur, which, pursuant to any provision of this Lease, entitles Landlord to terminate this Lease, and if before the expiration of fifteen (15) days from the date of service of notice of termination upon such Leasehold Mortgagee(s), such Leasehold Mortgagee(s) shall have notified Landlord of its desire to cure such notice and shall have paid to Landlord all Rent, Additional rent and other payments herein provided for and then in default, and shall have complied or commenced the work of complying with all of the other requirements of this Lease, if any are then in default, and shall prosecute the same to completion with reasonable diligence, then in such event the default entitling Landlord to terminate this Lease shall be deemed cured.

(d) Landlord agrees that the name of the Leasehold Mortgagee(s) may be added to the "Loss Payable Endorsement" of any and all insurance policies required to be carried by Tenant hereunder on condition that the insurance proceeds are to be applied in the manner specified in this Lease and that the leasehold mortgage(s) or collateral documents shall so provide.

(e) Landlord agrees that in the event of termination of this Lease by reason of any default by Tenant, and if expressly assumed by the Leasehold Mortgagee(s) or its nominee(s) or assignee(s), then the provisions of this Lease shall apply to the Leasehold Mortgagee(s) or its nominee(s) or assignee(s) for the remainder of the term of this Lease effective as of the date of such termination, at the rent and upon the terms, provisions, covenants and agreements as contained herein and subject only to the same conditions of title as this Lease is subject to on the date of execution hereof together with any exceptions to title created by or at the behest of Tenant, and to the rights, if any, of the parties then in possession of any part of the Premises and Landlord shall consent to the assignment of this Lease to the Leasehold Mortgagee(s) or its nominee(s) or assignee(s).

(f) Nothing herein contained shall require the Leasehold Mortgagee(s) or its nominee(s) or assignee(s) to cure any default of Tenant under this Lease unless such Leasehold Mortgagee shall choose to do so under subparagraph (b) above or shall choose to cure any notice of termination from Landlord pursuant to subparagraph (c),

or if such Leasehold Mortgagee(s) elects that Landlord enter into a new lease for the Premises pursuant to the provisions of subparagraph (e) above.

(g) The proceeds from any insurance policies relating to the Premises or arising from a condemnation of the Premises are to be held by any Leasehold Mortgagee(s) and distributed pursuant to the provisions of this Lease.

(h) Landlord shall, upon request, execute, acknowledge and deliver to each Leasehold Mortgagee, an agreement prepared at the sole cost and expense of Tenant, in form satisfactory to such Leasehold Mortgagee(s), among Landlord, Tenant and Leasehold Mortgagee(s), agreeing to all of the provisions of this Section 42. The term "mortgage," whenever used in this Section 42, shall include whatever security instruments are used in the locale of the Premises, such as, without limitation, mortgages, deeds of trust, security deeds and conditional deeds, as well as financing statements, security agreements and other documentation required pursuant to the Uniform Commercial Code, and shall also include any instruments required in connection with a sale-leaseback (or an assignment of lease and sublease) transaction.

43. Binding Effect. All covenants, agreements, stipulations, provisions, conditions and obligations set forth herein shall extend to, bind and inure to the benefit of, as the case may require, the successors and assigns of Landlord and Tenant respectively, as fully as if any such successor or assign was referenced to wherever reference to Landlord or Tenant, as the case may be, occurs in this Lease.

44. Severability. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by Law.

45. Applicable Law. The Laws of the State where the Premises are located shall govern the validity, performance and enforcement of this Lease, without regard to such State's conflict-of-law principles.

46. Force Majeure. Excepting the payment of any Holding Fee, Rent, Additional Rent or other charges due Landlord, whenever a day is appointed herein on which, or a period of time is appointed within which, either party hereto is required to do or complete any act, matter or thing the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is interfered with, the doing or completion of such act, matter or thing because of strikes, lock-outs, embargoes, unavailability of labor or materials, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God or other causes beyond such party's reasonable control.

47. Complete Agreement. Any stipulations, representations, promises or agreements, oral or written, made prior to or contemporaneously with this agreement shall

have no legal or equitable consequences and the only agreement made and binding upon the parties with respect to the leasing of the Premises is contained herein, and it is the complete and total integration of the intent and understanding of Landlord and Tenant with respect to the leasing of the Premises. No amendment or modification of this Lease shall be valid or binding unless reduced to writing and executed by the parties hereto in the same manner as the execution of this Lease.

48. Counterparts. This Lease may be executed in any number of counterparts via facsimile or electronic transmission or otherwise, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

49. Incorporation of Exhibits and Schedule. This Lease is subject to the provisions of the attached Exhibits A-E inclusive, which exhibits are hereby made a part of this Lease.

50. Mortgage. As used in this Lease, the word "mortgage" shall be deemed to include a deed of trust and the word "mortgagee" shall be deemed to include the trustee or beneficiary of a deed of trust.

51. Limitation of Landlord's Liability. The obligations of Landlord under this Lease do not constitute personal obligations of the individual partners, directors, officers, managers, members, employees or shareholders of Landlord or its partners, and Tenant shall look solely to the Premises, and the rents and profits therefrom, for satisfaction of any liability in respect of this Lease and will not seek recourse against the individual partners, directors, officers, managers, members, employees or shareholders of Landlord or its partners or any of their personal assets for such satisfaction.

52. Costs of Enforcement. If Landlord or Tenant defaults under this Lease or there is a dispute under this Lease, then the defaulting party or the party not prevailing in such dispute shall pay, on demand, the out-of-pocket costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

53. Option to Purchase the Premises. For and in consideration for Tenant's execution of this Lease, Landlord agrees to grant Tenant a one-time option to (the "Option") purchase the Premises, within 32 months following the Commencement Date (the "Option Period"), in accordance with the terms listed below:

53.1 **Exercise of Option**. Tenant, if Tenant is not in default under this Lease beyond any applicable notice and cure period, shall confirm its intent to exercise the Option on or before the expiration of the Option Period, by written notice to Landlord (the "Confirmation") given on or before the expiration of the Option Period. Following receipt of the Confirmation, Landlord shall, within ten (10) business days, provide Tenant with Landlord's standard form of purchase and sale agreement ("Purchase Agreement), which shall be a modified version of the Commercial Association of Brokers standard form for Oregon and Washington, subject to changes reasonably requested by Tenant and consistent with the terms set forth herein. Landlord agrees that after or in connection with Tenant's provision of the Confirmation, Tenant may assign its rights and obligations in connection with

the Option to any entity that is a parent, subsidiary or affiliate of Tenant. As used herein, the term "affiliate" means an entity controlled by, controlling or under common control with Tenant. For the purposes of this Section, "control" means direct ownership of not less than 51% of the voting control of such entity. In connection with Tenant's exercise of such assignment right, Tenant shall provide Landlord a copy of the executed assignment and assumption agreement assigning Tenant's rights and obligations set forth in this Section 53 and Section 55 of this Lease to the assignee, and the assignee's assumption of such rights and obligations from Tenant. Notwithstanding any such assignment, Tenant agrees Tenant shall remain responsible for payment of all Rent unless and until the Early Expiration Date or Termination Date has occurred pursuant to Section 2.4.

**53.2 Purchase Price.** The purchase price for the Premises shall be One Million Five Hundred Eighty-one Thousand Four Hundred Forty and 50/100 Dollars (\$1,581,440.50).

**53.3 Inspection Right; Condition of Premises.**

(a) During the Due Diligence Period (as defined in Section 55.1 below), Tenant shall have the right upon Landlord's prior reasonable consent to (i) conduct such engineering, feasibility and other studies regarding the condition of the Premises which Tenant deems prudent; (ii) conduct such environmental audits and studies regarding the environmental conditions of the Premises which Tenant deems prudent; and (iii) conduct such pest and structural inspections and related inspections of the Premises which Tenant deems prudent; provided however Tenant shall deliver to Landlord copies of the results of all such tests completed on the Premises.

(b) Tenant shall notify the Landlord and obtain Landlord's approval, which approval shall not be unreasonably withheld, delayed, or conditioned, prior to conducting any invasive testing of the Premises by providing to the Landlord a written notice setting forth the proposed testing (the "Testing Notice"). The Landlord may only disapprove a Testing Notice in the event the Landlord determines that, in the Landlord's sole discretion, Tenant has not provided for adequate safety precautions in connection with such proposed testing. In the event the Landlord fails to approve or disapprove of the proposed testing set forth in the Testing Notice within ten (10) calendar days following receipt thereof, the Testing Notice shall be deemed approved. Tenant shall indemnify, hold harmless, and defend (with counsel reasonably selected by Tenant) the Landlord from any claim or liability arising from the testing of the Premises (including, but not limited to any mechanics' lien) except for any claim arising from the Landlord's negligence or willful misconduct. Tenant shall repair any damage to the Premises caused solely by the inspections and testing and shall restore the Premises to the condition existing as of the date of the inspection.

(c) Tenant acknowledges that Tenant has assessed, or will have the opportunity to assess all aspects of the Premises, including, but not limited to, the size, configuration, utility service, environmentally sensitive areas, means of access,

permitted uses, status of title (see Section 53.4 below), value, condition, and all other material aspects of the Premises, and, had conducted its own due diligence investigation of the Premises. As a condition to exercising the Option and purchasing the Premises, Tenant will represent and warrant that (a) Tenant has not relied on, nor has Tenant been influenced by, any statement or representation of Landlord or any agent or representative of Landlord regarding such items or the condition of the Premises, and (b) Tenant is taking any interest in the Premises hereunder "AS IS, WHERE IS" in its current condition existing as of the Possession Date if Tenant exercises the Option, without any representation or warranty of any kind or nature by Landlord with regard to the Premises, Building or any Improvements thereon. Tenant's acceptance of the Premises and the satisfaction or waiver of all Tenant's conditions to closing will be evidenced solely by giving the Exercise Notice and without any other act or confirmation by Landlord.

**53.4 Title Review and Approval.** Within five (5) days after the Tenant delivers the Confirmation to Landlord, Landlord shall instruct a title company selected by Landlord (the "Title Company") to deliver to Tenant a preliminary title report from the Title Company (the "Preliminary Report"), showing the status of Landlord's title to the Premises, together with complete and legible copies of all documents shown therein as exceptions to title ("Exceptions"). Tenant shall have ten (10) days after receipt of a copy of the Preliminary Report and Exceptions within which to give notice in writing to Landlord of any objection to such title or to any liens or encumbrances affecting the Premises. Within ten (10) days after receipt of such notice from Tenant, Landlord shall give Tenant written notice whether it is willing to remove the objected-to Exceptions; provided that Landlord hereby agrees to cause to be removed from title to the Premises any lien that secures payment of a monetary obligation of Landlord. Within five (5) days following receipt of the notice from Landlord regarding its ability to remove any objected to Exceptions (the "Title Contingency Date"), Tenant shall elect whether to: (i) purchase the Premises subject to those objected-to Exceptions which Landlord is not able to remove or (ii) to elect not to purchase the Premises in which case this Lease shall continue in full force and effect except that Tenant shall no longer have the Option to Purchase. If Tenant fails to give Landlord notice of Tenant's election, then such inaction shall be deemed to be Tenant's election to proceed to closing of its purchase of the Premises pursuant to this Lease. Landlord agrees to use its commercially reasonable efforts and to cooperate with Tenant with respect to Tenant's approval of the condition of title to the Premises. In the event that Landlord and Tenant, working in good faith, have not resolved Tenant's objections to title, then the Title Contingency Date may be extended for a period of thirty (30) days by either Landlord or Tenant, by written notice to the other party, and the Landlord and Tenant shall thereafter continue to work in good faith to resolve Tenant's objections to title. And, in the event of an extension of the Title Contingency Date by either party, Option Period (and Closing Date set forth in Section 53.5) may, if necessary, be extended by up to thirty (30) days. On or before the Closing Date (defined below), Landlord shall remove all Exceptions to which Tenant has objected and which Landlord agreed, or is deemed to have agreed, to remove, together with all liens securing payment of a monetary obligation. All remaining Exceptions set forth in the Preliminary Report and those Exceptions caused by or agreed to by Tenant shall be deemed "Permitted Exceptions".

**53.5 Closing.** If Tenant exercises the Option, closing of the sale and purchase of the Premises (the "Closing") will occur no later than 45 days following the expiration of the "Approvals Period" defined below (the "Closing Date"). The purchase of the Premises shall be closed in escrow at the Title Company, and the cost of escrow shall be shared equally by the parties. In the event that Tenant does not close its purchase of the Premises on or before the Closing Date, then Tenant shall have no further rights to purchase the Premises. The sale of the Premises at the Closing shall not be subject to any brokerage fees except the Broker's Fee described in Section 24 of this Lease. Landlord and Tenant shall equally share the normal closing costs for the Sale, and shall cooperate, at no cost, with the other party's 1031 exchange.

(a) At Closing, Landlord shall deliver to Tenant a duly executed and acknowledged statutory warranty deed conveying the Premises to Tenant (but not the Building or Improvements), subject to the Permitted Exceptions, and Tenant shall pay to Landlord in cash the entire Purchase Price, plus such additional amounts as may be required for recording fees and any prorates.

(b) At Closing, Landlord will provide, at its expense, a standard owner's policy of title insurance insuring title in Tenant subject only to the standard printed exceptions and the Permitted Exceptions.

(c) At Closing, Landlord will provide a duly executed affidavit certifying that Landlord is not a foreign person, trust, partnership, or corporation in compliance with the requirements of IRC §1445(b).

**54. Anti-Terrorism.** Each party hereto represents and warrants to the other that such party is not, and is not acting, directly or indirectly, for or on behalf of any person or entity named as a Specially Designated National or Blocked Person (as defined in the Presidential Executive Order 13224) and that such party is not engaged in this transaction, directly or indirectly, on behalf of, and is not facilitating this transaction, directly or indirectly, on behalf of, any such person or entity. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses, including reasonable attorneys' fees and costs, arising from or related to any breach of the foregoing representations and warranties.

**55. Termination Rights.**

**55.1 Due Diligence and Inspections.** Beginning on the date of the Confirmation, or earlier, upon Tenant's written request and the parties' execution of a mutually agreeable Right of Entry agreement, Tenant shall have 120 days (the "Due Diligence Period") to inspect the Premises and all matters relevant to its acquisition, development, usage, operation or marketability. At any time during the Due Diligence Period, and Subject to Section 53.3 above, Tenant and its agents, employees, representatives and contractors may enter the Premises at reasonable times to conduct such inspections, tests and investigations of the Premises as Tenant may elect, including, without limitation, physical, engineering, soils, geotechnical, and environmental tests. Tenant agrees to

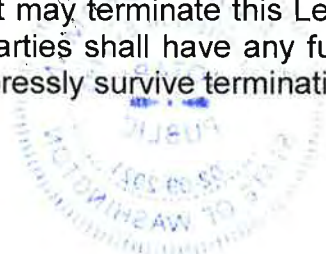


indemnify and defend (including reasonable attorney fees and costs) Landlord for any action, loss or damages asserted against Landlord as a result of Tenant and its agents, employees, representatives or contractors investigation of or access to the Premises, provided however, that the foregoing indemnity will not apply to, and Tenant will not indemnify Landlord or the Premises from, any such actions, loss, claims, demands, damages, costs, liabilities or expenses which arise from or relate to the discovery of any pre-existing conditions of or at the Premises or which are caused by the acts or omissions of Landlord or its agents, employees, representatives or contractors. If Tenant's inspections include the performance of any subsurface investigation, Landlord agrees that Landlord is the owner of any and all residual soil, water or other environmental media collected or produced in connection with such investigation.

On or before the expiration of the Due Diligence Period, Tenant may terminate this Lease upon written notice to Landlord, at Tenant's sole and absolute discretion, in which event neither of the parties shall have any further rights or obligations under this Lease, except those which expressly survive termination of this Lease.

**55.2 Entitlements.** "Required Approvals" shall mean all land use approvals and other public and private approvals which are necessary for the construction and use of the Building and other Improvements on the Premises for the Intended Use and the grant, amendment or release of any easements, covenants and restrictions in the form deemed necessary or desirable by Tenant in its sole and absolute discretion. The phrase "Required Approvals" includes, but is not limited to, building permits, zoning amendments, variances, site plan approvals, subdivisions, access and utility easements and side yard agreements. All Required Approvals must be valid, enforceable by Tenant, unconditional (or subject only to those conditions acceptable to Tenant in its sole and absolute discretion), final unappealable and unappealed. Landlord shall fully cooperate with Tenant, at no cost to Landlord, to obtain the Required Approvals by signing consents, joining in the application for the Required Approvals, participating in meetings regarding the Required Approvals, cooperating with reasonable requests for documentation regarding the Required Approvals, and taking other reasonable actions requested by Tenant to obtain the Required Approvals.

Notwithstanding anything contained in this Lease to the contrary, if, despite good faith efforts, Tenant has not obtained all Required Approvals or waived this contingency in writing by the date which is six months following expiration of the Due Diligence Period (the "Approvals Period"), Tenant may terminate this Lease upon written notice to Landlord, in which event neither of the parties shall have any further rights or obligations under this Lease, except those which expressly survive termination of this Lease.





TENANT:

MARKET STREET DEVELOPMENT, LLC,  
a Washington limited liability company

By: [Signature]

Name: Sheldon Anderson

Title: Managing Member

Date: 5/28/19

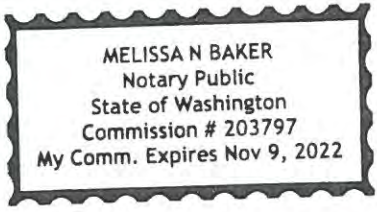
STATE OF Washington )  
 ) SS  
COUNTY OF Snohomish )

I, Melissa N. Baker, a Notary Public in and for the County and State aforesaid, do hereby certify that Sheldon Anderson the Managing member of Market Street Development, LLC, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he/she signed, sealed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said Managing member, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 28<sup>th</sup> day of May, 2019.

[Signature]  
Notary Public

My Commission Expires: Nov. 9, 2022



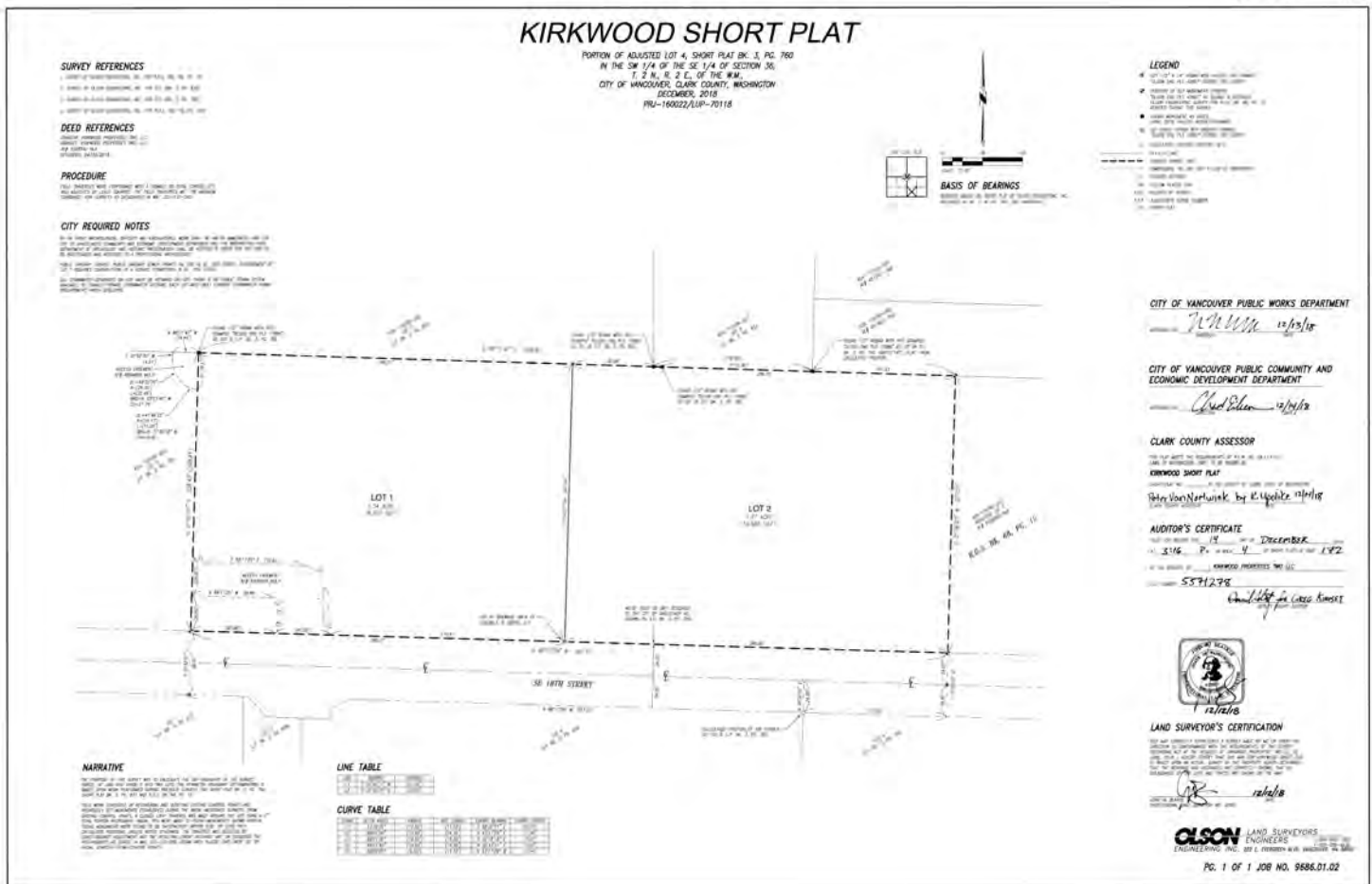


**EXHIBIT A**

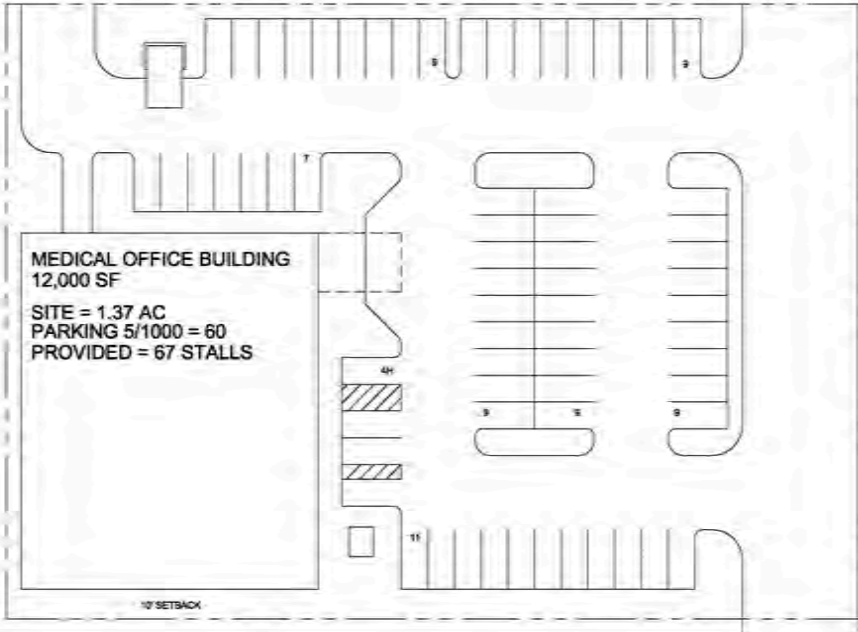
**LEGAL DESCRIPTION AND SITE PLAN OF THE PREMISES**

**Lot 2 of the Kirkwood Short Plat, recorded December 14, 2018, in Book 4, Page 172 and under recording no. 5571278, records of Clark County, Washington; being a portion of the Southeast quarter of Section 36, Township 2 North, Range 2 East of the Willamette Meridian, Clark County, Washington.**

BK 4 P172 1/1



BK 4 P172 1/1



MEDICAL OFFICE BUILDING  
 12,000 SF  
 SITE = 1.37 AC  
 PARKING 5/1000 = 60  
 PROVIDED = 67 STALLS

10' SETBACK

S.E. 18TH STREET



**MEDICAL OFFICE BUILDING**  
 VANCOUVER, WA

**SITE PLAN**

SCHEME: 1
DATE: 5/14/19
SCALE: NTS
JOB #:

**EXHIBIT B**

**INTENTIONALLY DELETED**

**EXHIBIT C**

**FORM OF SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT**

**[TO BE CONFORMED TO COUNTY RECORDING REQUIREMENTS]**

**SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT**

**THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT** (this "Agreement") is entered into as of \_\_\_\_\_, 20\_\_ (the "Effective Date"), between \_\_\_\_\_ (the "Mortgagee"), and \_\_\_\_\_ (the "Tenant").

**WHEREAS**, by Ground Lease dated \_\_\_\_\_, 20\_\_ (hereinafter called the "Lease"), \_\_\_\_\_, a \_\_\_\_\_ (hereinafter called "Landlord") has leased to Tenant and Tenant has rented from Landlord the approximately \_\_\_\_\_ rentable square feet of real property ("Tenant's Premises") located at \_\_\_\_\_ as more fully described in Exhibit A attached hereto and incorporated by reference (such real property, including all buildings, improvements, structures and fixtures located thereon, "Landlord's Premises").

**WHEREAS**, Mortgagee has made a loan to Landlord in the original principal amount of \$ \_\_\_\_\_ (the "Loan"); and

**WHEREAS**, To secure the Loan, Landlord has encumbered Landlord's Premises by entering into that certain [Mortgage and Security Agreement] dated \_\_\_\_\_, in favor of Mortgagee (as amended, increased, renewed, extended, spread, consolidated, severed, restated or otherwise changed from time to time, the "Mortgage") recorded on \_\_\_\_\_, under Clerk's File No. \_\_\_\_\_, in the Official Public Records of Real Property of the County of \_\_\_\_\_, State of \_\_\_\_\_.

**WHEREAS**, Tenant desires that Mortgagee recognize Tenant's rights under the Lease in the event of foreclosure of Mortgagee's lien, and Tenant is willing to agree to attorn to the purchaser at such foreclosure if Mortgagee will recognize Tenant's right of possession under the Lease.

**NOW, THEREFORE**, for and in consideration of their respective covenants herein made and the receipt of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:



## 1. **Definitions.**

The following terms shall have the following meanings for purposes of this Agreement.

1.1 *Foreclosure Event.* A “*Foreclosure Event*” means: (a) foreclosure under the Mortgage; (b) any other exercise by Mortgagee of rights and remedies (whether under the Mortgage or under applicable Law, including bankruptcy Law) as holder of the Loan and/or the Mortgage, as a result of which Successor Landlord becomes owner of Landlord’s Premises; or (c) delivery by Landlord to Mortgagee (or its designee or nominee) of a deed or other conveyance of Landlord’s interest in Landlord’s Premises in lieu of any of the foregoing.

1.2 *Former Landlord.* A “*Former Landlord*” means Landlord and any other party that was a landlord under the Lease at any time before the occurrence of any attornment under this Agreement.

1.3 *Offset Right.* An “*Offset Right*” means any right or alleged right of Tenant to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor Landlord pursuant to this Agreement), claim, counterclaim, reduction, deduction or abatement against Tenant’s payment of Rent or performance of Tenant’s other obligations under the Lease, arising (whether under the Lease or other applicable law) from Landlord’s breach or default under the Lease.

1.4. *Rent.* The “*Rent*” means any fixed rent, base rent or additional rent under the Lease.

1.5 *Successor Landlord.* A “*Successor Landlord*” means any party that becomes owner of Landlord’s Premises as the result of a Foreclosure Event.

1.6 *Termination Right.* A “*Termination Right*” means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Landlord’s breach or default under the Lease.

## 2. **Subordination.**

The Lease shall be, and shall at all times remain, subject and subordinate to the lien of the Mortgage, and all advances made under the Mortgage.

## 3. **Non-disturbance, Recognition and Attornment.**

3.1 *No Exercise of Mortgage Remedies Against Tenant.* So long as the Lease has not been terminated on account of Tenant’s default (an “*Event of Default*”), Mortgagee shall not name or join Tenant as a defendant in any exercise of Mortgagee’s rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or prosecuting such rights and remedies. In the latter case, Mortgagee may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or

otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action. If Mortgagee joins Tenant in such action, Landlord, by executing the Consent hereinafter set forth, agrees to indemnify, defend and hold Tenant harmless from and against any loss, cost or expense incurred or suffered by Tenant, including without limitation, legal fees, in being a party to or arising from such action, which indemnity shall survive termination or expiration of this Agreement.

3.2 *Non-disturbance and Attornment.* If the Lease has not been terminated on account of an Event of Default by Tenant, then, when Successor Landlord takes title to Landlord's Premises: (a) Successor Landlord shall not terminate or disturb Tenant's possession or quiet enjoyment of Tenant's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease (except as provided in this Agreement); (c) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease as affected by this Agreement; and (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Successor Landlord and Tenant.

3.3 *Further Documentation.* The provisions of Section 3 shall be effective and self-operative without any need for Successor Landlord or Tenant to execute any further documents. Tenant and Successor Landlord shall, however, confirm the provisions of Section 3 in writing upon request by either of them.

3.4 *Consent to Lease.* Mortgagee hereby consents to the Lease and all of the terms and conditions thereof.

#### 4. **Protection of Successor Landlord.**

Notwithstanding anything to the contrary in the Lease or the Mortgage, Successor Landlord shall not be liable for or bound by any of the following matters:

4.1 *Claims Against Former Landlord.* Any Offset Right that Tenant may have against any Former Landlord relating to any event or occurrence before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by Former Landlord that occurred before the date of attornment unless and to the extent that Mortgagee was furnished notice and opportunity to cure the same. (The foregoing shall not limit Tenant's right to exercise against Successor Landlord any Offset Right otherwise available to Tenant because of events occurring after the date of attornment, if any).

4.2 *Prepayments.* Any payment of Rent that Tenant may have made to Former Landlord more than thirty (30) days before the date such Rent was first due and payable under the Lease with respect to any period after the date of attornment other than, and only to the extent that, the Lease expressly required such a prepayment.

4.3 *Payment; Security Deposit.* Any obligation: (a) to pay Tenant any sum(s) that any Former Landlord owed to Tenant or (b) with respect to any security

deposited with Former Landlord, unless such security was actually delivered to Mortgagee.

4.4 Lease. Tenant hereby covenants and agrees that, so long as the Mortgage remains in force and effect:

- (a) No Modification, Termination or Cancellation. Tenant shall not consent to any material modification, termination or cancellation of the Lease without Mortgagee's prior written consent, which consent shall not be unreasonably withheld and shall be deemed given if Mortgagee fails to respond in writing within 15 days following receipt of written notice.
- (b) Notice of Default. Tenant shall notify Mortgagee in writing concurrently with any notice given to Landlord of any breach of or default by Landlord under the Lease. Tenant agrees that Mortgagee shall have the right (but not the obligation) to cure any breach or default specified in such notice within the time period set forth in the Lease for Landlord's performance.
- (c) Assignment of Rents. Upon receipt by Tenant of written notice from Mortgagee that Mortgagee has elected to terminate the license granted to Landlord to collect rents, as provided in the Mortgage, and directing Tenant to make payment thereof to Mortgagee, Tenant shall not be required to determine whether Landlord is in default under any obligations to Mortgagee before complying with such direction and shall not be liable to Landlord for failure to pay Landlord any sums that are paid instead to Mortgagee.

5. **Miscellaneous.**

5.1 *Notices*. All notices or other communications required or permitted under this Agreement shall be in writing and given by certified mail (return receipt requested) or by nationally recognized overnight courier service that regularly maintains records of items delivered. Notices shall be effective the next business day after being sent by overnight courier service, and three (3) business days after being sent by certified mail (return receipt requested). Unless and until notice of a change of address is given under this Agreement, notices or other communications shall be given to Mortgagee and Tenant, respectively, at the following address:

Mortgagee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Landlord: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tenant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Concurrent copy to:

5.2 *Successors and Assigns.* This Agreement shall bind and benefit the parties their successors and assigns, any Successor Landlord, and its successors and assigns.

5.3 *Entire Agreement.* This Agreement constitutes the entire agreement between Mortgagee and Tenant regarding the subordination of the Lease to the Mortgage and the rights and obligations of Tenant and Mortgagee as to the subject matter of this Agreement.

5.4 *Interaction with Lease and with Mortgage.* If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties to this Agreement and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of non-disturbance agreements by the holder of the Mortgage. Mortgagee confirms that Mortgagee has consented to Landlord's entering into the Lease.

5.5 *Interpretation; Governing Law.* The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State where the Premises is located, including its principles of conflict of laws.

5.6 *Amendments.* This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by all parties to this Agreement.

5.7 *Execution.* This Agreement may be executed electronically and in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

5.8 *Representations.* Each party represents that it has full authority to enter into this Agreement and that those signatories executing this Agreement on its behalf have full power and authority to executed this Agreement. Mortgagee agrees to keep a copy of this Agreement in its permanent mortgage records with respect to the Loan. This Agreement shall be null and void unless Tenant receives a fully executed original counterpart hereof on or before the sixtieth (60<sup>th</sup>) day following the date of Tenant's execution.

5.9 *Recordation.* Upon full execution, this Agreement may be recorded in the real property records of the county in which the Premises is located by either party hereto, provided that the recording party delivers to the other party a copy of the recorded document. The recording party shall be responsible for the costs of recording this Agreement.

**[Signature page follows]**



**TENANT:**

[TENANT ENTITY],

a \_\_\_\_\_

By: \_\_\_\_\_

Name: **Exhibit** \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF \_\_\_\_\_ )

) SS

COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a Notary Public in and for the County and State  
aforesaid, do hereby certify that \_\_\_\_\_ the  
\_\_\_\_\_ of  
\_\_\_\_\_, who is personally known to me to be the  
same person whose name is subscribed to the foregoing instrument, appeared before  
me in person and acknowledged that he/she signed, sealed and delivered the said  
instrument as his/her own free and voluntary act and as the free and voluntary act of  
said \_\_\_\_\_, for the uses and purposes therein set forth.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_





**EXHIBIT A TO**  
**SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

**Landlord's Premises**

**EXHIBIT D**

**FORM OF ESTOPPEL CERTIFICATE**

**ESTOPPEL CERTIFICATE**

THIS ESTOPPEL CERTIFICATE is made as of the \_\_\_\_ day of \_\_\_\_\_,  
20\_\_ by \_\_\_\_\_ in connection with that certain Ground Lease  
dated \_\_\_\_\_ by \_\_\_\_\_ and \_\_\_\_\_ between  
\_\_\_\_\_, as Tenant and  
\_\_\_\_\_ as Landlord (the "Lease") for the property located at  
\_\_\_\_\_ (the "Premises").

[Landlord/Tenant] hereby certifies to the best of [Landlord's/Tenant's] knowledge to (Tenant/Landlord or Lender or both) as follows:

1. The Lease is now in full force and effect and has not been amended, modified, or assigned except by the \_\_\_\_\_ dated \_\_\_\_\_. There are no other oral or written agreements or understandings between Landlord and Tenant relating to the Premises. As of the date hereof, the Lease is in full force and effect.

2. To [Landlord's/Tenant's] knowledge and belief, the information set forth below is true and correct as of the date hereof:

- (a) Approximate square footage of the Premises: \_\_\_\_\_ rentable square feet
- (b) Monthly installment of Rent as of the date hereof: \$ \_\_\_\_\_
- (c) Commencement Date: \_\_\_\_\_
- (d) Termination date: \_\_\_\_\_
- (e) Security deposit: \_\_\_\_\_
- (f) Prepaid rent in the amount of: \_\_\_\_\_
- (g) Renewal Options: \_\_\_\_\_

3. To the best of [Landlord's/Tenant's] actual knowledge and belief, without inquiry or investigation, there exists no default, no facts or circumstances exist that, with the passage of time or giving of notice, will or could constitute a default, event of default or breach on the part of either Tenant or Landlord under the Lease (except \_\_\_\_\_).

4. No rent has been or will be paid more than 30 days in advance.

5. All legal notices to Tenant shall be sent to:

Tenant: \_\_\_\_\_

Concurrently to: relegal@davita.com  
Subject: Vancouver, WA (Facility # \_\_\_\_\_)

IN WITNESS WHEREOF, \_\_\_\_\_ has executed  
this Estoppel Certificate as of the date first above written.

**TENANT:**

\_\_\_\_\_

**Exhibit**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT E**

**FORM OF MEMORANDUM OF LEASE**

**[TO BE CONFORMED TO COUNTY RECORDING REQUIREMENTS]**

Prepared by and Return to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Parcel ID: \_\_\_\_\_

**MEMORANDUM OF LEASE AND OPTION TO PURCHASE**

This Memorandum of Lease (this "Memorandum") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ ("Landlord") and \_\_\_\_\_, a \_\_\_\_\_ ("Tenant"). Tenant and Landlord agree to and acknowledge the following matters:

1. Landlord and Tenant entered into that certain Ground Lease dated as of \_\_\_\_\_, 20\_\_ (the "Lease"), wherein Landlord has leased to Tenant, and Tenant has leased from Landlord, subject to the terms, covenants and conditions contained therein, certain real property (the "Premises"), located at \_\_\_\_\_ in \_\_\_\_\_, \_\_\_\_\_, as legally described on Exhibit A, attached and incorporated herein by reference.

2. The term of the Lease is for an initial period of 10 years commencing upon the Commencement Date, as defined in the Lease, (the "Lease Term").

3. Pursuant to the Lease, Tenant has certain rights to purchase the Premises.

4. Intentionally deleted.

5. The address of Tenant is 1602 Colby Avenue, Everett, Washington 98201, Subject: Vancouver, WA (Facility #TBD).

6. The address of Landlord is \_\_\_\_\_

7. The purpose of this Memorandum is to give record notice to all persons that Tenant has a leasehold interest in the Premises and an option to purchase pursuant to the Lease, in addition to other rights and obligations created therein, all of which are confirmed.

8. Any capitalized terms utilized herein that are not otherwise defined shall be deemed to have the same meaning as set forth in the Lease.

9. In the event of a conflict between the terms of the Lease and the terms of this Memorandum, the terms of the Lease shall control.

10. This Memorandum may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

**[Signature pages follow]**





**EXHIBIT A**  
**TO**  
**MEMORANDUM OF LEASES AND RIGHT OF FIRST REFUSAL**

Legal Description of the Premises



## SCHEDULE 6 – USE RESTRICTIONS

**Tenant may not use the Premises for any of the following uses:**

Kiddie Academy:

Child Care Center (defined as a pre-school, kindergarten, child care and/or similar facility) as its Primary Use (defined below) (ii) any state-licensed secondary-use child care facility that is open to public; (iii) any state-licensed secondary-use child care facility, operated by a third-party child care provider that is regionally or nationally recognized, (iv) an adult book store, which shall include any store that sells, offers for sale or permits the viewing of sexually explicit printed materials, photographs, audio or video tapes, films, or sexual or erotic products or devices not commonly found in national chain pharmacies, or provides or permits sexually-oriented entertainment; (v) a nightclub, discotheque or dance hall as the Primary Use; (vi) a so called "head shop" or facility for the sale of drugs (including marijuana) or drug paraphernalia as the Primary Use; (vii) a gambling or gaming establishment such as, without limitation, an off-track betting establishment, sport gambling, casino gambling or similar establishment as the Primary Use; (viii) a liquor store; and/or (ix) a Goodwill® retail store (including any equipment related to the operation of a Goodwill Store), collection center and/or thrift store/collection center; and (b) no part of the Southern Portion of the Eastside Spectrum Development may be used at any time for an automotive repair/service.

"Primary Use" shall mean generation of more than thirty-five percent (35%) of a business' gross sales in a fiscal year from the specific uses set forth above.

Hotel

"Lodging Facility" A hotel or hotel concept, including but not limited to a resort, boutique, pension, guest house, hostel, service apartment, bed and breakfast, or similar commercial establishment with rooms for temporary accommodation, short term residency, and/or vacation rental.

**Tenant may not build any Improvements in violation of the below:**

Banner Storage

No structure shall be of more than two (2) stories and 36 feet maximum in height, including rooftop parapets.



## GUARANTY

WHEREAS, MARKET STREET DEVELOPMENT, LLC (“Lessor”) and TOTAL RENAL CARE INC. (“Lessee”), have entered into a certain lease agreement dated on or about the date hereof (the “Lease”) covering certain premises located at 16575 SE 18th St., Vancouver, Washington (the “Premises”); and

WHEREAS, the Lessor requires as a condition to its execution of the Lease that the undersigned unconditionally becomes a guarantor to Lessor for the obligations of Lessee under the Lease; and

WHEREAS, the undersigned is the parent corporation of Lessee and as such is desirous that Lessor enter into the Lease with Lessee.

NOW THEREFORE, in consideration of the execution of the Lease by Lessor and other good and valuable consideration and intending to be legally bound hereby, the undersigned hereby unconditionally becomes a guarantor to Lessor, its successors and assigns as follows:

1. The undersigned guaranties the full, faithful and punctual performance of each and all of the covenants, agreements and conditions of the Lease, to be kept and performed by Lessee (subject to all applicable notice and/or cure periods set forth in the Lease), in accordance with and within the time prescribed by the Lease (hereinafter collectively referred to as the “Liabilities”). Notwithstanding anything herein to the contrary, this Guaranty, and all the obligations of the undersigned hereunder, shall terminate upon the expiration of the initial “Term” (as defined in the Lease) of the Lease.

2. Lessor shall have the right from time to time, and at any time in its sole discretion, without notice to or consent from the undersigned, or without affecting, impairing or discharging in whole or in part, the Liabilities or the obligations of the undersigned hereunder, to modify, change, extend, alter, amend, or supplement in any respect whatever, the Lease, or any agreement or transaction between Lessor and Lessee or between Lessor and any other party liable for the Liabilities, or any portion or provision thereof; to grant extension of time and other indulgences of any kind to Lessee; to compromise, release, substitute, exercise, enforce or fail to refuse to exercise or enforce any claims, rights, or remedies of any kind which Lessor may have at any time against Lessee or any other party liable for the Liabilities, or any thereof, or with respect to any security of any kind held by Lessor at any time under any agreement or otherwise.

3. The undersigned waives: (a) all notice, including but not limited to (i) notice of acceptance of this Guaranty; (ii) notice of presentment, demand for payment, or protest of any of the Liabilities, or the obligation of any person, firm, or corporation held by Lessor as collateral security; (b) trial by jury and the right thereto in any proceeding of any kind, whether arising on

or out of, under or by reason of this Guaranty, or any other agreement or transaction between the undersigned, Lessor and/or Lessee; and (c) all notices of the financial condition or of any adverse or other change in the financial condition of Lessee.

4. Lessor may, without notice, assign this Guaranty in whole or in part to Lessor's successor in interest under the Lease, and no assignment of this Guaranty shall operate to extinguish or diminish the liability of the undersigned hereunder. The assignment of the Lease by Lessee to an entity not affiliated with the undersigned, to the extent such assignment is made in accordance with the terms of the Lease, shall automatically terminate this Guaranty, and thereafter, the undersigned shall have no further liability hereunder; provided, however, if Lessee assigns the Lease to any person, corporation, partnership or other entity which acquires all or substantially all of the business or assets of Lessee or stock in Lessee without Lessor's consent in accordance with the terms of the Lease, then the Guaranty shall automatically terminate only if (i) such assignee has a net worth of at least Fifty Million Dollars (\$50,000,000), and (ii) either, (a) such assignee provide a guaranty to Lessor from a creditworthy source satisfactory to Lessor in its reasonable discretion, (b) such assignee provides Lessor, as security for the assignee's obligations under the Lease, a letter of credit in an amount the parties agree is commercially reasonable in light of the assignee's creditworthiness and the amount of base rent payable from the effective date of the assignment through the expiration of the initial Term of the Lease, or (c) the parties agree upon another mutually satisfactory replacement for this Guaranty.

5. The liability of the undersigned under the Guaranty shall be primary under any right of action which shall accrue to Lessor under the Lease and Lessor may, at its option, proceed against the undersigned without having to commence any action, or have obtained any judgment against Lessee.

6. All of the Liabilities and the obligations of the undersigned hereunder shall be immediately due and payable by the undersigned, anything contained herein to the contrary notwithstanding, immediately upon the occurrence of a default under the Lease which continues beyond the expiration of the applicable notice and/or grace period, if any, under the Lease.

7. The obligations of the undersigned hereunder shall not be affected, impaired or discharged, in whole or in part, by reason of: (a) the entry of an order for relief pursuant to the United States Bankruptcy Code by or against Lessee or the undersigned; or (b) the proposal of or the consummation of a plan of reorganization concerning Lessee or the undersigned.

8. The waiver of any right by Lessor or its failure to exercise promptly any right shall not be construed as the waiver of any other right including the right to exercise the same at any time thereafter. No waiver or modification of any of the terms or conditions of this Guaranty shall be binding against Lessor unless such waiver or modification is in a writing signed by Lessor.

9. The provisions of the Guaranty shall bind all of the respective successors and assigns of the undersigned and shall inure to the benefit of Lessor, its successors and assigns.

10. All rights and remedies of Lessor are cumulative and not alternative. This Guaranty is, and shall be deemed to be, a contract entered into under and pursuant to the laws of the State of Washington and shall be in all respects governed, construed, applied and enforced in accordance with the laws of said State.

11. The undersigned represents that at the time of the execution and delivery of this Guaranty nothing exists to impair the effectiveness of the obligations of the undersigned to Lessor hereunder, or the immediate taking effect of this Guaranty between the undersigned and Lessor with respect to the undersigned becoming a surety for the Liabilities.

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be executed on  
May 29, 2019

\_\_\_\_\_.

**DAVITA INC.**

DocuSigned by:  
By: Chet Mehta  
Name: Chet Mehta  
Title: Group VP, Finance

*APPROVAL AS TO FORM ONLY*

DocuSigned by:  
By: Jeff Pretty  
Name: Jeff Pretty  
Title: Sr. Director - Assistant General Counsel

## Certificate Of Completion

Envelope Id: DB52EDEAAE3349309AB1DFC46D0094B4	Status: Completed
Subject: Please DocuSign: Vancouver CON guaranty	
Source Envelope:	
Document Pages: 3	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Niccole Sacco
Time Zone: (UTC-07:00) Mountain Time (US & Canada)	2000 16th Street
	Denver, CO 80202
	niccole.sacco@davita.com
	IP Address: 96.46.227.10

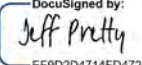
## Record Tracking

Status: Original	Holder: Niccole Sacco	Location: DocuSign
5/28/2019 12:54:46 PM	niccole.sacco@davita.com	

## Signer Events

Jeff Pretty  
jeff.pretty@davita.com  
Sr. Director - Assistant General Counsel  
Security Level: Email, Account Authentication (None)

## Signature

DocuSigned by:  
  
EF9D2D4714FD472...  
Signature Adoption: Pre-selected Style  
Using IP Address: 107.77.200.48  
Signed using mobile

## Timestamp

Sent: 5/29/2019 10:28:01 AM  
Viewed: 5/29/2019 10:58:10 AM  
Signed: 5/29/2019 10:58:39 AM

**Electronic Record and Signature Disclosure:**  
Accepted: 5/29/2019 10:58:10 AM  
ID: 2a785773-ec1d-4ee0-a1ac-b70aaceb8e0a

Chet Mehta  
chetan.mehta@davita.com  
Group VP, Finance  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
7BF9AE1B0948142B...  
Signature Adoption: Pre-selected Style  
Using IP Address: 206.217.70.7

Sent: 5/29/2019 10:58:39 AM  
Viewed: 5/29/2019 11:19:19 AM  
Signed: 5/29/2019 11:19:28 AM

**Electronic Record and Signature Disclosure:**  
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ID: a534e5b6-c5e5-4b40-b55b-6884cf63856c

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/29/2019 10:58:39 AM

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Certified Delivered	Security Checked	5/29/2019 11:19:19 AM
Signing Complete	Security Checked	5/29/2019 11:19:28 AM
Completed	Security Checked	5/29/2019 11:19:28 AM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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**Electronic Record and Signature Disclosure**

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, DaVita (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.



**How to contact DaVita:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: emily.briggs@davita.com

**To advise DaVita of your new e-mail address**

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at jennifer.vanhyning@davita.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

**To request paper copies from DaVita**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to emily.briggs@davita.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with DaVita**

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to emily.briggs@davita.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

**Required hardware and software**

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> <li>•Allow per session cookies</li> <li>•Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection</li> </ul>

\*\* These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

**Acknowledging your access and consent to receive materials electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify DaVita as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by DaVita during the course of my relationship with you.

Appendix 16  
Zoning Documentation



City of Vancouver • P.O. Box 1995 • Vancouver, WA 98668-1995  
[www.cityofvancouver.us](http://www.cityofvancouver.us)

May 31, 2019

Sheldon Anderson

Market Street Development, LLC.  
1602 Colby Ave  
Everett WA 98201

**RE: 16575 SE 18<sup>th</sup> Street Vancouver, Washington 98683 (PID# 986049267)**

Mr. Anderson:

The above referenced property is zoned CC Community Commercial and is subject to the terms and conditions listed in VMC 20.430 Commercial and Mixed Use Districts. The proposed Medical Dialysis Clinic would be classified as a **Medical Office** use and is permitted outright within the CC districts.

*Medical Office. Offices for physicians, dentists, chiropractors, and allied health care professionals; free-standing outpatient health care facilities; urgency clinics; naturopathic, and homeopathic facilities; and home health organizations that provide on-site services to patients and that generally operate during typical peak weekday hours.*


For questions or additional information, you may contact me by telephone at 360-487-7818, or by e-mail at [krisitan.corbin@cityofvancouver.us](mailto:krisitan.corbin@cityofvancouver.us)


A handwritten signature in blue ink, appearing to read "Kristian Corbin".

Kristian Corbin  
Associate Planner

## PROPERTY INFORMATION CENTER

## Tax Summary

**Property Identification Number:** 986049267 [MapsOnline](#)   
**Property Type:** Real  
**Property Status:** Active **Tax Status:** Regular  
**Site Address:** 16575 SE 18TH ST, VANCOUVER, 98683 ([Situs Addresses](#))  
**Abbreviated Description:** LOT 2 SP 4-172 1.37A



<b>Property Owner</b> KIRKWOOD PROPERTIES TWO LLC	<b>Owner Mailing Address</b> 2101 NE 129TH ST STE 200 VANCOUVER WA, 98686	<b>Property Location Address</b> 16575 SE 18TH ST, VANCOUVER, 98683 <a href="#">Google Maps Street View</a> <a href="#">Bing Maps Birds Eye</a>				
<b>2019 Tax Information</b>						
<input type="button" value="\$ Pay Online"/> <b>Payment service fees:</b> \$1.00 E-Check; 2.39% Credit\Debit Card.						
<a href="#">Other Payment Options</a>						
Tax Code Area: 114008 Millage Rate: 9.9204458504	<a href="#">Tax Distribution</a>	<a href="#">Tax Statements</a>				
<b>Tax Bill Summary</b>	<b>1st Half</b>	<b>2nd Half</b>				
Taxable Value \$835,500.00 Tax Amount \$8,288.56 Tax Paid \$4,144.34	1st Half Amount Billed \$4,144.34 Payment Due Date Apr. 30, 2019	2nd Half Amount Billed \$4,144.22 Payment Due Date Oct. 31, 2019				
<b>Tax Years Owing</b> *Interest & Penalty calculates on delinquent taxes						
<b>Tax Year</b>	<b>Statement ID</b>	<b>Amount Billed</b>	<b>Calc Date*</b>	<b>Interest</b>	<b>Penalty</b>	<b>Total Due</b>
2019	188693	\$4,144.22	 05/31/2019	\$0.00	\$0.00	\$4,144.22
<b>Tax History</b>						
<b>Tax Year</b>	<b>Statement ID</b>	<b>Billed</b>	<b>Paid</b>	<b>Interest Paid</b>	<b>Penalty Paid</b>	
2019	188693	\$8,288.56	\$4,144.34	\$0.00	\$0.00	

If you have any questions concerning the data on this page, please contact Clark County Treasurer's Office.  
 Main Phone: (564) 397-2252, Email: [treasoff@clark.wa.gov](mailto:treasoff@clark.wa.gov)

## PROPERTY INFORMATION CENTER

Account Summary

**Property Identification Number:** 986049267 [MapsOnline](#)   
**Property Type:** Real  
**Property Status:** Active **Tax Status:** Regular  
**Site Address:** 16575 SE 18TH ST, VANCOUVER, 98683 ([Sitius Addresses](#))  
**Abbreviated Description:** LOT 2 SP 4-172 1.37A

<b>Property Owner</b> KIRKWOOD PROPERTIES TWO LLC	<b>Owner Mailing Address</b> 2101 NE 129TH ST STE 200 VANCOUVER WA , 98686 US	<b>Property Site Address</b> 16575 SE 18TH ST, VANCOUVER, 98683 <a href="#">Google Maps Street View</a>
<b>Administrative Data</b> <a href="#">Info...</a>	<b>Land Data</b>	<b>Assessment Data</b> <a href="#">Info...</a>
Zoning Designation - <a href="#">Codes</a> Community Commercial (CC)	Clark County Road Atlas  <a href="#">Page 10</a> Approximate Area <a href="#">Info...</a> 59,677 sq. ft. 1.37 acres	<b>2019 Uncertified Values</b> Market Value Land Value \$877,275.00 Building Value \$0.00 Total Property \$877,275.00
Zoning Overlay(s) none Comprehensive Plan COM Comp. Plan Overlay (s) none	Subdivision <a href="#">CITY OF VANCOUVER SHORT PLAT KIRKWOOD SHORT PLAT MILL PLAIN HOMESTEAD LOT</a>	Taxable Value Total \$877,275.00
Census Tract 413.29 Jurisdiction Vancouver Fire District Vancouver Fire Park District District C School District Evergreen Elementary Columbia Valley Middle School Shahala High School Union	Survey <a href="#">018190</a> <a href="#">068015</a>	<b>2018 Values for 2019 Taxes</b> Market Value as of January 1, 2018 Land Value \$835,500.00 Building Value \$0.00 Total Property \$835,500.00
Sewer District Vancouver Water District Vancouver Neighborhood Fishers Landing East	<b>Sales History</b> Sale Date 01/01/1900 Document Type EAS Excise Number 0 Document Number 5574537 Sale Amount \$0.00	Taxable Value Total \$835,500.00
Section-Township-Range 1/4,S36,T2N,R2E  <a href="#">PDF</a>		<b>General</b> Re-valuation Cycle 4 Assessor Neighborhood 9750
Urban Growth Area Vancouver C-Tran Benefit Area Yes School Impact Fee Evergreen Transportation Impact Fee Cascade Transportation Analysis Zone 261 Waste Connections Garbage Collection Day Friday Last Street Sweeping n/a CPU Lighting Utility District 0 Burning Allowed No Wildfire Danger Area No Public Health Food Inspector District District 2 Public Health WRAP Inspector District District 1 Councilor District 3 Drainage District none		

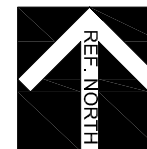
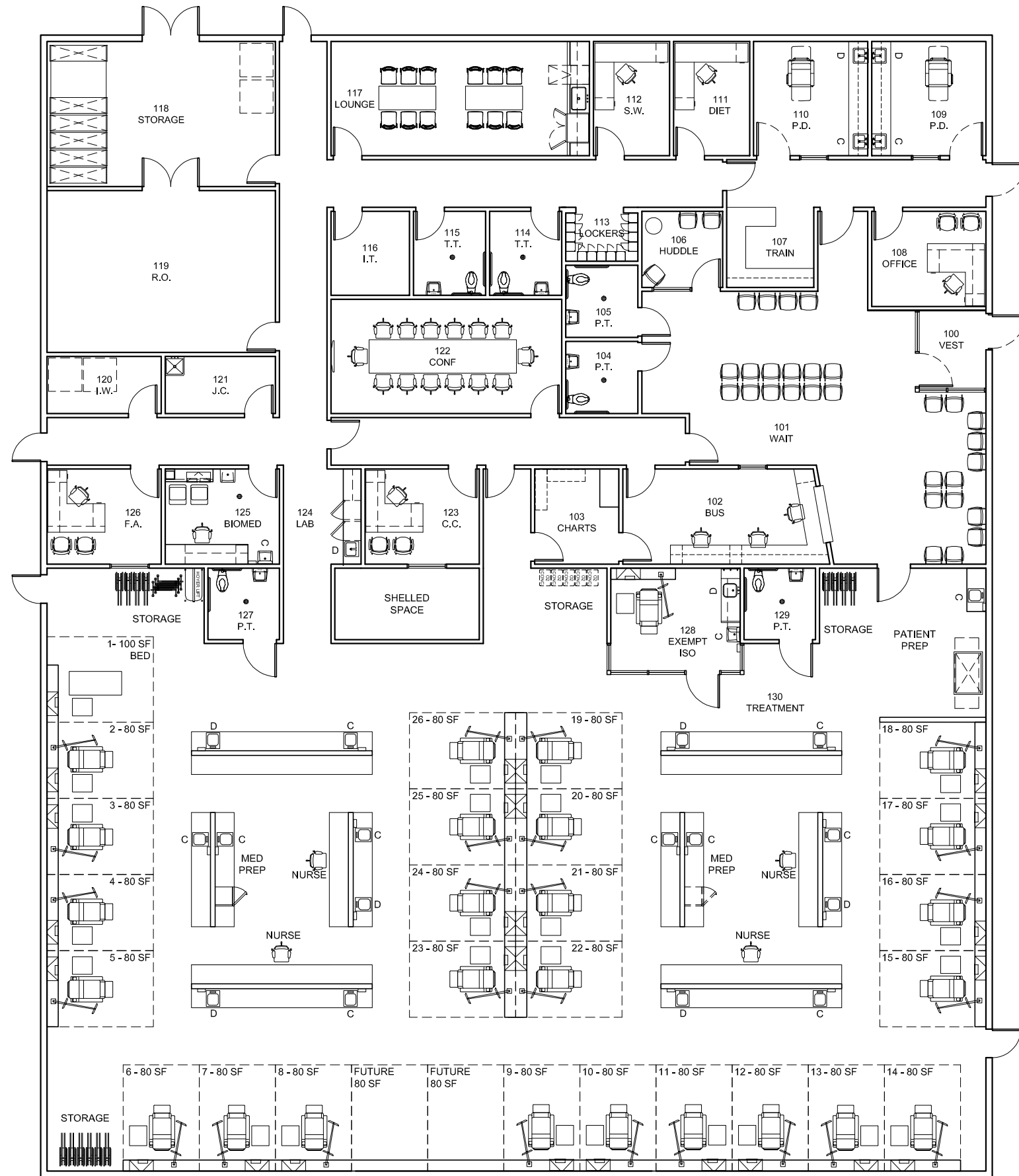
If you have questions concerning the data on this page, please contact the Clark County Assessor's Office. Main Phone: (564) 397-2391, Email: [assessor@clark.wa.gov](mailto:assessor@clark.wa.gov)

Appendix 17

Single Line Drawing



THIS DRAWING IS THE PROPERTY OF "TWINSTEPS ARCHITECTURE" UNAUTHORIZED USE OF ANY KIND, INCLUDING USE ON OTHER PROJECTS, IS PROHIBITED.  
 T:\2019\DAVITA\IRV-19-064 DaVita Vancouver WA MOB TL\Cadd 17\SDVancouver PFP.dwg

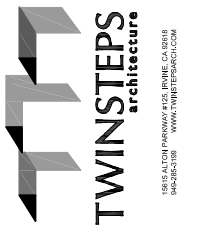


PROTOTYPE: **HOPE**  
 DEVELOPMENT: **GU**  
 TOTAL AREA: **12,000**

PRELIMINARY FLOORING  
 MATERIALS TAKE-OFFS

RESINOUS SHEET VINYL	AREA_RF
LUXURY VINYL TILE	AREA_LVT
CARPET TILE	AREA_C

15-060



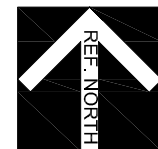
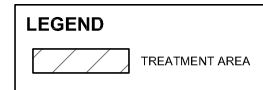
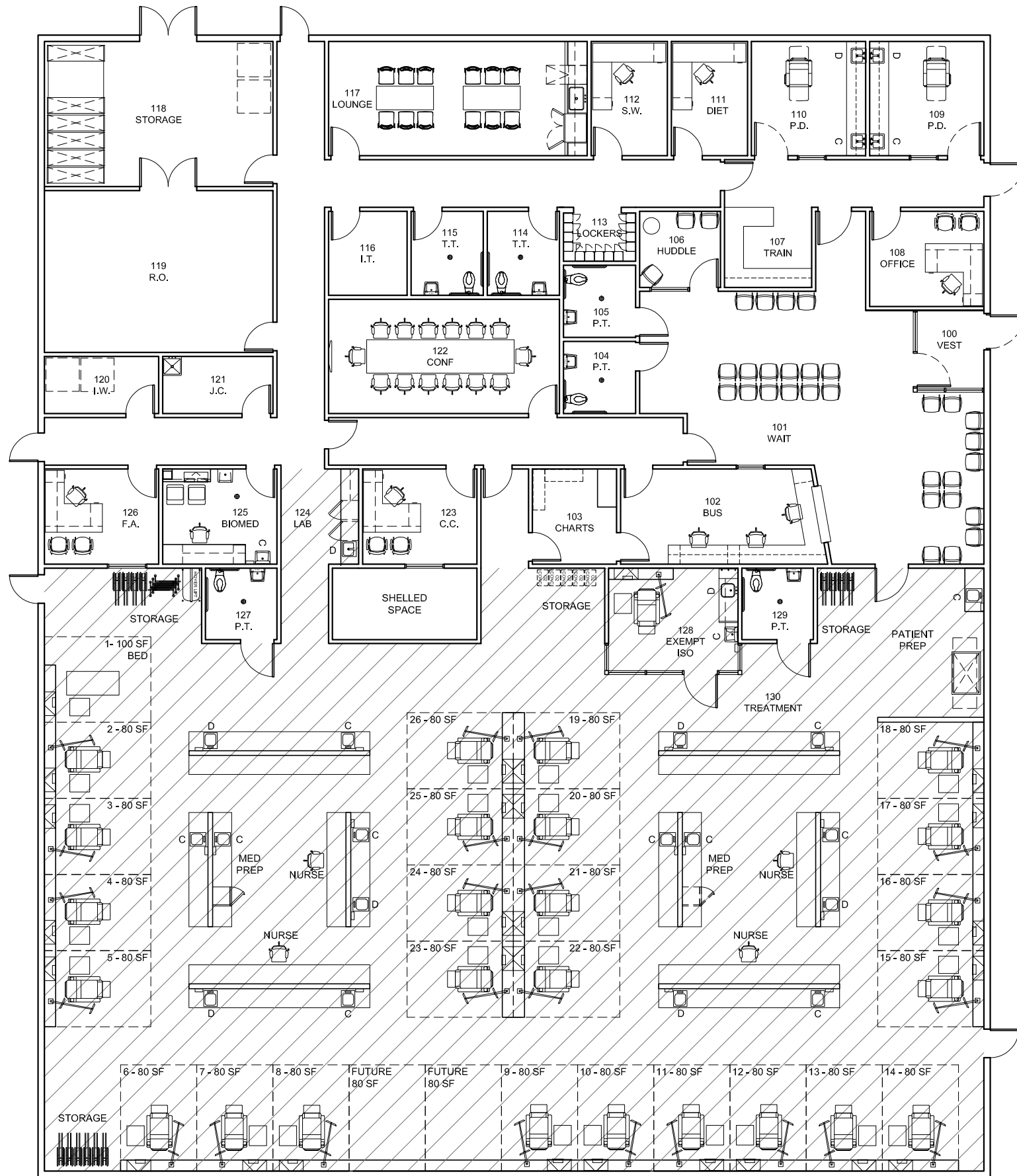
ARCHITECT APPROVALS  
 D.O.C.:  
 D.M.:  
 P.M.:  
 R.O.D.:  
 BIOMED:  
 C.S.S.:  
 S.O.S./S.A.I.L.:  
 + F.A.:  
 + PD-HHD P.M.:  
 + = IF APPLICABLE

PROJECT  
 DAVITA\_VANCOUVER  
 S.E. 18TH STREET  
 VANCOUVER, WA  
 KRISTIN\_VIDETO  
 DREAM\_TEAM



OWNER	
1	05/24/2019
2	05/29/2019
3	
4	
5	
6	
7	
8	
9	
10	
ISSUANCE	
<b>PFP1.1</b>	
SHEET No.	

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 T:\2019\DAVITA\IRV-19-064 DaVita Vancouver WA MOB TICadd 17\SDVancouver PFP.dwg



PROTOTYPE: **HOPE**  
 DEVELOPMENT: **GU**  
 TOTAL AREA: **12,000**

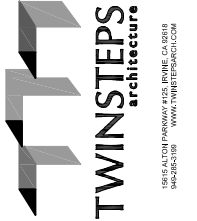
PRELIMINARY FLOORING  
 MATERIALS TAKE-OFFS

RESINOUS SHEET VINYL	AREA_RF
LUXURY VINYL TILE	AREA_LVT
CARPET TILE	AREA_C

OWNER	ISSUANCE
1	05/24/2019
2	05/29/2019
3	
4	
5	
6	
7	
8	
9	
10	

**PFP1.2**  
 SHEET No.

15-060



ARCHITECT APPROVALS  
 D.O.C.:  
 D.M.:  
 P.M.:  
 R.O.D.:  
 BIOMED:  
 C.S.S.:  
 S.O.S./S.A.I.L.:  
 + F.A.:  
 + PD-HHD P.M.:  
 += IF APPLICABLE

PROJECT  
 DAVITA\_VANCOUVER  
 S.E. 18TH STREET  
 VANCOUVER\_WA  
 KRISTIN\_VIDETO  
 DREAM\_TEAM





## Appendix 18

DaVita Quality Index (DQI) Data  
DaVita Continuous Quality Improvement (CQI) Data

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

**TITLE: CONTINUOUS QUALITY IMPROVEMENT PROGRAM**

---

**PURPOSE:** To improve patient safety and outcomes including the reduction of medical errors in accordance with the Quality Assessment and Performance Improvement (QAPI) requirements in the CMS Conditions for Coverage.

**POLICY:**

1. Each dialysis facility will have a Continuous Quality Improvement (CQI) Committee comprised of at least the following individuals from the interdisciplinary team:
  - Facility Medical Director
  - Facility Administrator (FA)/designee
  - Registered Nurse
  - Biomed Technician
  - Registered Dietitian
  - Social Worker
2. Facility Administrators (FAs) conduct periodic Facility Health Meetings (FHM) with the CQI committee to review issues and indicators regarding facility's management and performance. FHMs are conducted monthly.
3. Written documentation and plans of action will be documented within the FHM application known as Facility Health Record and will be maintained in a confidential manner. Copies of the QI meeting minutes will be provided upon request to CMS.
4. The Facility Medical Director is responsible for verifying the execution as well as participation in the Quality Improvement Program including implementation, continuous monitoring, development of action plans and program evaluation. The FA or designee of the facility will serve as the facility program coordinator unless otherwise appointed by the CQI Committee.
5. The facility CQI Program is organized, documented and reflects current knowledge and professional standards.
6. The facility will develop an annual CQI plan/calendar of indicators for review. Annually, a review of the CQI calendar of activities will occur and revisions/updates made as necessary.
7. The facility will measure, analyze, and track quality indicators or other aspects of performance. The program must include, but not be limited to, the following:
  - Patient Safety, including

- Review of sentinel events
  - Review of trends of adverse patient occurrences including falls and blood loss
  - Review of product, equipment, or medication notices or recalls
  - Infection Control, including
    - Incidence of infections
    - Vaccination rates for Hepatitis B, Influenza, and Pneumococcal
  - Adequacy of Dialysis (Kt/V)
  - Nutritional Status (Albumin)
  - Mineral Metabolism and Renal Bone Disease
  - Anemia Management
  - Vascular Access
  - Growth and Capacity
  - Mortality – review of deaths
  - Hospitalizations and Emergency Ambulance Transfers
  - Patient Satisfaction and Grievances, including KDQOL
  - Other indicators as reflected in the Facility Health Record application
8. Continuous monitoring of the above indicators will be reflected in the meeting minutes. Any area identified as underperforming will be reviewed to identify root causes for underperformance, will have an action plan identified that will result in performance improvement, and will track this change in performance over time to verify improvements are sustained.
9. Each action plan will be evaluated as to priority with Patient Safety and Clinical Outcomes indicators considered for the highest level of priority.

Facility Name	DQI Score	CVC Rate	Kt/V Rate	Vaccination (Flu) Rate	Med Review Rate	Fluid PW Above TW	CAHPS Composite Score Rate	BSI Rate	HMT Rate
Battle Ground Dialysis	43.89	14.29%	96.67%	86.67%	100.00%	43.33%		0.00	8.49%
Belfair Dialysis		12.50%	100.00%	100.00%	100.00%	25.00%		0.00	6.87%
Cascade Dialysis		10.53%	94.74%	94.74%	100.00%	0.00%		0.00	5.59%
Chinook Kidney Center	92.00	6.15%	100.00%	98.48%	100.00%	24.24%	75.91%	0.00	5.37%
Davita-mount Baker Kidney Center	68.00	10.53%	99.14%	91.38%	100.00%	35.34%	74.32%	0.85	3.33%
Downtown Spokane Renal Center	54.00	31.15%	98.39%	82.26%	100.00%	33.87%	74.70%	0.00	7.39%
East Wenatchee Dialysis		20.00%	100.00%	100.00%	100.00%	20.00%		0.00	0.50%
Echo Valley Dialysis		12.50%	100.00%	87.50%	100.00%	12.50%		0.00	4.35%
Ellensburg Dialysis Center	89.00	9.09%	100.00%	100.00%	100.00%	9.09%	75.11%	0.00	7.43%
Everett Dialysis Center	38.00	18.18%	85.29%	97.06%	100.00%	64.71%	68.56%	0.51	6.86%
Federal Way Community Dialysis Center	49.00	19.48%	100.00%	93.59%	100.00%	30.77%	71.86%	0.41	5.05%
Graham Dialysis Center	70.00	13.33%	100.00%	97.78%	100.00%	33.33%		0.00	6.09%
Kennewick Dialysis	95.00	9.68%	100.00%	87.10%	100.00%	16.13%		0.00	4.38%
Kent Dialysis Center	47.00	14.63%	96.34%	93.90%	100.00%	29.27%	62.17%	2.46	6.01%
Lakewood Community Dialysis Center	41.00	21.18%	95.45%	96.59%	100.00%	35.23%	57.95%	0.77	6.85%
Mid Columbia Kidney Center	87.00	4.94%	97.53%	93.83%	100.00%	24.69%	80.63%	0.39	5.40%
Mill Creek Dialysis Center	66.00	19.15%	97.87%	100.00%	100.00%	36.17%	78.04%	0.00	4.83%
Moscow Dialysis		12.50%	100.00%	100.00%	100.00%	12.50%		0.00	10.48%
Mt Adams Kidney Center	71.00	10.81%	100.00%	98.67%	100.00%	30.67%	75.11%	0.45	4.75%
North Spokane Renal Center	81.00	12.33%	100.00%	85.14%	100.00%	22.97%	75.60%	0.00	2.83%
Olympia Dialysis Center	70.00	3.33%	100.00%	96.77%	100.00%	41.94%		0.00	8.11%
Olympic View Dialysis Center	73.00	7.94%	96.83%	93.65%	100.00%	34.92%	65.43%	0.00	6.55%
Parkland Dialysis	32.00	14.29%	93.40%	95.28%	100.00%	38.68%	70.52%	0.63	8.25%
Pilchuck Dialysis	78.89	12.20%	100.00%	95.35%	100.00%	6.98%		0.00	7.82%
Puyallup Dialysis	28.00	23.86%	95.56%	94.44%	100.00%	46.67%	63.11%	2.37	6.60%
Rainier View Dialysis	67.50	6.12%	96.00%	86.00%	100.00%	28.00%	85.89%	1.29	6.71%
Redondo Heights Dialysis	26.00	27.78%	90.91%	94.55%	100.00%	49.09%	74.95%	1.79	8.93%
Renton Dialysis		18.75%	100.00%	100.00%	100.00%	43.75%		0.00	10.98%
Seaview Dialysis Center		5.88%	100.00%	94.12%	100.00%	35.29%		0.00	6.00%
Spokane Valley Renal Center	71.00	20.00%	98.18%	94.55%	100.00%	25.45%	86.61%	0.00	5.96%
Tacoma Dialysis Center	40.50	22.58%	93.55%	86.02%	100.00%	34.41%	75.65%	0.74	7.91%
Tumwater Dialysis	45.56	15.63%	96.88%	90.63%	100.00%	34.38%		0.00	9.44%
Union Gap Dialysis	70.00	12.12%	100.00%	92.54%	100.00%	1.49%	72.30%	1.60	5.54%
Vancouver Dialysis Center	62.50	13.56%	100.00%	87.10%	100.00%	38.71%	74.08%	0.57	4.79%
Wenatchee Valley Dialysis	51.00	21.05%	97.44%	94.87%	100.00%	47.44%	76.00%	0.43	5.29%
Westwood Dialysis Center	28.33	18.42%	100.00%	86.84%	100.00%	44.74%		2.86	8.78%
Whidbey Island Dialysis Center	90.00	9.09%	100.00%	90.91%	100.00%	27.27%		0.00	3.61%
Yakima Dialysis Center	86.00	7.55%	99.07%	96.26%	100.00%	18.69%	64.99%	0.00	6.56%
Zillah Dialysis	59.00	4.76%	100.00%	100.00%	100.00%	23.81%	66.50%	1.71	12.50%

## Appendix 19

### CKD Community Education





POLICY # COMP-DD-018	Revision: 5.0	Page 1 of 6
TITLE: No-Cost Patient Education		
Department: Compliance (Team Quest)	Effective date: 12/09/2016	
<p><i>Teammates must promptly report all potential violations of DaVita’s Code of Conduct, Corporate Integrity Agreement (CIA) obligations, Compliance Policies and Procedures and/or applicable laws or regulations. Reports should be made to the Compliance Department (Team Quest), or the Compliance Hotline (888-458-5848 or <a href="http://DaVitaComplianceHotline.com">DaVitaComplianceHotline.com</a>). In accordance with DaVita’s Non-Retaliation policy, DaVita will not tolerate any form of retaliation against anyone who files a compliance report in good faith. Questions regarding any Compliance Policy may be directed to Team Quest via the QUESTionLine at 855-687-9645 or <a href="mailto:QUESTionLine@davita.com">QUESTionLine@davita.com</a>.</i></p>		

**1. PURPOSE**

The purpose of this policy is to provide guidelines for no-cost patient education and teammate interaction with participants related to such initiatives.

**2. SCOPE**

This policy applies to DaVita Inc.’s Kidney Care business (DaVita) and, subject to approval by the chief compliance officer or his/her designee, it may be enhanced or modified by a business unit-specific policy(ies). Kidney Care is comprised of DaVita’s domestic dialysis business, as well as any other subsidiaries and affiliated entities related to Kidney Care and DaVita’s Strategic Business Initiatives (SBI). DaVita Medical Group (DMG) business and international operations are not part of Kidney Care.

This policy applies to all no-cost Patient Education Programs, teammates and Participants, including upstream non-DaVita Patients and community members. This policy does not apply to education provided or furnished to patients of other healthcare providers that are under contract with DaVita (e.g. Patient Pathways, Hospital Services Group, etc.).

**3. DEFINITIONS**

Term	Definition
Core Patient Education Program Materials	Materials that provide an overview of key elements addressed in Patient Education Programs.
DaVita Patient	A patient whose DaVita placement request has been accepted and who has been formally admitted to dialyze at. A patient can be considered formally admitted prior to their first day of dialysis at DaVita.
Health Care Provider	Any individual nephrologist or physician practice; any hospital or related corporate entity that is or has entered into a Letter of Intent with DaVita Dialysis to become a Joint Venture Partner; or any joint venture in which DaVita owns an interest that provides dialysis services, whether directly or indirectly owned by DaVita.
Healthy Transitions	A Patient Education Program intended to provide insurance and employment education to the chronic kidney disease community.

Term	Definition
Individualized Education Program	A program that is provided in a one-on-one setting and tailored to address the needs or circumstances of a particular Participant.
Kidney Smart	A Patient Education Program provided to the entire community, regardless of affiliation to physicians/providers or a patient's employment/insurance status.
Modality Education	A Patient Education Program intended to provide information about modality options for patients diagnosed with End-Stage Renal Disease.
One on One Education	Education that provides general information (i.e. information that is not tailored to the specific patient) to a Participant in a one-on-one setting.
Participant	An individual who takes part in a no-cost Patient Education Program.
Patient Education Program	A no-cost educational program that provides general information to Participants in order to raise awareness or improve health outcomes.
Referral Source	Physicians, hospitals, or any other person or entity in a position to refer, recommend, or arrange for any item or service from or furnished by a DaVita facility, DaVita business unit or subsidiary or an immediate family member of the Referral Source. Examples of Referral Sources include hospitals, nephrologists, and nephrology associated nurses, physician assistants, physician practice managers, social workers, discharge planners, and case managers.
Strategic Business Initiative (SBI)	SBIs include DaVita Clinical Research, DaVita Health Solutions, DaVita Labs, Falcon Physician, VillageHealth, Lifeline Vascular Access, Paladina Health and Nephrology Practice Solutions.

#### 4. POLICY

4.1. Patient Education Programs must be designed to provide bona fide, general (non-individualized) education for which a participant (or third-party payer) would not otherwise pay.

4.1.1. Content of Patient Education Programs should be limited to the following. Education concerning topics not listed below may only be offered in limited settings and require approval from the Justice League of DaVita (JLD) and documentation.

- Information regarding disease state awareness and preventions, such as taking control of kidney disease.
- Suggestions for making healthy choices.
- Treatment options (education must not be limited to a single option and should include all modality options).
  - Educational programs that include a discussion of treatment modalities must include the [No Medical Advice Given Disclaimer](#).
- Information regarding vascular access awareness, such as access function early recognition and patient actions for access issues.
- General education about healthcare insurance and/or employment options.
  - Individualized healthcare insurance and/or employment education may be provided for Participants who are late-stage patients.

#### 4.1.2. Inappropriate Content

- Discussions related to DaVita-specific financial assistance must be limited to Participants who are DaVita Patients and are not appropriate for potential DaVita Patients.

- Medical advice must not be provided as part of Patient Education Programs.
  - Information may not be tailored to the specific participant except as expressly approved for Healthy Transitions.
  - The content of Patient Education Programs must be provider-neutral and must not include marketing or promotional materials for any specific provider. Rather, content must be unbiased and may not include information and educational materials that are designed to influence a Participant's choice.
  - DaVita should never initiate the shift in focus from bona fide education to DaVita promotion. If a Participant requests information specific to DaVita items or services:
    - Teammates should provide a HIPAA Marketing Authorization form (available on the eP&P VillageWeb site) and obtain the Participant's signature.
    - Teammates should refer the participant to a designated non-educator teammate for non-education discussions (e.g., for home educators, refer to facility administrator or home lead where participant is interested in dialysis).
  - It is inappropriate to discuss or offer Patient Education Programs to Referral Sources in order to induce or reward referrals to DaVita.
- 4.1.3** All Patient Education Program presentations and materials must include the [No Medical Advice Given Disclaimer](#).
- 4.1.4** Educational content concerning topics not listed in Section 4.1.1. above may only be offered in limited settings and require JLD's approval and documentation.

## **4.2. Educators**

- 4.2.1.** Patient Education Programs may only be conducted by DaVita teammates who have completed the appropriate training courses in StarLearning, which must be completed annually.
- 4.2.2.** Each educator also must satisfy the additional requirements, if any, of the applicable Patient Education Program
- 4.2.3.** Educators may not be offered incentives based on Participants choosing DaVita as their healthcare provider after completing a Patient Education Program.
- Any allowable incentives must align with the Teammate Incentive Handbook.
- 4.2.4.** Educators' appearance, including clothing, must be provider-neutral, except as specifically approved by JLD.

## **4.3. Appropriate Venues**

- 4.3.1.** Patient Education Programs may only be offered in the following venues.
- Community-based locations (e.g., libraries, or other meeting rooms/conference rooms available for community use, senior centers and other types of community centers).
    - If there are no free community locations suitable for education classes, a reasonable fee may be paid to non-Referral Sources only to use a publicly available space (e.g., library meeting rooms, hotel conference rooms or other similar spaces). Referral Sources may not be paid to use space for Patient Education Programs.

- Practice or provider office/facility
  - Patient Education Programs occurring in a practice or provider office must be offered and open to the public in a region, irrespective of whether the practice is affiliated with or otherwise involved in a financial arrangement (e.g., joint venture partnership) with DaVita.
  - Referral Sources may not be paid to use a practice office for Patient Education Programs.
- Patient Education Programs must not be offered at the hospital bedside. Patient Education Programs must not be delivered in the patient's home or other personal residence with the following exceptions:
  - Website or webinar, pursuant to the requirements of 4.5.1.
  - Healthy Transitions

#### **4.4. Financial**

- 4.4.1.** Patient Education Programs must be offered at no-cost to all Participants, regardless of the Participant's treating physician, other healthcare provider, payer or employment status.
- 4.4.2.** Patient Education Programs must not replace, coordinate with or otherwise offset currently offered or reimbursable education or services (e.g., Medicare Improvements for Patients & Providers Act) provided by the Participant's treating physician.
- 4.4.3.** Under no circumstance can Patient Education Programs be billed by any party.
- 4.4.4.** It is appropriate to refer Participants with financial assistance questions to the American Kidney Fund (AKF), and inform Participants that there may be financial assistance available to ESRD patients from AKF or certain state aid programs regardless of their choice of dialysis provider.

#### **4.5. Delivery Method**

- 4.5.1.** Patient Education Programs may be offered in the following ways:
  - Websites or Webinar
    - Participants may be directed to educational websites or webinars to access Patient Education Programs subject to the requirement that all content of the website (including hyperlinks) and webinars must be provider-neutral.
  - Live Classes
    - Participants may be invited to attend live Patient Education Programs.
    - Patient Education Programs must be open to the public.
  - One-on-one patient or limited attendance Patient Education Programs may be provided, via telephone or live session, under the following circumstances.
    - All other options are not feasible.
    - If a live session, the public is welcome to attend.
    - An educator is available.

- Team Quest and JLD have approved the request or previously provided written approval through a formal process for providing one-on-one or limited attendance Patient Education Programs.
- Notwithstanding the above, Healthy Transitions has been approved for one-on-one telephone sessions.
  - Currently Healthy Transitions is the only preapproved Individualized Education Program.
- Kidney Smart
  - All Kidney Smart classes must be posted on CERT (the scheduling system) 24 hours in advance.
  - Modality Education classes must be posted on CERT if they are scheduled more than one business day in advance. Educators should make every effort to schedule Modality Education so that it can be posted and open to the public.

#### **4.6. Materials**

- 4.6.1.** All collateral materials used or handed out in connection with Patient Education Programs must be approved in advance by JLD and/or Team Quest. If teammates are found to be using materials not approved by JLD or Team Quest, teammates may be subject to corrective action up to and including termination.
- 4.6.2.** Upon request of the Health Care Provider, materials for the Patient Education Programs may be provided by educators to hospitals, physician practices and other healthcare providers to educate those providers about the Patient Education Programs and raise awareness of available Patient Education Programs.
- 4.6.3.** Pre-recorded Patient Education Programs may not be provided to hospitals, physician practices, or other Health Care Providers without prior consent from Team Quest of the JLD.
- 4.6.4.** Core Patient Education Program materials must be made publicly available online at no-cost (e.g., posted on a publicly available website such as KidneySmart.org or DaVita.com).

#### **4.7. HIPAA Authorization**

- 4.7.1.** Valid HIPAA authorizations (available on the eP&P VillageWeb site) must be obtained before contacting the Participant or collecting protected health information (PHI) (e.g., Participant contact information) belonging to the Participant.
  - If a Participant is recommended to a Patient Education Program by the Participant's treating physician, the educator must receive the HIPAA authorization form that has been signed by the Participant from the Participant's treating physician prior to the educator contacting the Participant for educational purposes or causing the Participant to be contacted for educational purposes.
    - If a Participant contacts Healthy Transitions directly, Healthy Transitions may obtain verbal consent to have the HIPAA form and consent form mailed to the Participant.
  - If a Participant reaches out to DaVita directly, a HIPAA authorization should be collected at the time of providing the education.

#### **4.8. Post Education Follow Up**

- 4.8.1.** After the Patient Education Program is complete, educators may follow up with the Participant only if;
- A signed HIPAA Authorization Form is on file.
- 4.8.2.** Patient Education Program educators are only permitted to use documents approved by Team Quest and JLD for follow-up purposes.
- 4.8.3.** Information gathered through a Patient Education Program may only be used for Patient Education Program purposes, unless patient authorization has been obtained prior to the use or the use has received written JLD approval.

#### **4.9. New Pilot Program**

- 4.9.1.** Any pilot programs related to Patient Education Programs must be approved by JLD and Team Quest. The following information must be provided for review by JLD and Team Quest:
- Explanation of why this initiative is being proposed and what the potential educational benefits are.
  - List of anyone outside of DaVita who will be involved (physicians, medical directors, other healthcare entities or providers).
  - A response to the following questions:
    - Will anyone be paid for participating in this initiative?
    - When will the initiative begin?
    - With whom will the results of the initiative be shared?
    - Do you anticipate publishing the results of the pilot or initiative?
  - Any other information requested by JLD or Team Quest.
- 4.10.** Patient Education Programs are subject to the DaVita Document Retention Policy (available on the JLD VillageWeb page).

#### **5. PROCEDURES**

→ N/A

#### **6. APPLICABLE DOCUMENTS**

- [No Medical Advice Given Disclaimer](#)
- HIPAA Marketing Authorization (available on the eP&P VillageWeb site)
- HIPAA Marketing Authorization- Maine and Montana (available on the eP&P VillageWeb site)
- HIPAA Marketing Authorization- Maryland (available on the eP&P VillageWeb site)
- [Kidney Smart Program Requirements](#)
- Valid HIPAA Authorization Form (available on the eP&P VillageWeb site)
- Valid HIPAA Authorization Form – Maine and Montana (available on the eP&P VillageWeb site)
- Valid HIPAA Authorization Form – Maryland (available on the eP&P VillageWeb site)
- Document Retention Policy (available on the JLD VillageWeb page)

## Appendix 20

# Corporate Integrity Agreement

EX-10.1 2 d807612dex101.htm EX-10.1

Exhibit 10.1

**CORPORATE INTEGRITY AGREEMENT  
BETWEEN THE  
OFFICE OF INSPECTOR GENERAL  
OF THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
AND  
DAVITA HEALTHCARE PARTNERS INC.**

**I. PREAMBLE**

DaVita HealthCare Partners Inc. and its U.S. wholly-owned and partially-owned subsidiaries and joint ventures in which DaVita HealthCare Partners Inc. owns an interest that provide dialysis services, whether directly or indirectly owned by DaVita HealthCare Partners Inc., with the exception of the joint ventures listed in Appendix E (collectively “DaVita”) hereby enters into this Corporate Integrity Agreement (CIA) with the Office of Inspector General (OIG) of the United States Department of Health and Human Services (HHS) to promote compliance with the statutes, regulations, and written directives of Medicare, Medicaid, and all other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b (f)) (Federal health care program requirements). Contemporaneously with this CIA, DaVita is entering into a Settlement Agreement with the United States.

**II. TERM AND SCOPE OF THE CIA**

A. The period of the compliance obligations assumed by DaVita under this CIA shall be five years from the effective date of this CIA (“CIA Period”). The “Effective Date” shall be the date on which the final signatory of this CIA executes this CIA. Each one-year period, beginning with the one-year period following the Effective Date, shall be referred to as a “Reporting Period.”

B. Sections VII, X, and XI shall expire no later than 120 days after OIG’s receipt of: (1) DaVita’s final Annual Report, or (2) any additional materials submitted by DaVita pursuant to OIG’s request, whichever is later.

C. The scope of this CIA shall be governed by the following definitions:

1. “Arrangements” shall mean every arrangement or transaction that involves, directly or indirectly, the offer, payment, solicitation, or receipt of anything of value, and is between DaVita Dialysis and any actual or potential source of health care business or referrals to DaVita Dialysis or any actual or potential recipient of health care business or referrals from DaVita Dialysis. The term “source of health care business or referrals” shall mean any individual or entity that refers, recommends, arranges for,

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orders, leases, or purchases any good, facility, item, or service for which payment may be made in whole or in part by a Federal health care program, and the term “recipient of health care business or referrals” shall mean any individual or entity: (1) to whom DaVita Dialysis refers an individual for the furnishing or arranging for the furnishing of any item or service; or (2) from whom DaVita Dialysis purchases, leases, or orders or arranges for or recommends the purchasing, leasing, or ordering of any good, facility, item, or service for which payment may be made in whole or in part by a Federal health care program.

2. “Arrangements Covered Persons” includes each Covered Person who is involved with the development, approval, management, negotiation, execution, implementation, or review of DaVita Dialysis’s Arrangements. This definition does not include Facility Administrators whose sole involvement with Arrangements consists of working with Health Care Providers in implementing an Arrangement with DaVita Dialysis.

3. “Business Courtesies” means meals, gifts, and other gratuities, excluding educational and promotional materials.

4. “Certifying Executive” means each Covered Person who is an officer, president, general manager, vice president, group senior vice president, division vice president, or other Covered Person whose position is equivalent to or above a division vice president.

5. “Clinic Covered Persons” means all Covered Persons employed at a DaVita Dialysis clinic except the Facility Administrators.

6. “Compliance Program Review” means the review performed by the Compliance Advisor in accordance with Appendix A.

7. “Covered Executive” means each Covered Person who is an officer, president, senior vice president, or other Covered Person whose position is equivalent to or above a senior vice president.

8. “Covered Persons” includes:

- a. all owners of DaVita who are natural persons (other than shareholders who: (1) have an ownership interest of less than 5% and (2) acquired the ownership interest through public trading or in connection with the operation of employee incentive programs);

- 
- b. all officers, directors, and employees of DaVita who are responsible for or work for DaVita Dialysis;
  - c. all contractors, subcontractors, agents, and other persons who provide patient care items or services or who perform billing or coding functions on behalf of DaVita Dialysis, excluding vendors whose sole connection with DaVita is selling or otherwise providing medical supplies or equipment to DaVita and who do not bill the Federal health care programs for such medical supplies or equipment; and
  - d. all domestic dialysis clinic Joint Venture Partners and Medical Directors.

Notwithstanding the above, this term does not include part-time or per diem employees, contractors, subcontractors, agents, and other persons (other than Medical Directors) who are not reasonably expected to work more than 160 hours during a Reporting Period, except that any such individuals shall become “Covered Persons” at the point when they work more than 160 hours during a Reporting Period. This term also does not include contractors, subcontractors, agents, and other persons (other than Medical Directors) who only provide diagnostic services, facility services and supplies, home medical equipment, laboratory services, pharmacy services, and transportation and ambulance services.

9. “DaVita Dialysis” means DaVita’s domestic dialysis business and clinics, and all DaVita functions that provide support to DaVita’s domestic dialysis business and clinics, excluding IT personnel other than IT personnel who develop software and systems, employee benefits personnel, and facility services personnel who provide administrative support for DaVita’s corporate business offices.

10. “Executive Financial Recoupment Program” means the financial recoupment program required by Appendix D that puts at risk of forfeiture and recoupment an amount equivalent to up to three years of annual performance pay (*e.g.*, annual bonus, plus long-term incentives) for a Covered Executive who is discovered to have been involved in any significant misconduct.

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11. “Focus Arrangements” means every Arrangement that is between DaVita Dialysis and any Health Care Provider and involves, directly or indirectly, the offer, payment, or provision of anything of value. Notwithstanding the foregoing, “Focus Arrangements” shall not include:

- a. single patient agreements, stat lab agreements, or transfer agreements that DaVita Dialysis enters into with a hospital or related corporate entity, or
- b. Business Courtesies extended by DaVita Dialysis, except those Business Courtesies extended by Certifying Employees, DaVita Dialysis business development personnel, and DaVita Dialysis Regional Operations Directors.

12. “Health Care Provider” means: (1) any individual nephrologist or physician practice; (2) any hospital or related corporate entity that is or has entered into a Letter of Intent with DaVita Dialysis to become a Joint Venture Partner; or (3) any joint venture in which DaVita owns an interest that provides dialysis services, whether directly or indirectly owned by DaVita.

13. “Joint Venture De Novo” means any transaction in which DaVita partners with a Health Care Provider to establish and jointly own one or more new dialysis clinics or programs prior to Medicare certification.

14. “Joint Venture Partner” means a Health Care Provider who owns a percentage, directly or indirectly, whether through shares, membership interests, or other ownership means, of a DaVita Dialysis clinic or holding company that owns an interest in a DaVita Dialysis clinic.

15. “Medical Director” means a nephrologist or nephrology practice that provides the medical director services required by Medicare regulations (*e.g.*, 42 C.F.R. § 494.150) to a DaVita Dialysis clinic.

16. “Multi-Specialty Practice” means a physician practice group that includes physicians who practice in general medicine/primary care and/or more than one specialty area. If physicians who specialize in nephrology are included in the Multi-Specialty Practice, they must represent less than 20% of the practice group’s physician members.

17. “Partial Acquisition” means any transaction in which DaVita acquires a direct or indirect interest of less than 100% in one or more dialysis clinics or programs.

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18. “Partial Divestiture” means any transaction in which the ownership interest held directly or indirectly by DaVita in one or more dialysis clinics or programs is reduced, but remains greater than 0%.

19. “Risk Determination” means: (a) the Independent Monitor’s decision regarding whether the proposed Focus Arrangement presents a low risk or a high risk of violating the laws and regulations governing the Federal health care programs, including the False Claims Act and the Anti-Kickback Statute; or (b) the Independent Monitor’s determination that he or she is unable to make such a conclusion.

20. “Subject Joint Venture Clinics” means the joint venture clinics listed in Appendix B to this CIA.

21. “Valuation Methodologies” means the collections of processes used to price a Focus Arrangement, including the template financial models used in those processes, standards concerning the methodology for calculating and documenting the inputs to those models when customized to specific transactions, and procedures for evaluating the output from those models.

### **III. CORPORATE INTEGRITY OBLIGATIONS**

DaVita shall establish and maintain a Compliance Program that includes the following elements:

#### **A. Chief Compliance Officer and Management Compliance Committee**

1. *Chief Compliance Officer.* DaVita has appointed a Covered Person to serve as its Chief Compliance Officer and shall maintain a Chief Compliance Officer for the CIA Period. The Chief Compliance Officer shall be responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with the requirements set forth in this CIA and with Federal health care program requirements. The Chief Compliance Officer shall be a member of senior management of DaVita, shall report directly to the Chief Executive Officer of DaVita and the Chairman of the Compliance Committee of the Board of Directors of DaVita (the “Board”), shall make periodic (at least quarterly) reports regarding compliance matters directly to the Compliance Committee of the Board of Directors (“Board Compliance Committee”), and shall be authorized to report on such matters to the Board or the Board Compliance Committee at any time. Written documentation of the Chief Compliance Officer’s reports to the Board Compliance Committee shall be made available to OIG upon request. The Chief Compliance Officer shall not be or be subordinate to the Chief Legal Officer or Chief Financial Officer or have any responsibilities that involve acting in any capacity as legal counsel or supervising legal counsel functions for DaVita. The Chief Compliance Officer shall be responsible for monitoring the day-to-day compliance

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activities engaged in by DaVita Dialysis as well as for any reporting obligations created under this CIA. Any noncompliance job responsibilities of the Chief Compliance Officer shall be limited and must not interfere with the Chief Compliance Officer's ability to perform the duties outlined in this CIA.

DaVita shall report to OIG, in writing, any changes in the identity or position description of the Chief Compliance Officer, or any actions or changes that would affect the Chief Compliance Officer's ability to perform the duties necessary to meet the obligations in this CIA, within five days after such a change.

*2. Management Compliance Committee.* DaVita has appointed and shall maintain for the CIA Period a Management Compliance Committee. The Management Compliance Committee shall, at a minimum, include the Chief Compliance Officer and other members of DaVita Dialysis's senior management necessary to meet the requirements of this CIA (e.g., senior executives of DaVita Dialysis Corporate Development, billing, clinical, human resources, audit, and operations). The Chief Compliance Officer shall chair the Management Compliance Committee, and the Management Compliance Committee shall support the Chief Compliance Officer in fulfilling his/her responsibilities (e.g., shall assist in the analysis of DaVita Dialysis's risk areas and shall oversee monitoring of internal and external audits and investigations). The Management Compliance Committee shall meet at least quarterly. The minutes of the Management Compliance Committee meetings shall be made available to OIG upon request.

DaVita shall report to OIG, in writing, any changes in the composition of the Management Compliance Committee, or any actions or changes that would affect the Management Compliance Committee's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

*3. Board of Directors Compliance Obligations.* The Board Compliance Committee shall be responsible for the review and oversight of matters related to compliance with Federal health care program requirements and the obligations of this CIA. The Board Compliance Committee is currently comprised solely of independent (i.e., non-executive) members and shall continue to be comprised solely of independent members for the CIA Period. The Board Compliance Committee has now and shall maintain for the CIA Period the ability to retain, at its sole discretion, outside compliance counsel.

The Board Compliance Committee shall, at a minimum, be responsible for the following:

- a. The Board Compliance Committee shall meet at least quarterly to review and oversee DaVita Dialysis's

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Compliance Program, including, but not limited to, the performance of the Chief Compliance Officer, Management Compliance Committee, and the Compliance Department.

- b. The Board Compliance Committee shall meet at least quarterly in executive session with the Chief Compliance Officer.
- c. The Board Compliance Committee shall, within 90 days of the second anniversary of the Effective Date, retain a person or entity who meets the qualifications set forth in Appendix A as its Compliance Advisor. Beginning with the third Reporting Period of the CIA, the Compliance Advisor shall review the effectiveness of DaVita Dialysis's Compliance Program and Risk Assessment and Mitigation Process for DaVita Dialysis (Compliance Program Review) and provide the Board with a Compliance Program Review Report for the remaining Reporting Periods of the CIA. The Board shall consider the Compliance Program Review Report as part of its review and assessment of DaVita Dialysis's Compliance Program.
- d. The Board Compliance Committee shall, for each Reporting Period of the CIA, adopt a resolution, signed by each member of the Board Compliance Committee summarizing its review and oversight of DaVita Dialysis's compliance with Federal health care program requirements and the obligations of this CIA.

At minimum, the resolution shall include the following language:

“The Compliance Committee of the Board of Directors has made a reasonable inquiry into the operations of DaVita Dialysis's Compliance Program including the performance of the Chief Compliance Officer and the Management Compliance Committee. Based on its inquiry and review, the Board Compliance Committee has concluded that, to the best of its knowledge, DaVita Dialysis has implemented an effective Compliance Program to meet Federal health care program requirements and the obligations of the CIA.”

If the Board Compliance Committee is unable to provide such a conclusion in the resolution, the Board Compliance Committee shall include in the resolution a written explanation of the reasons why it is unable to provide the conclusion and the steps it is taking to implement an effective Compliance Program at DaVita Dialysis.

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DaVita shall report to OIG, in writing, any changes in the composition or leadership of the Board Compliance Committee, or any actions or changes that would affect the Board Compliance Committee's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

4. *Management Accountability and Certifications.* In addition to the responsibilities set forth in this CIA for all Covered Persons, Certifying Executives are specifically expected to monitor and oversee activities within their areas of authority and shall annually certify that the functional area is compliant with applicable Federal health care program requirements and with the obligations of this CIA. To the extent that a functional area is not covered by the certification of a Certifying Executive, the person in charge of that functional area shall certify.

For each Reporting Period, each Certifying Executive or person in charge of the applicable functional area shall sign a certification that states:

"I have been trained on and understand the compliance requirements and responsibilities as they relate to [functional area], an area under my supervision. My job responsibilities include ensuring compliance with regard to the [functional area] with all applicable Federal health care program laws and regulations, obligations of the Corporate Integrity Agreement, and applicable DaVita HealthCare Partners policies, and I have taken steps to promote such compliance. In the event that I have identified potential issues of noncompliance with these requirements, I have referred all such issues consistent with the processes of DaVita HealthCare Partners for reporting potential misconduct for further review and follow-up. Apart from those referred issues, and any issues of which I have been made aware by DaVita HealthCare Partners' counsel because they have been brought to the attention of OIG, any other relevant government agency or entity, or the CIA Monitor, I am not currently aware of any violations of applicable Federal health care program laws and regulations, obligations of the Corporate Integrity Agreement, or the requirements of the policies of DaVita HealthCare Partners. I understand that this certification is being provided to and relied upon by the United States."

If any Certifying Executive or person in charge of the applicable functional area is unable to provide such a conclusion in the certification, the Certifying Executive or person in charge of the applicable functional area shall provide a written explanation of the reasons why he or she is unable to provide the certification outlined above and the steps being taken to address the issue(s) identified in the written explanation.

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B. Written Standards

1. *Code of Conduct.* Prior to the Effective Date, DaVita developed, implemented, and distributed a written Code of Conduct for DaVita Dialysis to all Covered Persons. During the CIA Period, DaVita Dialysis shall make the performance of job responsibilities in a manner consistent with the Code of Conduct an element in evaluating the performance of all employed Covered Persons and shall implement a policy requiring that all contracted Covered Persons perform job responsibilities in a manner consistent with the Code of Conduct. The Code of Conduct shall, at a minimum, set forth:

- a. DaVita's commitment to full compliance with all Federal health care program requirements;
- b. DaVita's requirement that all of its Covered Persons shall be expected to comply with all Federal health care program requirements and with DaVita's own Policies and Procedures;
- c. the requirement that all of DaVita's Covered Persons shall be expected to report to the Chief Compliance Officer, or other appropriate individual designated by DaVita, suspected violations of any Federal health care program requirements or of DaVita's own Policies and Procedures; and
- d. the right of all individuals to use the Disclosure Program described in Section III.L, and DaVita's commitment to nonretaliation and to maintain, as appropriate, confidentiality and anonymity with respect to such disclosures.

Within 90 days after the Effective Date, each Covered Person shall certify, in writing or in electronic form, that he or she has received, read, understood, and shall abide by DaVita Dialysis's Code of Conduct. New Covered Persons shall receive the Code of Conduct in hard copy or electronic form and shall complete the required certification within 30 days after becoming a Covered Person or within 90 days after the Effective Date, whichever is later.

DaVita shall periodically review the Code of Conduct to determine if revisions are appropriate and shall make any necessary revisions based on such review. The Code of Conduct shall be distributed in hard copy or electronic form at least annually to all Covered Persons.

2. *Policies and Procedures.* Within 90 days after the Effective Date, DaVita shall implement written Policies and Procedures regarding the operation of its

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compliance program for DaVita Dialysis, including the compliance program requirements outlined in this CIA and compliance with Federal health care program requirements. The Policies and Procedures also shall address:

- a. 42 U.S.C. § 1320a-7b(b) (Anti-Kickback Statute) and the regulations and other guidance documents related to that statute, and business or financial arrangements or contracts that generate unlawful Federal health care program business in violation of the Anti-Kickback Statute; and
- b. the requirements set forth in Section III.D (Compliance with the Anti-Kickback Statute).

Within 90 days after the Effective Date, the Policies and Procedures shall be made available in hard copy or electronic form to all Covered Persons. Appropriate and knowledgeable staff shall be available to explain the Policies and Procedures.

At least annually (and more frequently, if appropriate), DaVita shall assess and update, as necessary, the Policies and Procedures. Within 30 days after the effective date of any revisions, a description of the revisions shall be communicated to all affected Covered Persons and any revised Policies and Procedures shall be made available to all Covered Persons in hard copy or electronic form.

C. Training and Education

1. *General Training*. Within 90 days after the Effective Date, DaVita Dialysis shall provide at least one hour of General Training to each Covered Person, except Clinic Covered Persons. DaVita Dialysis shall provide at least one hour of General Training to Clinic Covered Persons within the first Reporting Period. This training, at a minimum, shall explain DaVita's:

- a. CIA requirements; and
- b. Compliance Program, including the Code of Conduct.

New Covered Persons shall receive the General Training described above within 30 days after becoming a Covered Person or within 90 days after the Effective Date, whichever is later. New Clinic Covered Persons shall receive General Training within 60 days after they become new Clinic Covered Persons. After receiving the initial General Training described above, each Covered Person shall receive at least one hour of General Training in each subsequent Reporting Period.

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2. *Arrangements Training.* Within 90 days after the Effective Date, each Arrangements Covered Person shall receive at least three hours of Arrangements Training, in addition to the General Training required above. The Arrangements Training shall include a discussion of:

- a. Arrangements that potentially implicate the Anti-Kickback Statute, as well as the regulations and other guidance documents related to that statute;
- b. DaVita Dialysis's policies, procedures, and other requirements relating to Arrangements and Focus Arrangements, including, but not limited to, the Focus Arrangements Tracking System, the internal review and approval process, and the tracking of remuneration to and from sources of health care business or referrals pursuant to Focus Arrangements as required by Section III.D of the CIA;
- c. the personal obligation of each individual involved in the development, approval, management, negotiation, execution, implementation, or review of DaVita Dialysis's Arrangements to know the applicable legal requirements and DaVita Dialysis's policies and procedures;
- d. the legal sanctions under the Anti-Kickback Statute; and
- e. examples of violations of the Anti-Kickback Statute.

New Arrangements Covered Persons shall receive this training within 30 days after the beginning of their employment or becoming Arrangements Covered Persons, or within 90 days after the Effective Date, whichever is later. New Arrangements Covered Persons shall not develop, approve, manage, negotiate, execute, implement, or review DaVita Dialysis's Arrangements until after they have completed the Arrangements Training.

After receiving the initial Arrangements Training described in this Section, each Arrangements Covered Person shall receive at least two hours of Arrangements Training, in addition to the General Training, in each subsequent Reporting Period.

3. *Board Member Training.* Within 90 days after the Effective Date, DaVita shall provide at least two hours of training to each member of the Board of Directors, in addition to the General Training. This training shall address the responsibilities of board members and corporate governance.

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New members of the Board of Directors shall receive the Board Member Training described above within 30 days after becoming a member or within 90 days after the Effective Date, whichever is later.

4. *Certification.* Each individual who is required to attend training shall certify, in writing or in electronic form, that he or she has received the required training. The certification shall specify the type of training received and the date received. The Chief Compliance Officer (or designee) shall retain the certifications, along with one copy of all course materials.

5. *Qualifications of Trainer.* Persons preparing or providing the training shall be knowledgeable about the subject area. Persons preparing or providing the Arrangements Training shall have expertise in the Anti-Kickback Statute, as well as the regulations, directives, and guidance related to that law.

6. *Update of Training.* DaVita shall review the training annually and, where appropriate, update the training to reflect changes in Federal health care program requirements, any pertinent issues discovered during internal audits, the Compliance Program Review, the Monitor's findings and reviews, and any other relevant information.

7. *Computer-based Training.* DaVita may provide the training required under this CIA through appropriate computer-based training approaches. If DaVita chooses to provide computer-based training, it shall make available appropriately qualified and knowledgeable staff or trainers to answer questions or provide additional information to the individuals receiving such training.

8. *Training of Medical Directors and Joint Venture Partners.* DaVita Dialysis shall make the General Training described in Section III.C.1 available to all of its Medical Directors and Joint Venture Partners and shall require them to complete it. If, under existing Focus Arrangements, DaVita does not have the authority to require the Medical Directors and Joint Venture Partners to complete the training, it shall use its best efforts to encourage such Medical Directors and Joint Venture Partners to complete the training. The Chief Compliance Officer shall maintain records of all active Medical Directors and Joint Venture Partners who receive training, including the type of training and the date received. These records shall be made available to OIG upon request.

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D. Compliance with the Anti-Kickback Statute

DaVita is responsible for ensuring that the following obligations are met:

1. *Selection Process and Selection Criteria.*

- a. Within 90 days after the Effective Date, DaVita Dialysis shall develop a process for documenting the selection of Health Care Providers with whom it enters into Focus Arrangements other than Business Courtesies.

The Selection Process for each type of Focus Arrangement shall include:

- i. a mechanism by which DaVita Dialysis identifies Health Care Providers for possible selection;
  - ii. confirmation that each Health Care Provider considered meets designated Selection Criteria, as defined in Section III.D.1.b, below, specific to the type of Focus Arrangement; and
  - iii. DaVita Dialysis's rationale for choosing the Health Care Provider ultimately selected for entry into a particular Focus Arrangement.
- b. Within 90 days after the Effective Date, DaVita Dialysis shall develop criteria to guide its selection of Health Care Providers with whom it enters into Focus Arrangements other than Business Courtesies ("Selection Criteria"). DaVita Dialysis shall develop Selection Criteria for each type of Focus Arrangement that it enters into with Health Care Providers. For joint venture Focus Arrangements, separate Selection Criteria shall be developed for each type of joint venture that DaVita enters into (*e.g.*, Partial Acquisition, Partial Divestiture, Joint Venture De Novo). The Selection Criteria shall relate to a Health Care Provider's eligibility and ability to perform the functions required in connection with each such type of Focus Arrangement, and shall not include a Health Care Provider's ability to refer patients to DaVita.
- c. The Monitor shall review and approve the Selection Process and Selection Criteria. During the first two Reporting

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Periods, the Monitor also shall prospectively review and approve any modifications or changes to the Selection Process or Selection Criteria. The requirements of this subsection shall apply to the third Reporting Period if OIG exercises its discretion to extend the Monitor's authority pursuant to Section I of Appendix C to the CIA.

- d. DaVita Dialysis shall maintain and continue to apply its Selection Process and Selection Criteria throughout the CIA Period.
- e. Section III.D.1 and Section III.D.2 shall not apply to Focus Arrangements in which a Health Care Provider contracts with DaVita Dialysis solely for the provision of management services and has no other Focus Arrangements with DaVita Dialysis.

2. *Valuation Methodologies.*

- a. Within 90 days after the Effective Date, DaVita Dialysis shall examine the Valuation Methodologies it uses to price each type of Focus Arrangement, except Business Courtesies, and shall revise each such methodology if necessary to comply with the Anti-Kickback Statute and the requirements of this CIA. To the extent no Valuation Methodology exists for a type of Focus Arrangement, except Business Courtesies, that DaVita Dialysis enters into, DaVita Dialysis shall develop a Valuation Methodology to use in pricing that type of Focus Arrangement.
- b. DaVita Dialysis shall obtain the Monitor's approval of each required Valuation Methodology, and any changes to those Valuation Methodologies during the first two Reporting Periods, prior to implementation.
- c. During the CIA Period, DaVita Dialysis shall consistently apply the approved Valuation Methodologies to value each type of Focus Arrangement.

3. *Focus Arrangements Procedures.* In addition to the Valuation Methodologies, within 90 days after the Effective Date DaVita Dialysis shall examine its procedures and evaluate whether the procedures are reasonably designed to ensure that each existing and new or renewed Focus Arrangement does not violate the Anti-Kickback

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Statute and the regulations and guidance related to the Anti-Kickback Statute (Focus Arrangements Procedures), and shall revise those procedures as necessary. These procedures shall include the following:

- a. creating and maintaining a centralized tracking system for all existing and new or renewed Focus Arrangements (Focus Arrangements Tracking System);
- b. tracking remuneration to and from all parties to Focus Arrangements;
- c. tracking investments made by and estimated rates of return received during the CIA Period by all parties to all Partial Acquisition and Partial Divestiture transactions between DaVita Dialysis and a Health Care Provider (if applicable), except for those transactions that are part of the conduct released by the Settlement Agreement entered into between the United States and DaVita contemporaneously with this CIA;
- d. tracking services and activities to ensure that parties to the Focus Arrangement are performing the services required under the applicable Focus Arrangement(s) (if applicable);
- e. monitoring the use of leased space, medical supplies, medical devices, equipment, or other patient care items to ensure that such use is consistent with the terms of the applicable Focus Arrangement(s) (if applicable);
- f. establishing and implementing a written review and approval process for all Focus Arrangements, except Business Courtesies, the purpose of which is to ensure that all new and existing or renewed Focus Arrangements do not violate the Anti-Kickback Statute, and that includes at least the following: (i) a legal review of all Focus Arrangements by counsel with expertise in the Anti-Kickback Statute, (ii) a process for specifying the business need or business rationale for all Focus Arrangements, and (iii) a process for determining and documenting the fair market value of the remuneration specified in the Focus Arrangement;
- g. requiring the Chief Compliance Officer to review the Focus Arrangements Tracking System, internal review and approval

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process, and other Focus Arrangements Procedures on at least an annual basis and to provide a report on the results of such review to the Board Compliance Committee; and

- h. implementing effective responses when suspected violations of the Anti-Kickback Statute are discovered, including disclosing Reportable Events and quantifying and repaying Overpayments pursuant to Sections III.O and III.P when appropriate.

Notwithstanding the foregoing, DaVita shall have until the end of the first Reporting Period to identify and enter in the Focus Arrangements Tracking System all existing Focus Arrangements except (i) center transaction agreements; (ii) Medical Director agreements, (iii) leases, and (iv) consulting agreements; and to enter all data for items or services provided under the existing Focus Arrangements on or after the Effective Date. DaVita is not required to include in its Focus Arrangements Tracking System historical remuneration or performance data for items or services provided under the existing Focus Arrangements prior to the Effective Date.

4. *New or Renewed Arrangements Requirements.* Prior to entering into new Focus Arrangements or renewing (whether by operation of contract or negotiation) existing Focus Arrangements, except Business Courtesies, in addition to complying with the Focus Arrangements Procedures set forth above, DaVita Dialysis shall comply with the following requirements (Focus Arrangements Requirements):

- a. ensure that each Focus Arrangement is set forth in writing and signed by DaVita Dialysis and the other parties to the Focus Arrangement;
- b. include in the written agreement a requirement that each party to a Focus Arrangement who meets the definition of a Covered Person shall complete at least one hour of training regarding the Anti-Kickback Statute and examples of arrangements that potentially implicate the Anti-Kickback Statute. Additionally, DaVita Dialysis shall provide each party to the Focus Arrangement with a copy of its Code of Conduct and Policies and Procedures related to the Anti-Kickback Statute in hard copy or electronic form;
- c. include in the written agreement a certification by the parties to the Focus Arrangement that the parties shall not violate the Anti-Kickback Statute with respect to the performance of the Arrangement; and

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- d. beginning 120 days from the Effective Date, during the first two Reporting Periods and for the first 120 days of the third Reporting Period, obtain from the Monitor a Risk Determination for each Focus Arrangement. During the first two Reporting Periods and for the first 120 days of the third Reporting Period, DaVita Dialysis shall not enter into or renew a Focus Arrangement until it has received a Risk Determination from the Monitor containing a conclusion that the proposed Focus Arrangement presents a low risk or a high risk of violating the laws and regulations governing the Federal health care programs, including the False Claims Act and the Anti-Kickback Statute. The requirements of this subsection shall apply to the remainder of the third Reporting Period if OIG exercises its discretion under Section I of Appendix C to the CIA to extend the Monitor's authority to make Risk Determinations under Section C of Appendix C to the CIA.

5. *Records Retention and Access.* DaVita Dialysis shall retain and make available to OIG, upon request, the Focus Arrangements Tracking System and all supporting documentation of the Focus Arrangements subject to this Section and, to the extent available, all non-privileged communications related to the Focus Arrangements and the actual performance of the duties under the Focus Arrangements.

E. Notice to Joint Venture Partners and Medical Directors

1. Within 90 days after the Effective Date, DaVita shall send, by first class mail with delivery confirmation, a notice approved by the Monitor to each Joint Venture Partner and Medical Director. Each notice should include the following information, to the extent applicable to the particular recipient:

- a. Joint Venture Partners and Medical Directors, and their employees, colleagues, and contractors, are free to refer patients to and treat patients at non-DaVita-owned dialysis clinics;
- b. DaVita will not enforce any patient-related non-disparagement or non-solicitation clauses contained in any of their existing agreements with DaVita; and
- c. in connection with joint venture clinics formed by Partial Divestitures, DaVita will not enforce the investment non-compete provisions it may have in those joint venture and Medical Director agreements.

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2. Within 90 days after the anniversary of the Effective Date in each subsequent Reporting Period, DaVita shall send, by first class mail, postage prepaid with delivery confirmation, the notice described in Section III.E.1 to each Joint Venture Partner and Medical Director. If DaVita changes or revises the wording of the letter, DaVita shall obtain, in the second Reporting Period, the approval of the Monitor and, in subsequent Reporting Periods, the approval of the OIG prior to sending the letter.

F. Unwinding of Subject Joint Venture Clinics

1. During the first Reporting Period, DaVita shall unwind the Subject Joint Venture Clinics. DaVita may unwind the Subject Joint Venture Clinics by:

- a. selling its interest in the Subject Joint Venture Clinic, at a price within the range of fair market value, to its nephrologist or nephrology practice partners;
- b. purchasing its nephrologist or nephrology practice partners' interest in the Subject Joint Venture Clinic, at a price within the range of fair market value;
- c. selling its interest in a Subject Joint Venture Clinic, at a price within the range of fair market value, to an independent third party; or
- d. selling the full interest of the Subject Joint Venture Clinic, at a price within the range of fair market value, to an independent third party, which would buy out all Joint Venture Partners.

2. DaVita shall obtain the Monitor's approval for each transaction involved in the unwinding of the Subject Joint Venture Clinics prior to the transaction's closure and/or execution.

3. In the event that DaVita is not able to unwind a Subject Joint Venture Clinic prior to the end of the first Reporting Period, the Monitor may provide a certification that DaVita has acted in good faith to unwind the Subject Joint Venture Clinic. The Monitor shall provide such a certification only if she or he determines that DaVita has actively pursued in good faith all avenues for unwinding the Subject Joint Venture Clinic listed in Section III.F.1 above and that DaVita's failure to complete the unwind is due to circumstances beyond its control. In making this determination, the Monitor may consider the conduct of the other parties to the Subject Joint Venture Clinic.

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4. During the term of the CIA, DaVita shall not enter into any Partial Divestitures, unless expressly permitted by Section III.F.5, below.

5. Notwithstanding Section III.F.4 of this CIA, DaVita is expressly permitted to enter into the following:

- a. Joint Venture De Novo arrangements;
- b. Any joint venture formed by selling a direct or indirect interest in a DaVita dialysis clinic to a Multi-Specialty Practice and/or hospital;
- c. Any joint venture formed by selling a direct or indirect interest in a DaVita dialysis clinic to a Multi-Specialty Practice and a nephrologist or nephrology practice;
- d. Any joint venture formed by selling a direct or indirect interest in a DaVita dialysis clinic to a hospital and a nephrologist or nephrology practice;
- e. Any joint venture formed by selling a direct or indirect interest in a DaVita dialysis clinic to a hospital and a Multi-Specialty Practice and a nephrologist or nephrology practice;
- f. Any transaction pursuant to which DaVita is required under the existing agreements related to the joint ventures listed in Appendix F to sell, offer to sell, or otherwise transfer some of its membership interests to another party;
- g. Any transaction in which DaVita is required by court order sought and obtained by any independent third party to sell, offer to sell, or otherwise transfer some of its membership interests to another party; or
- h. Any transaction consistent with CMS rules or regulations regarding ESRD Seamless Care Organizations (ESCOs).

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G. Independent Monitor

1. *Retention of the Independent Monitor.* Within 60 days after the Effective Date, DaVita shall retain the Independent Monitor (Monitor) selected by OIG after consultation with DaVita. The Monitor may retain additional personnel, including, but not limited to, independent consultants, if needed to help meet the Monitor's obligations under this CIA. DaVita shall provide OIG with a copy of the agreement between DaVita and the Monitor, and any agreements between DaVita or the Monitor and any consultants retained by the Monitor. OIG shall have 10 business days to review and provide comment on the agreement(s) prior to final execution.

The Monitor may confer and correspond with DaVita or OIG individually or together. The Monitor and DaVita shall not negotiate or enter into another financial relationship for at least 12 months after the date of OIG's CIA closure letter to DaVita.

2. *Duties of the Monitor.* The Monitor shall perform the tasks and reviews and prepare the reports described in Appendix C of the CIA. The Monitor shall submit all reports simultaneously to OIG and DaVita. The Monitor shall not share draft reports with DaVita.

3. *Retention of Records.* The Monitor shall retain and make available to OIG, upon request, all work papers, supporting documentation, correspondence, and other documents related to the engagement of and work performed by the Monitor.

4. *Resignation or Removal of the Monitor.* The Monitor is not an agent of OIG. However, the Monitor may be removed by OIG at OIG's sole discretion. If the Monitor resigns or is removed prior to the termination of the CIA, DaVita shall retain, within 60 days after selection by OIG, another Monitor with the same functions and authorities. If the Monitor resigns or is removed, all deadlines under Sections III.F and V applicable to the Reporting Period during which the resignation or removal occurs will be tolled until 60 days after OIG selects a new Monitor or DaVita retains the new Monitor, whichever is earlier. No penalties will be applied under Section X for days that are tolled as a result of this Section III.G.4.

5. *Validation Review.* In the event OIG has reason to believe that: (a) the Monitor's work fails to conform to the requirements of this CIA, or (b) the Monitor's findings or review results are inaccurate, OIG may, at its sole discretion, conduct its own review (Validation Review). DaVita shall pay for the reasonable cost of any such review performed by OIG or any of its designated agents. Any Validation Review of reports submitted as part of DaVita's final Annual Report shall be initiated no later than one year after DaVita's final submission (as described in Section II) is received by OIG.

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Prior to initiating a Validation Review, OIG shall notify DaVita of its intent to do so and provide a written explanation of why OIG believes such a review is necessary. To resolve any concerns raised by OIG, DaVita may request a meeting with OIG to discuss the matter, present any additional information, and/or propose alternatives to the proposed Validation Review. DaVita agrees to provide any additional information as may be requested by OIG under this Section III.G.5 in an expedited manner. OIG will attempt in good faith to resolve any issues with DaVita prior to conducting a Validation Review. However, the final determination as to whether or not to proceed with a Validation Review shall be made at the sole discretion of OIG.

6. *Responsibilities and Liabilities.* Nothing in this Section III.G or Appendix C to this CIA affects DaVita's responsibilities or liabilities under any criminal, civil, or administrative laws or regulations applicable to any Federal health care program including, but not limited to, the Anti-Kickback Statute.

#### H. Compliance Audits

1. DaVita Dialysis has established a compliance audit program consisting of four components: annual audits, routine audits, email audits, and metric monitoring. DaVita shall, at a minimum, maintain this compliance audit program for DaVita Dialysis for the CIA Period at the same level of effort as allocated to the compliance audit program in calendar year 2013.

2. DaVita shall ensure that OIG receives a list of annual, routine, and email audits completed or scheduled to be completed by DaVita Dialysis during each Reporting Period no later than 30 days prior to the end of the Reporting Period.

3. The compliance audit program shall not be performed under attorney-client privilege.

#### I. Risk Assessment and Mitigation Process

Within 90 days after the Effective Date, DaVita shall develop a standardized, centralized process to allow DaVita Dialysis's in-house or outside legal counsel, compliance, and leaders of the relevant functions to: (1) identify and assess the risks associated with DaVita Dialysis's compliance with Federal health care program requirements, the False Claims Act, and the Anti-Kickback Statute; and (2) determine what steps, if any, DaVita Dialysis should take to mitigate the identified risks. DaVita shall maintain the Risk Assessment and Mitigation Process for the duration of the CIA.

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J. Compensation

1. *Executive Financial Recoupment Program.* DaVita shall establish no later than December 31, 2014, and shall maintain throughout the CIA Period, a financial recoupment program that puts at risk of forfeiture and recoupment an amount equivalent to up to three years of annual performance pay (*e.g.*, annual bonus, incentives) for a Covered Executive who is discovered to have been involved in any significant misconduct (Executive Financial Recoupment Program). This financial recoupment program shall apply both to Covered Executives who are current DaVita employees and to Covered Executives who are former DaVita employees at the time of a Recoupment Determination. The specific terms and conditions of the Executive Financial Recoupment Program are set forth in Appendix D to this CIA. DaVita shall maintain an Executive Financial Recoupment Program consistent with the terms of Appendix D for at least the duration of the CIA, absent agreement otherwise by OIG.

2. *Compliance Input on Executive Compensation.* The Chief Compliance Officer shall provide information to the Board Compensation Committee that evaluates each Covered Executive's performance, including, but not limited to, the Covered Executive's commitment to compliance, as demonstrated by modeling compliant behavior, leading in a compliant manner, identifying risks and issues, resolving risks and issues in a compliant manner, working with the Compliance Department to address issues, and other compliance-related factors as appropriate. The Board Compensation Committee shall document its decision regarding the consideration given to the information for each Covered Executive in determining annual compensation (*e.g.*, salary, bonuses) and the rationale for its decision. DaVita shall provide copies of the Board Compensation Committee's documentation of its decision and rationale to OIG upon request.

K. Cooperation

Upon reasonable notice, DaVita shall cooperate with all OIG investigations and understands that full cooperation includes: (1) prompt and truthful disclosures to OIG of all matters relating to any Federal or state health care law investigation, prosecution, or other enforcement action relating to the Covered Conduct in the Settlement Agreement entered into between the United States and DaVita contemporaneously with this CIA, including other matters involving possible violations of Federal or state health care law by individuals or entities in the dialysis industry and the medical practice of nephrology; and (2) truthful testimony in any administrative hearing and/or court proceeding. DaVita, upon reasonable notice, will make reasonable efforts to facilitate access to, and encourage the cooperation of, its current and former directors, officers, and employees for interviews and testimony, and will furnish to OIG, upon reasonable request, all documents and records in its possession, custody, or control relating to the Covered Conduct. Section III.K shall not require and shall not be construed as a waiver of any applicable attorney-client or work product privileges.

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L. Disclosure Program

DaVita has established and shall continue to maintain a Disclosure Program that includes a mechanism (*e.g.*, a toll-free compliance telephone line) to enable individuals to disclose, to the Chief Compliance Officer or some other person who is not in the disclosing individual's chain of command, any identified issues or questions associated with DaVita Dialysis's policies, conduct, practices, or procedures with respect to a Federal health care program believed by the individual to be a potential violation of criminal, civil, or administrative law. DaVita shall continue to appropriately publicize the existence of the disclosure mechanism (*e.g.*, via periodic e-mails to employees or by posting the information in prominent common areas).

The Disclosure Program shall continue to emphasize a nonretribution, nonretaliation policy, and shall continue to include a reporting mechanism for anonymous communications for which appropriate confidentiality shall be maintained. Upon receipt of a disclosure, the Chief Compliance Officer (or designee) shall continue to gather all relevant information from the disclosing individual. The Chief Compliance Officer (or designee) shall continue to make a preliminary, good faith inquiry into the allegations set forth in every disclosure to ensure that he or she has obtained all of the information necessary to determine whether a further review should be conducted. For any disclosure that is sufficiently specific so that it reasonably: (1) permits a determination of the appropriateness of the alleged improper practice, and (2) provides an opportunity for taking corrective action, DaVita shall continue to conduct an internal review of the allegations set forth in the disclosure and ensure that proper follow-up is conducted.

The Chief Compliance Officer (or designee) shall maintain a disclosure log for DaVita Dialysis, which shall include a record and summary of each disclosure received (whether anonymous or not), the status of the respective internal reviews, and any corrective action taken in response to the internal reviews.

M. Ineligible Persons

1. *Definitions.* For purposes of this CIA:

- a. an "Ineligible Person" shall include an individual or entity who:
  - i. is currently excluded, debarred, suspended, or otherwise ineligible to participate in the Federal health care programs or in Federal procurement or nonprocurement programs; or

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- ii. has been convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.
  - b. “Exclusion Lists” include:
    - i. the HHS/OIG List of Excluded Individuals/Entities (LEIE) (available through the Internet at <http://www.oig.hhs.gov>); and
    - ii. the General Services Administration’s System for Award Management (SAM) (available through the Internet at <http://www.sam.gov>).

2. *Screening Requirements.* DaVita shall continue to ensure that all prospective and current Covered Persons are not Ineligible Persons, by continuing or implementing the following screening requirements.

- a. DaVita shall screen all prospective Covered Persons against the Exclusion Lists prior to engaging their services and, as part of the hiring or contracting process, shall require such Covered Persons to disclose whether they are Ineligible Persons.
- b. DaVita shall screen all Covered Persons against the Exclusion Lists within 90 days after the Effective Date and thereafter shall screen against the LEIE on a monthly basis and screen against SAM on an annual basis.
- c. DaVita shall implement a policy requiring all Covered Persons to disclose immediately any debarment, exclusion, suspension, or other event that makes that person an Ineligible Person.

Nothing in Section III.M affects DaVita’s responsibility to refrain from (and liability for) billing Federal health care programs for items or services furnished, ordered, or prescribed by an excluded person. DaVita understands that items or services furnished, ordered, or prescribed by excluded persons are not payable by Federal health care programs and that DaVita may be liable for overpayments and/or criminal, civil, and administrative sanctions for employing or contracting with an excluded person regardless of whether DaVita meets the requirements of Section III.M.

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3. *Removal Requirement.* If DaVita has actual notice that a Covered Person has become an Ineligible Person, DaVita shall remove such Covered Person from responsibility for, or involvement with, DaVita's business operations related to the Federal health care programs and shall remove such Covered Person from any position for which the Covered Person's compensation or the items or services furnished, ordered, or prescribed by the Covered Person are paid in whole or in part, directly or indirectly, by Federal health care programs or otherwise with Federal funds at least until such time as the Covered Person is reinstated into participation in the Federal health care programs.

4. *Pending Charges and Proposed Exclusions.* If DaVita has actual notice that a Covered Person is charged with a criminal offense that falls within the scope of 42 U.S.C. §§ 1320a-7(a), 1320a-7(b)(1)–(3), or is proposed for exclusion during the Covered Person's employment or contract term, DaVita shall take all appropriate actions to ensure that the responsibilities of that Covered Person have not and shall not adversely affect the quality of care rendered to any beneficiary, patient, or resident, or any claims submitted to any Federal health care program.

N. Notification of Government Investigation or Legal Proceedings

Within 30 days after discovery, DaVita shall notify OIG, in writing, of any ongoing investigation or legal proceeding known to DaVita conducted or brought by a governmental entity or its agents in the United States involving an allegation that DaVita has committed a crime or has engaged in fraudulent activities. This notification shall include a description of the allegation, the identity of the investigating or prosecuting agency, and the status of such investigation or legal proceeding. DaVita shall also provide written notice to OIG within 30 days after the resolution of the matter, and shall provide OIG with a description of the findings and/or results of the investigation or proceedings, if any.

O. Repayment of Overpayments

1. *Definition of Overpayments.* For purposes of this CIA, an "Overpayment" shall mean the amount of money DaVita Dialysis has received in excess of the amount due and payable under any Federal health care program requirements.

2. *Repayment of Overpayments.*

- a. If, at any time, DaVita Dialysis identifies any Overpayment, DaVita Dialysis shall repay the Overpayment to the appropriate payor (*e.g.*, Medicare contractor) within 60 days

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after identification of the Overpayment and take remedial steps within 90 days after identification (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the underlying problem and the Overpayment from recurring. If the Overpayment is not yet quantified, within 30 days after identification, DaVita Dialysis shall notify the payor of its efforts to quantify the Overpayment amount along with a schedule of when such work is expected to be completed. Notification and repayment to the payor shall be done in accordance with the payor's policies.

- b. Notwithstanding the above, notification and repayment of any Overpayment amount that routinely is reconciled or adjusted pursuant to policies and procedures established by the payor should be handled in accordance with such policies and procedures.

P. Reportable Events

1. *Definition of Reportable Event.* For purposes of this CIA, a "Reportable Event" means anything that involves:

- a. a substantial Overpayment to DaVita Dialysis;
- b. a matter involving DaVita Dialysis that a reasonable person would consider a probable violation of criminal, civil, or administrative laws applicable to any Federal health care program for which penalties or exclusion may be authorized;
- c. DaVita Dialysis's employment of or contracting with a Covered Person who is an Ineligible Person as defined by Section III.M.1.a; or
- d. the filing of a bankruptcy petition by DaVita.

A Reportable Event may be the result of an isolated event or a series of occurrences.

2. *Reporting of Reportable Events.* If DaVita determines (after a reasonable opportunity to conduct an appropriate review or investigation of the allegations) through any means that there is a Reportable Event, DaVita shall notify OIG, in writing, within 30 days after making the determination that the Reportable Event exists.

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DaVita Dialysis shall not be required to report as a Reportable Event a matter that is the subject of an ongoing investigation or legal proceeding by a government entity or agent previously disclosed under Section III.N, above.

3. *Reportable Events under Section III.P.1.a.* For Reportable Events under Section III.P.1.a, DaVita's report to OIG shall be made within 30 days of the identification of the Overpayment and shall include:

- a. a description of the steps taken by DaVita Dialysis to identify and quantify the Overpayment;
- b. a complete description of the Reportable Event, including the relevant facts, persons involved, and legal and Federal health care program authorities implicated;
- c. a description of DaVita Dialysis's actions taken to correct the Reportable Event; and
- d. any further steps DaVita Dialysis plans to take to address the Reportable Event and prevent it from recurring.

Within 60 days of identification of the Overpayment, DaVita shall provide OIG with a copy of the notification and repayment (if quantified) to the payor required by Section III.O.2.

4. *Reportable Events under Section III.P.1.b and c.* For Reportable Events under Section III.P.1.b and III.P.1.c, DaVita's report to OIG shall include:

- a. a complete description of the Reportable Event, including the relevant facts, persons involved, and legal and Federal health care program authorities implicated;
- b. a description of DaVita Dialysis's actions taken to correct the Reportable Event;
- c. any further steps DaVita Dialysis plans to take to address the Reportable Event and prevent it from recurring; and
- d. if the Reportable Event has resulted in an Overpayment, a description of the steps taken by DaVita Dialysis to identify and quantify the Overpayment.

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5. *Reportable Events under Section III.P.1.d.* For Reportable Events under Section III.P.1.d, DaVita's report to OIG shall include documentation of the bankruptcy filing and a description of any Federal health care program authorities implicated.

#### **IV. SUCCESSOR LIABILITY; CHANGES TO BUSINESS UNITS OR LOCATIONS**

##### **A. Sale of Business, Business Unit, or Location**

In the event that, after the Effective Date, DaVita proposes to sell any or all of its DaVita Dialysis business, business units, or locations (whether through a sale of assets, sale of stock, or other type of transaction) that are subject to this CIA, DaVita shall notify OIG of the proposed sale at least 30 days prior to the sale of the DaVita Dialysis business, business unit, or location. This notification shall include a description of the DaVita Dialysis business, business unit, or location to be sold, a brief description of the terms of the sale, and the name and contact information of the prospective purchaser. This CIA shall be binding on the purchaser of the DaVita Dialysis business, business unit, or location, unless otherwise determined and agreed to in writing by OIG.

##### **B. Change or Closure of Business, Business Unit, or Location**

In the event that, after the Effective Date, DaVita changes locations or closes a DaVita Dialysis business, business unit, or location related to the furnishing of items or services that may be reimbursed by Federal health care programs, DaVita shall notify OIG of this fact as soon as possible, but no later than within 30 days after the date of change or closure of the DaVita Dialysis business, business unit, or location.

##### **C. Purchase or Establishment of New Business, Business Unit, or Location**

In the event that, after the Effective Date, DaVita purchases or establishes a new DaVita Dialysis business, business unit, or location related to the furnishing of items or services that may be reimbursed by Federal health care programs, DaVita shall notify OIG at least 30 days prior to such purchase or the operation of the new DaVita Dialysis business, business unit, or location. This notification shall include the address of the new DaVita Dialysis business, business unit, or location; phone number; fax number; the location's Medicare and state Medicaid program provider number and/or supplier number(s); and the name and address of each Medicare and state Medicaid program contractor to which DaVita Dialysis currently submits claims. Each new DaVita Dialysis business, business unit, or location and all Covered Persons at each new DaVita Dialysis business, business unit, or location shall be subject to the applicable requirements of this CIA, unless otherwise agreed to in writing by OIG.

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**V. IMPLEMENTATION, QUARTERLY RESPONSE, AND ANNUAL REPORTS****A. Implementation Report**

Within 120 days after the Effective Date, DaVita shall submit a written report to OIG summarizing the status of its implementation of the requirements of this CIA (Implementation Report). The Implementation Report shall, at a minimum, include:

1. the name, address, phone number, and position description of the Chief Compliance Officer required by Section III.A.1, and a summary of other noncompliance job responsibilities the Chief Compliance Officer may have;
2. the names and positions of the members of the Management Compliance Committee required by Section III.A.2;
3. the names of the Board members who are responsible for satisfying the Board of Directors compliance obligations described in Section III.A.3;
4. a copy of DaVita Dialysis's Code of Conduct required by Section III.B.1;
5. the number of individuals required to complete the Code of Conduct certification required by Section III.B.1, the percentage of individuals who have completed such certification, and an explanation of any exceptions (the documentation supporting this information shall be made available to OIG upon request);
6. copies of all Policies and Procedures required by Section III.B.2;
7. the following information regarding each type of training required by Section III.C:
  - a. a description of such training, including a summary of the topics covered, the length of sessions, and a schedule of training sessions;
  - b. the number of individuals required to be trained, percentage of individuals actually trained, and an explanation of any exceptions.

A copy of all training materials and the documentation supporting this information shall be made available to OIG upon request.

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8. a description of: (a) the Selection Process and Selection Criteria required by Section III.D.1; (b) the Valuation Methodologies required by Section III.D.2; (c) the Focus Arrangements Tracking System required by Section III.D.3.a; (d) the internal review and approval process required by Section III.D.3.f; and (e) the tracking and monitoring procedures and other Focus Arrangements Procedures required by Section III.D.3;

9. a copy of the Notices required by Section III.E and a list of the Joint Venture Partners and Medical Directors to whom each Notice was sent;

10. a copy of the engagement letter with the Monitor that DaVita is required to retain by Section III.G;

11. a description of the Disclosure Program required by Section III.L;

12. a description of the process by which DaVita fulfills the requirements of Section III.M regarding Ineligible Persons;

13. a list of all of DaVita Dialysis's offices and joint venture dialysis clinics (including locations and mailing addresses); the corresponding name under which each joint venture dialysis clinic is doing business; the corresponding phone numbers and fax numbers; each joint venture clinic's Medicare and state Medicaid program provider number(s) and/or supplier number(s); and the name and address of each Medicare and state Medicaid program contractor to which DaVita Dialysis currently submits claims;

14. a description of DaVita's corporate structure, including identification of any parent and sister companies, subsidiaries, and their respective lines of business;

15. a description of DaVita's Executive Financial Recoupment Program implemented pursuant to Section III.J.1; and

16. the certifications required by Section V.D.

**B. Quarterly Response Reports**

Within 30 days after receipt of the Monitor's Quarterly Reports, DaVita shall submit its Quarterly Response Report to OIG and the Monitor containing:

1. its response to the Monitor's findings and recommendations;
2. its corrective action plans; and
3. the certifications required by Section V.D.

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C. Annual Reports

DaVita shall submit to OIG annually a report with respect to the status of, and findings regarding, DaVita Dialysis's compliance activities for each of the five Reporting Periods (Annual Report). Each Annual Report shall include, at a minimum:

1. any change in the identity, position description, or other noncompliance job responsibilities of the Chief Compliance Officer; any change in the membership of the Management Compliance Committee described in Section III.A; and any change in the leadership or composition of the Board Compliance Committee;
2. the dates of each report made by the Chief Compliance Officer to the Board (written documentation of such reports shall be made available upon request);
3. the Board resolution required by Section III.A.3;
4. a summary of any changes or amendments to DaVita Dialysis's Code of Conduct required by Section III.B.1 and the reason for such changes, along with a copy of the revised Code of Conduct;
5. the number of individuals required to complete the Code of Conduct certification required by Section III.B.1, the percentage of individuals who have completed such certification, and an explanation of any exceptions (the documentation supporting this information shall be made available to OIG upon request);
6. copies of the Policies and Procedures required by Section III.B.2, and a summary of the reasons for any significant changes or amendments. DaVita shall provide a "redlined" copy of any revised Policy or Procedure at OIG's request;
7. the following information regarding each type of training required by Section III.C:
  - a. a copy of all training materials, the length of the training sessions, and a schedule of training sessions; and
  - b. the number of individuals required to complete the initial and annual training, the percentage of individuals who actually completed the initial and annual training, and an explanation of any exceptions.

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The documentation to support this information shall be made available to OIG upon request.

8. a description of: (a) any changes to the Focus Arrangements Tracking System required by Section III.D.3.a; (b) any changes to the internal review and approval process required by Section III.D.3.f; and (c) any changes to the tracking and monitoring procedures and other Focus Arrangements Procedures required by Section III.D.3;

9. a copy of documents related to the Selection Process and Selection Criteria required by Section III.D.1 and, in each of the third through fifth Reporting Periods, an explanation of any modifications or changes to, or deviations from, the Selection Process or Selection Criteria made during the applicable Reporting Period;

10. DaVita Dialysis's response to the reports prepared pursuant to Section H of Appendix C to the CIA, along with corrective action plan(s) related to any issues raised by the reports;

11. a summary of Reportable Events (as defined in Section III.P) identified during the Reporting Period and the status of any corrective action relating to all such Reportable Events;

12. a report of the aggregate Overpayments that DaVita Dialysis has returned to the Federal health care programs. Overpayment amounts shall be broken down into the following categories: inpatient Medicare, outpatient Medicare, Medicaid (report each applicable state separately, if applicable), and other Federal health care programs. Overpayment amounts that are routinely reconciled or adjusted pursuant to policies and procedures established by the payor do not need to be included in this aggregate Overpayment report;

13. a summary of the disclosures in the disclosure log required by Section III.L that: (a) relate to Federal health care programs, or (b) involve allegations of conduct that may involve illegal remunerations in violation of the Anti-Kickback Statute (the complete disclosure log shall be made available to OIG upon request);

14. any changes to the process by which DaVita fulfills the requirements of Section III.M regarding Ineligible Persons;

15. a summary describing any ongoing investigation or legal proceeding required to have been reported pursuant to Section III.N. The summary shall include a description of the allegation, the identity of the investigating or prosecuting agency, and the status of such investigation or legal proceeding;

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16. a description of all changes to the most recently provided list of DaVita Dialysis's locations (including addresses) as required by Section V.A.13; the corresponding name under which each location is doing business; the corresponding phone numbers and fax numbers; each location's Medicare and state Medicaid program provider number(s) and/or supplier number(s); and the name and address of each Medicare and state Medicaid program contractor to which DaVita currently submits claims;

17. a description of any changes to DaVita's Executive Financial Recoupment Program;

18. a copy of the annual report to the Board concerning DaVita's Executive Financial Recoupment Program, as required by Appendix D; and

19. the certifications required by Section V.D.

The third and subsequent Annual Reports shall also include:

20. the Compliance Program Review Report; and

21. a summary and description of any and all current and prior engagements and agreements between DaVita and the Compliance Advisor, if different from what was submitted under Section A of Appendix A to the CIA.

The first Annual Report shall be received by OIG no later than 90 days after the end of the first Reporting Period. Subsequent Annual Reports shall be received by OIG no later than the anniversary date of the due date of the first Annual Report.

D. Certifications

1. *Certifying Executives*. In each Annual Report, DaVita shall include the certifications of Certifying Executives as required by Section III.A.4.

2. *Compliance Officer and Chief Executive Officers*. The Implementation Report and each Quarterly Response and Annual Report shall include certifications by the Chief Compliance Officer, Chief Executive Officer of DaVita Dialysis, and Chief Executive Officer of DaVita that:

- a. to the best of his or her knowledge, except as otherwise described in the report, DaVita is in compliance with all of the requirements of this CIA;

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- b. to the best of his or her knowledge, DaVita has implemented procedures reasonably designed to ensure that all Focus Arrangements do not violate the Anti-Kickback Statute, including the Focus Arrangements Procedures required in Section III.D of the CIA;
  - c. to the best of his or her knowledge, DaVita has fulfilled the requirements for new and renewed Focus Arrangements under Section III.D.4 of the CIA; and
  - d. he or she has reviewed the report and has made reasonable inquiry regarding its content and believes that the information in the report is accurate and truthful.

3. *Chief Financial Officer.* The first Annual Report shall include a certification by the Chief Financial Officer that, to the best of his or her knowledge, DaVita has complied with its obligations under the Settlement Agreement: (a) not to resubmit to any Federal health care program payors any previously denied claims related to the Covered Conduct addressed in the Settlement Agreement, and not to appeal any such denials of claims; (b) not to charge to or otherwise seek payment from federal or state payors for unallowable costs (as defined in the Settlement Agreement); and (c) to identify and adjust any past charges or claims for unallowable costs.

E. Designation of Information

DaVita shall clearly identify any portions of its submissions that it believes are trade secrets, or information that is commercial or financial and privileged or confidential, and therefore potentially exempt from disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. § 552. DaVita shall refrain from identifying any information as exempt from disclosure if that information does not meet the criteria for exemption from disclosure under FOIA.

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## **VI. NOTIFICATIONS AND SUBMISSION OF REPORTS**

Unless otherwise stated in writing after the Effective Date, all notifications and reports required under this CIA shall be submitted to the following entities:

**OIG:** Administrative and Civil Remedies Branch  
Office of Counsel to the Inspector General  
Office of Inspector General  
U.S. Department of Health and Human Services  
Cohen Building, Room 5527  
330 Independence Avenue, SW  
Washington, DC 20201  
Telephone: 202.619.2078  
Facsimile: 202.205.0604

**DaVita:** Jeanine Jiganti  
Chief Compliance Officer  
DaVita HealthCare Partners Inc.  
2000 16<sup>th</sup> Street  
Denver, CO 80202  
Telephone: 303.876.7401  
Facsimile: 877.873.8029

Unless otherwise specified, all notifications and reports required by this CIA may be made by certified mail, overnight mail, hand delivery, or other means, provided that there is proof that such notification was received. For purposes of this requirement, internal facsimile confirmation sheets do not constitute proof of receipt. Upon request by OIG, DaVita may be required to provide OIG with an electronic copy of each notification or report required by this CIA in searchable portable document format (pdf), in addition to a paper copy.

## **VII. OIG INSPECTION, AUDIT, AND REVIEW RIGHTS**

In addition to any other rights OIG may have by statute, regulation, or contract, OIG or its duly authorized representative(s) may examine and/or request copies of DaVita's books, records, and other documents and supporting materials and/or conduct on-site reviews of DaVita's headquarters and any of DaVita Dialysis's locations for the purpose of verifying and evaluating: (a) DaVita's compliance with the terms of this CIA; and (b) DaVita Dialysis's compliance with the requirements of the Federal health care programs. The documentation described above shall be made available by DaVita to OIG or its duly authorized representative(s) at all reasonable times for inspection, audit, and/or reproduction. Furthermore, for purposes of this provision, OIG or its duly authorized representative(s) may interview any of DaVita's Covered Persons who

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consent to be interviewed at the individual's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the individual and OIG. DaVita shall assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. DaVita's Covered Persons may elect to be interviewed with or without a representative of DaVita present.

#### **VIII. DOCUMENT AND RECORD RETENTION**

DaVita shall maintain for inspection all documents and records relating to DaVita Dialysis's reimbursement from the Federal health care programs and to DaVita's compliance with this CIA for six years (or longer if otherwise required by law) from the Effective Date.

#### **IX. DISCLOSURES**

Consistent with HHS's FOIA procedures, set forth in 45 C.F.R. Part 5, OIG shall make a reasonable effort to notify DaVita prior to any release by OIG of information submitted by DaVita pursuant to its obligations under this CIA and identified upon submission by DaVita as trade secrets, or information that is commercial or financial and privileged or confidential, under the FOIA rules. With respect to such releases, DaVita shall have the rights set forth at 45 C.F.R. § 5.65 (d).

#### **X. BREACH AND DEFAULT PROVISIONS**

DaVita is expected to fully and timely comply with all of its CIA obligations.

##### **A. Stipulated Penalties for Failure to Comply with Certain Obligations**

As a contractual remedy, DaVita and OIG hereby agree that failure to comply with certain obligations as set forth in this CIA may lead to the imposition of the following monetary penalties (hereinafter referred to as "Stipulated Penalties") in accordance with the following provisions.

1. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day DaVita fails to establish and implement any of the following obligations as described in Sections III and IV:

- a. a Chief Compliance Officer;
- b. a Management Compliance Committee;
- c. the Board of Directors compliance obligations;

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- d. a written Code of Conduct;
  - e. written Policies and Procedures;
  - f. the training of Covered Persons, Arrangements Covered Persons, and Board Members;
  - g. the Selection Process and Selection Criteria, Valuation Methodologies, Focus Arrangements Procedures, and/or Focus Arrangements Requirements described in Section III.D;
  - h. the Notice to Joint Venture Partners and Medical Directors;
  - i. the unwinding of the Subject Joint Venture Clinics, except to the extent covered by a Monitor's certification as described in Section III.F.3;
  - j. the Executive Financial Recoupment Program;
  - k. the Compliance Input on Executive Compensation;
  - l. a Disclosure Program;
  - m. Ineligible Persons screening and removal requirements;
  - n. notification of government investigations or legal proceedings in the United States;
  - o. repayment by DaVita Dialysis of Overpayments;
  - p. reporting of Reportable Events; and
  - q. disclosure of changes to business units or locations.

2. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day DaVita fails to engage and use a Compliance Advisor, as required in Section III.A.3 and Appendix A.

3. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day DaVita fails to engage and use an Independent Monitor, as required in Section III.G and Appendix C.

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4. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day DaVita fails to submit the Implementation Report or any Quarterly Response Reports or Annual Reports to OIG in accordance with the requirements of Section V by the deadlines for submission.

5. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day DaVita fails to submit a Compliance Program Review Report in accordance with the requirements of Section III.A.3 and Appendix A.

6. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day the Independent Monitor fails to submit a Quarterly or Annual Report in accordance with the requirements of Section III.G and Appendix C.

7. A Stipulated Penalty of \$1,500 for each day DaVita fails to grant access as required in Section VII. (This Stipulated Penalty shall begin to accrue on the date DaVita fails to grant access.)

8. A Stipulated Penalty of \$50,000 for each false certification submitted by or on behalf of DaVita as part of its Implementation Report, Quarterly Response Report, Annual Report, additional documentation to a report (as requested by the OIG), or otherwise required by this CIA.

9. A Stipulated Penalty of \$1,000 for each day DaVita fails to comply fully and adequately with any obligation of this CIA. OIG shall provide notice to DaVita stating the specific grounds for its determination that DaVita has failed to comply fully and adequately with the CIA obligation(s) at issue and steps DaVita shall take to comply with the CIA. (This Stipulated Penalty shall begin to accrue 10 days after DaVita receives this notice from OIG of the failure to comply.) A Stipulated Penalty as described in this Subsection shall not be demanded for any violation for which OIG has sought a Stipulated Penalty under Subsections 1–8 of this Section.

**B. Timely Written Requests for Extensions**

DaVita may, in advance of the due date, submit a timely written request for an extension of time to perform any act or file any notification or report required by this CIA. Notwithstanding any other provision in this Section, if OIG grants the timely written request with respect to an act, notification, or report, Stipulated Penalties for failure to perform the act or file the notification or report shall not begin to accrue until one day after DaVita fails to meet the revised deadline set by OIG. Notwithstanding any other provision in this Section, if OIG denies such a timely written request, Stipulated

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Penalties for failure to perform the act or file the notification or report shall not begin to accrue until three days after DaVita receives OIG's written denial of such request or the original due date, whichever is later. A "timely written request" is defined as a request in writing received by OIG at least five days prior to the date by which any act is due to be performed or any notification or report is due to be filed.

C. Payment of Stipulated Penalties

1. *Demand Letter.* Upon a finding that DaVita has failed to comply with any of the obligations described in Section X.A and after determining that Stipulated Penalties are appropriate, OIG shall notify DaVita of: (a) DaVita's failure to comply; and (b) OIG's exercise of its contractual right to demand payment of the Stipulated Penalties. (This notification shall be referred to as the "Demand Letter.")

2. *Response to Demand Letter.* Within 10 days after the receipt of the Demand Letter, DaVita shall either: (a) cure the breach to OIG's satisfaction and pay the applicable Stipulated Penalties; or (b) request a hearing before an HHS administrative law judge (ALJ) to dispute OIG's determination of noncompliance, pursuant to the agreed upon provisions set forth below in Section X.E. In the event DaVita elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until DaVita cures, to OIG's satisfaction, the alleged breach in dispute. Failure to respond to the Demand Letter in one of these two manners within the allowed time period shall be considered a material breach of this CIA and shall be grounds for exclusion under Section X.D.

3. *Form of Payment.* Payment of the Stipulated Penalties shall be made by electronic funds transfer to an account specified by OIG in the Demand Letter.

4. *Independence from Material Breach Determination.* Except as set forth in Section X.D.1.c, these provisions for payment of Stipulated Penalties shall not affect or otherwise set a standard for OIG's decision that DaVita has materially breached this CIA, which decision shall be made at OIG's discretion and shall be governed by the provisions in Section X.D, below.

D. Exclusion for Material Breach of this CIA

1. *Definition of Material Breach.* A material breach of this CIA means:

- a. a failure by DaVita to report a Reportable Event, take corrective action, and make the appropriate refunds, as required in Section III.P;

- 
- b. repeated or flagrant violations of the obligations under this CIA, including, but not limited to, the obligations addressed in Section X.A;
  - c. a failure to respond to a Demand Letter concerning the payment of Stipulated Penalties in accordance with Section X.C;
  - d. a failure to engage and use a Compliance Advisor in accordance with Section III.A.3 and Appendix A; or
  - e. a failure to engage and use an Independent Monitor in accordance with Section III.G and Appendix C.

2. *Notice of Material Breach and Intent to Exclude.* The parties agree that a material breach of this CIA by DaVita constitutes an independent basis for DaVita's exclusion from participation in the Federal health care programs. Upon a determination by OIG that DaVita has materially breached this CIA and that exclusion is the appropriate remedy, OIG shall notify DaVita of: (a) DaVita's material breach, and (b) OIG's intent to exercise its contractual right to impose exclusion. (This notification shall be referred to as the "Notice of Material Breach and Intent to Exclude.")

3. *Opportunity to Cure.* DaVita shall have 30 days from the date of receipt of the Notice of Material Breach and Intent to Exclude to demonstrate to OIG's satisfaction that:

- a. DaVita is in compliance with the obligations of the CIA cited by OIG as being the basis for the material breach;
- b. the alleged material breach has been cured; or
- c. the alleged material breach cannot be cured within the 30-day period, but that: (i) DaVita has begun to take action to cure the material breach, (ii) DaVita is pursuing such action with due diligence, and (iii) DaVita has provided to OIG a reasonable timetable for curing the material breach.

4. *Exclusion Letter.* If, at the conclusion of the 30-day period, DaVita fails to satisfy the requirements of Section X.D.3, OIG may exclude DaVita from participation in the Federal health care programs. OIG shall notify DaVita in writing of its determination to exclude DaVita. (This letter shall be referred to as the "Exclusion Letter.") Subject to the Dispute Resolution provisions in Section X.E, below, the exclusion shall go into effect 30 days after the date of DaVita's receipt of the Exclusion

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Letter. The exclusion shall have national effect. Reinstatement to program participation is not automatic. After the end of the period of exclusion, DaVita may apply for reinstatement by submitting a written request for reinstatement in accordance with the provisions at 42 C.F.R. §§ 1001.3001–.3004.

E. Dispute Resolution

1. *Review Rights.* Upon OIG's delivery to DaVita of its Demand Letter or of its Exclusion Letter, and as an agreed-upon contractual remedy for the resolution of disputes arising under this CIA, DaVita shall be afforded certain review rights comparable to the ones that are provided in 42 U.S.C. § 1320a-7(f) and 42 C.F.R. Part 1005 as if they applied to the Stipulated Penalties or exclusion sought pursuant to this CIA. Specifically, OIG's determination to demand payment of Stipulated Penalties or to seek exclusion shall be subject to review by an HHS ALJ and, in the event of an appeal, the HHS Departmental Appeals Board (DAB), in a manner consistent with the provisions in 42 C.F.R. § 1005.2–1005.21. Notwithstanding the language in 42 C.F.R. § 1005.2(c), the request for a hearing involving Stipulated Penalties shall be made within 10 days after receipt of the Demand Letter and the request for a hearing involving exclusion shall be made within 25 days after receipt of the Exclusion Letter.

2. *Stipulated Penalties Review.* Notwithstanding any provision of Title 42 of the United States Code or Title 42 of the Code of Federal Regulations, the only issues in a proceeding for Stipulated Penalties under this CIA shall be: (a) whether DaVita was in full and timely compliance with the obligations of this CIA for which OIG demands payment; and (b) the period of noncompliance. DaVita shall have the burden of proving its full and timely compliance and the steps taken to cure the noncompliance, if any. OIG shall not have the right to appeal to the DAB an adverse ALJ decision related to Stipulated Penalties. If the ALJ agrees with OIG with regard to a finding of a breach of this CIA and orders DaVita to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless DaVita requests review of the ALJ decision by the DAB. If the ALJ decision is properly appealed to the DAB and the DAB upholds the determination of OIG, the Stipulated Penalties shall become due and payable 20 days after the DAB issues its decision.

3. *Exclusion Review.* Notwithstanding any provision of Title 42 of the United States Code or Title 42 of the Code of Federal Regulations, the only issues in a proceeding for exclusion based on a material breach of this CIA shall be:

- a. whether DaVita was in material breach of this CIA;
- b. whether such breach was continuing on the date of the Exclusion Letter; and

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- c. whether the alleged material breach could not have been cured within the 30-day period, but that:
- (i) DaVita had begun to take action to cure the material breach within that period;
  - (ii) DaVita has pursued and is pursuing such action with due diligence; and
  - (iii) DaVita provided to OIG within that period a reasonable timetable for curing the material breach and DaVita has followed the timetable.

For purposes of the exclusion herein, exclusion shall take effect only after an ALJ decision favorable to OIG, or, if the ALJ rules for DaVita, only after a DAB decision in favor of OIG. DaVita's election of its contractual right to appeal to the DAB shall not abrogate OIG's authority to exclude DaVita upon the issuance of an ALJ's decision in favor of OIG. If the ALJ sustains the determination of OIG and determines that exclusion is authorized, such exclusion shall take effect 20 days after the ALJ issues such a decision, notwithstanding that DaVita may request review of the ALJ decision by the DAB. If the DAB finds in favor of OIG after an ALJ decision adverse to OIG, the exclusion shall take effect 20 days after the DAB decision. DaVita shall waive its right to any notice of such an exclusion if a decision upholding the exclusion is rendered by the ALJ or DAB. If the DAB finds in favor of DaVita, DaVita shall be reinstated effective on the date of the original exclusion.

4. *Finality of Decision.* The review by an ALJ or DAB provided for above shall not be considered to be an appeal right arising under any statutes or regulations. Consequently, the parties to this CIA agree that the DAB's decision (or the ALJ's decision if not appealed) shall be considered final for all purposes under this CIA.

#### **XI. EFFECTIVE AND BINDING AGREEMENT**

DaVita and OIG agree as follows:

A. This CIA shall become final and binding on the date the final signature is obtained on the CIA.

B. This CIA constitutes the complete agreement between the parties and may not be amended except by written consent of the parties to this CIA.

C. OIG may agree to a suspension of DaVita's obligations under this CIA based on a certification by DaVita that it is no longer providing health care items or services that will be billed to any Federal health care program and that it does not have any ownership or control interest, as defined in 42 U.S.C. § 1320a-3, in any entity that bills any Federal health care program. If DaVita is relieved of its CIA obligations, DaVita will be required to notify OIG in writing at least 30 days in advance if DaVita plans to resume providing health care items or services that are billed to any Federal

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health care program or to obtain an ownership or control interest in any entity that bills any Federal health care program. At such time, OIG shall evaluate whether the CIA will be reactivated or modified.

D. The undersigned DaVita signatories represent and warrant that they are authorized to execute this CIA. The undersigned OIG signatories represent that they are signing this CIA in their official capacities and that they are authorized to execute this CIA.

E. This CIA may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same CIA. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this CIA.

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ON BEHALF OF DAVITA

/s/ Jeanine Jiganti

JEANINE JIGANTI  
Chief Compliance Officer  
DaVita HealthCare Partners Inc.

10/21/14

DATE

/s/ Kim Rivera

KIM RIVERA  
Chief Legal Officer  
DaVita HealthCare Partners Inc.

10/21/14

DATE

/s/ Paul E. Kalb

PAUL E. KALB, M.D.  
Partner, Sidley Austin LLP

10/22/14

DATE

/s/ Jaime L.M. Jones

JAIME L.M. JONES  
Partner, Sidley Austin LLP

10/22/14

DATE

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**ON BEHALF OF THE OFFICE OF INSPECTOR GENERAL  
OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES**

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ROBERT K. DECONTI  
Assistant Inspector General for Legal Affairs  
Office of Inspector General  
U.S. Department of Health and Human Services

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10/22/14  
DATE

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LAURA E. ELLIS  
Senior Counsel

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10/22/14  
DATE

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KAITLYN L. DUNN  
Associate Counsel

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10/22/14  
DATE

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**APPENDIX A****COMPLIANCE ADVISOR**

This Appendix contains the requirements relating to the Compliance Advisor required by Section III.A.3 of the CIA.

**A. Compliance Advisor Engagement**

1. The Board Compliance Committee shall engage an independent individual or entity (Compliance Advisor) that possesses the qualifications set forth in Section B, below, to perform the Compliance Program Review. The Compliance Advisor shall conduct the review in a professionally independent and objective fashion, as set forth in Section D. Within 15 days after engaging the Compliance Advisor, the Board Compliance Committee shall provide OIG with: (a) the identity, address, and phone number of the Compliance Advisor; (b) a copy of the engagement letter; (c) information to demonstrate that the Compliance Advisor has the qualifications outlined in Section B, below; (d) a summary and description of any and all current and prior engagements and agreements between DaVita and the Compliance Advisor; and (e) a certification from the Compliance Advisor that it meets the independence requirements of Section D, below. Within 30 days after OIG receives this information or any additional information submitted by the Board Compliance Committee in response to a request by OIG, whichever is later, OIG will notify the Board Compliance Committee if the Compliance Advisor is unacceptable. Absent notification from OIG that the Compliance Advisor is unacceptable, the Board Compliance Committee may continue to engage the Compliance Advisor.

2. If the Board Compliance Committee engages a new Compliance Advisor during the term of the CIA, that Compliance Advisor shall also meet the requirements of this Appendix. If a new Compliance Advisor is engaged, the Board Compliance Committee shall submit the information identified in Section A. 1, above, within 15 days of engagement of the Compliance Advisor. Within 30 days after OIG receives this information or any additional information submitted by the Board Compliance Committee at the request of OIG, whichever is later, OIG will notify the Board Compliance Committee if the Compliance Advisor is unacceptable. Absent notification from OIG that the Compliance Advisor is unacceptable, the Board Compliance Committee may continue to engage the Compliance Advisor.

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B. Compliance Advisor Qualifications

The Compliance Advisor shall:

1. have expertise in health care compliance and in the general requirements applicable to dialysis providers of the Federal health care program(s) from which DaVita Dialysis seeks reimbursement; and
2. have sufficient staff with the expertise described in Section B.1 and sufficient resources to conduct the Compliance Program Review on a timely basis.

C. Compliance Advisor Responsibilities

The Compliance Advisor shall:

1. create a work plan for each Reporting Period's Compliance Program Review and submit the work plan to OIG for comment before beginning the Compliance Program Review;
2. perform the annual Compliance Program Review;
3. respond to all OIG inquiries in a prompt, objective, and factual manner;
4. retain and make available to OIG, upon request, all work papers, supporting documentation, correspondence, and other documents related to the engagement of and work performed by the Compliance Advisor; and
5. prepare timely, clear, and well-written reports.

D. Compliance Advisor Independence and Objectivity

To ensure that the Compliance Program Reviews are conducted in a professionally independent and objective fashion, the Compliance Advisor shall not have a relationship to DaVita, or to its officers, directors, employees, or agents, that would cause a reasonable person to question the Compliance Advisor's impartiality.

E. Compliance Advisor Removal/Termination

1. *The Board Compliance Committee and Compliance Advisor.* If the Board Compliance Committee terminates the Compliance Advisor or if the Compliance Advisor withdraws from the engagement during the term of the CIA, the Compliance

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Advisor must submit a notice explaining its reasons for termination or the reason for withdrawal to OIG no later than 30 days after termination or withdrawal. The Board Compliance Committee must engage a new Compliance Advisor in accordance with Section A of this Appendix within 60 days of termination or withdrawal of the Compliance Advisor.

2. *OIG Removal of the Compliance Advisor.* In the event OIG has reason to believe the Compliance Advisor does not possess the qualifications described in Section B, is not independent and objective as set forth in Section D, or has failed to carry out its responsibilities in performing the Compliance Program Review as set forth in Section C, OIG may, at its sole discretion, require the Board Compliance Committee to engage a new Compliance Advisor in accordance with Section A of this Appendix. The Board Compliance Committee must engage a new Compliance Advisor within 60 days of termination of the Compliance Advisor.

Prior to requiring the Board Compliance Committee to engage a new Compliance Advisor, OIG shall notify the Board Compliance Committee of its intent to do so and provide a written explanation of why OIG believes such a step is necessary. To resolve any concerns raised by OIG, the Board Compliance Committee may present additional information regarding the Compliance Advisor's qualifications, independence, or performance of its responsibilities. OIG will attempt in good faith to resolve any differences regarding the Compliance Advisor with the Board Compliance Committee prior to requiring the Board Compliance Committee to terminate the Compliance Advisor. However, the final determination as to whether or not to require the Board Compliance Committee to engage a new Compliance Advisor shall be made at the sole discretion of OIG.

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**APPENDIX B****SUBJECT JOINT VENTURE CLINICS**

1. Llano Dialysis, LLC (“East Bay”), a joint venture consisting of five dialysis clinics:

- Oakland Peritoneal Dialysis Center and Oakland Peritoneal At Home, Oakland, CA  
National Provider Identifier – 1568699882  
Medicaid Provider Number – 1568699882
- Vallejo Dialysis, Vallejo, CA  
National Provider Identifier – 1265669444  
Medicaid Provider Number – 1265669444
- San Pablo Dialysis, San Pablo, CA  
National Provider Identifier – 1790912970  
Medicaid Provider Number – 1790912970
- El Cerrito Dialysis, El Cerrito, CA  
National Provider Identifier – 1063649242  
Medicaid Provider Number – 1063649242

2. University Dialysis Center, LLC, a joint venture consisting of one dialysis clinic:

- University Dialysis Center, Sacramento, CA  
National Provider Identifier – 1154415982  
Medicaid Provider Number – CDC52549G

3. Shadow Dialysis, LLC, a joint venture consisting of one dialysis clinic:

- Antelope Dialysis Center, Citrus Heights, CA  
National Provider Identifier – 1780836684  
Medicaid Provider Number – 1780836684

4. Doves Dialysis, LLC, a joint venture consisting of one dialysis clinic:

- Carmel Mountain Dialysis, San Diego, CA  
National Provider Identifier – 1669788980  
Medicaid Provider Number – 1669788980

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5. Animas Dialysis, LLC, a joint venture consisting of two dialysis clinics:

- Doctors Dialysis of East Los Angeles, Los Angeles, CA  
National Provider Identifier – 1083853667  
Medicaid Provider Number – 1083853667
- Doctors Dialysis Center of Montebello, Montebello, CA  
National Provider Identifier – 1568601789  
Medicaid Provider Number – 1568601789

6. MountainWest Dialysis Services, LLC, a joint venture consisting of seven dialysis clinics:

- Lakewood Crossing Dialysis, Lakewood, CO  
National Provider Identifier – 1437310109  
Medicaid Provider Number – 56325398
- Longmont Dialysis Center, Longmont, CO  
National Provider Identifier – 1336301860  
Medicaid Provider Number – 11485884
- Lakewood Dialysis Center and Lakewood at Home, Lakewood, CO  
National Provider Identifier – 1063673739  
Medicaid Provider Number – 20733283
- Thornton Dialysis Center, Thornton, CO  
National Provider Identifier – 1154582831  
Medicaid Provider Number – 12089273
- Boulder Dialysis Center, Boulder, CO  
National Provider Identifier – 1154582823  
Medicaid Provider Number – 86187589
- Arvada Dialysis Center, Arvada, CO  
National Provider Identifier – 1609037373  
Medicaid Provider Number – 45706794
- Mile High Home Dialysis PD, Lakewood, CO  
National Provider Identifier – 1508026436  
Medicaid Provider Number – 36032395

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7. South Central Florida Dialysis Partners, LLC (“IMS/St. Cloud”), a joint venture consisting of four dialysis clinics:

- Celebration Dialysis, Celebration, FL  
National Provider Identifier – 1043287550  
Medicaid Provider Number – 000044200
- Hunters Creek Dialysis and Hunters Creek at Home, Orlando, FL  
National Provider Identifier – 1801864459  
Medicaid Provider Number – 000092700
- Kissimmee Dialysis, Kissimmee, FL  
National Provider Identifier – 1609843010  
Medicaid Provider Number – 000039800
- St. Cloud Dialysis, St. Cloud, FL  
National Provider Identifier – 1245410091  
Medicaid Provider Number – 892801100

8. Bright Dialysis, LLC, a joint venture consisting of one dialysis clinic:

- Bright Dialysis, Fort Pierce, FL  
National Provider Identifier – 1316179062  
Medicaid Provider Number – 001826000

9. Central Kentucky Dialysis Centers, LLC, a joint venture consisting of one dialysis clinic:

- Woodland Dialysis Center, Elizabethtown, KY  
National Provider Identifier – 1861452302  
Medicaid Provider Number – 7100011990

10. Columbus-RNA-DaVita, LLC, a joint venture consisting of three dialysis clinics:

- Columbus Dialysis, Columbus, OH  
National Provider Identifier – 1073787248  
Medicaid Provider Number – 2908241
- Columbus East Dialysis, Columbus, OH  
National Provider Identifier – 1952575128  
Medicaid Provider Number – 2911497

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- Columbus Downtown Dialysis, Columbus, OH  
National Provider Identifier – 1528232790  
Medicaid Provider Number – 2955477

11. Wauseon Dialysis, LLC, a joint venture consisting of one dialysis clinic:

- Wauseon Dialysis Center, Wauseon, OH  
National Provider Identifier – 1306010228  
Medicaid Provider Number – 2911522

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**APPENDIX C****RESPONSIBILITIES OF THE INDEPENDENT MONITOR****A. Review of Selection Process and Selection Criteria, Valuation Methodologies, and Notice**

1. *Selection Process and Selection Criteria Review.* During the first two Reporting Periods, the Monitor shall review and approve the Selection Process and Selection Criteria required by Section III.D. 1 of the CIA, and any subsequent modifications or changes to the Selection Process and Selection Criteria.

2. *Valuation Methodologies Review.* During the first two Reporting Periods, the Monitor shall review and approve each Valuation Methodology required by Section III.D.2 of the CIA, and any subsequent modifications or changes to those Valuation Methodologies. In conducting this review, the Monitor shall ensure that the Valuation Methodologies:

- a. provide for application of the same methodologies for calculating and documenting inputs when valuing each type of Focus Arrangement; and
- b. conform to standards commonly used and accepted by accountants and valuation experts.

3. *Notice to Joint Venture Partners and Medical Directors Review.* The Monitor shall review and approve each type of Notice required by Section III.E of the CIA.

- a. The Monitor shall ensure that each type of Notice clearly and adequately informs all Joint Venture Partners and Medical Directors that:
  - i. Joint Venture Partners, Medical Directors, and their employees, colleagues, and contractors are free to refer patients to and treat patients at non-DaVita-owned dialysis clinics;
  - ii. DaVita will not enforce any patient-related non-disparagement or non-solicitation clauses contained in any of their existing agreements with DaVita; and

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iii. in connection with joint venture clinics formed by Partial Divestitures, DaVita will not enforce the investment non-compete provisions it may have in the applicable joint venture agreements and Medical Director agreements.

- b. The Monitor shall review and approve any changes or revisions DaVita makes to the wording of the Notice in the second Reporting Period before DaVita sends the Notice to its Joint Venture Partners and Medical Directors.

B. Oversight of Unwinding of Subject Joint Venture Clinics

The Monitor shall oversee DaVita's unwinding of the Subject Joint Venture Clinics as required by Section III.F of the CIA.

1. The Monitor shall review and approve each transaction required to unwind the Subject Joint Venture Clinic to ensure that it conforms to the requirements set forth in Section III.F of the CIA.
2. The Monitor shall review and approve prior to execution any "seller's non-competes" with the Joint Venture Partners who were party to a Subject Joint Venture Clinic to ensure that such clauses or agreements:
  - a. do not contain patient-related non-disparagement or non-solicitation language; and
  - b. do not restrict the nephrologist or nephrology practice's ability to refer patients to or treat patients at a non-DaVita- owned dialysis clinic.

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C. Oversight of DaVita Dialysis Focus Arrangements

The Monitor:

1. Beginning 120 days from the Effective Date, during the first two Reporting Periods and for the first 120 days of the third Reporting Period, shall prospectively evaluate all Focus Arrangements, except Business Courtesies, that DaVita Dialysis proposes to enter into with Health Care Providers.
  - a. The Monitor shall determine whether DaVita Dialysis properly applied the appropriate Valuation Methodology, as required by Section III.D.2 of the CIA.
  - b. The Monitor shall determine whether the Health Care Provider was selected consistent with DaVita Dialysis's Selection Process and Selection Criteria, as applicable and required by Section III.D.1 of the CIA.
  - c. The Monitor shall inform DaVita Dialysis and OIG of: (1) the Risk Determination, and (2) the Monitor's basis for the Risk Determination.
2. For the first two Reporting Periods, shall review and evaluate:
  - a. DaVita's corporate managerial and governance structure overseeing and executing DaVita Dialysis's selection, negotiation, and implementation of Focus Arrangements with, and compensation of, Health Care Providers;
  - b. the Focus Arrangement Procedures required by Section III.D.3;
  - c. DaVita Dialysis's compliance with the Focus Arrangement Requirements set forth in Section III.D.4; and
  - d. DaVita's compliance program in relation to DaVita Dialysis's selection, negotiation, and implementation of Focus Arrangements with, and compensation of, Health Care Providers, including, but not limited to, training and education, policies and procedures, risk assessment, and auditing.

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3. For the first two Reporting Periods, may retrospectively review, in his or her discretion, any payments made under a new or renewed Focus Arrangement to determine whether the payments comply with the laws governing the Federal health care programs, including the False Claims Act and the Anti-Kickback Statute.

4. For the first two Reporting Periods, may retrospectively review, in his or her discretion, any payments made under a Focus Arrangement existing on or before the Effective Date if the Monitor receives, identifies, or discovers information that suggests the payments do not comply with the laws governing the Federal health care programs, including the False Claims Act and the Anti-Kickback Statute, except for conduct released by the Settlement Agreement entered into between the United States and DaVita contemporaneously with this CIA. In the event of a disagreement between the Monitor and DaVita as to whether the Monitor has a basis to review under this Section C.4, the OIG shall, in its sole discretion, determine whether a basis to review exists.

D. Arrangements Review

1. For the third, fourth, and fifth Reporting Periods, the Monitor shall conduct the Arrangements Review. The Arrangements Review shall consist of two components: a systems review and a transactions review. The Monitor shall perform all components of each Arrangements Review. If there are no material changes to DaVita Dialysis's systems, processes, policies, and procedures relating to Arrangements after the end of the second Reporting Period, the Arrangements Systems Review shall be performed for the fourth Reporting Period. If DaVita Dialysis materially changes the Arrangements systems, processes, policies, and procedures during the third or fifth Reporting Periods, the Monitor shall perform an Arrangements Systems Review of the material changes for the Reporting Period in which such changes were made in addition to conducting the systems review for the fourth Reporting Period. The Arrangements Transactions Review shall be performed annually for the third, fourth, and fifth Reporting Periods.

2. *Arrangements Systems Review.* The Arrangements Systems Review shall be a review of DaVita Dialysis's systems, processes, policies, and procedures relating to the initiation, review, approval, and tracking of Arrangements. Specifically, the Monitor shall review the following:

- a. DaVita Dialysis's systems, policies, processes, and procedures with respect to creating and maintaining a centralized tracking system for all existing and new and renewed Focus Arrangements (Focus Arrangements Tracking System), including a detailed description of the information captured in the Focus Arrangements Tracking System;

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- b. DaVita Dialysis's systems, policies, processes, and procedures for tracking remuneration to and from all parties to Focus Arrangements;
  - c. DaVita Dialysis's systems, policies, processes, and procedures for tracking services and activities to ensure that parties to the Focus Arrangement are performing the services required under the applicable Focus Arrangement(s) (if applicable);
  - d. DaVita Dialysis's systems, policies, processes, and procedures for monitoring the use of leased space, medical supplies, medical devices, equipment, or other patient care items to ensure that such use is consistent with the terms of the applicable Focus Arrangement(s) (if applicable);
  - e. DaVita Dialysis's systems, policies, processes, and procedures for initiating Focus Arrangements, including those policies that: (1) govern the Selection Process and Selection Criteria and the calculation and application of Valuation Methodologies, (2) identify the individuals with authority to initiate a Focus Arrangement, and (3) specify the business need or business rationale required to initiate a Focus Arrangement;
  - f. DaVita Dialysis's systems, policies, processes, and procedures for the internal review and approval of all Focus Arrangements, including those policies that identify the individuals required to approve each type or category of Focus Arrangement entered into by DaVita Dialysis, the internal controls designed to ensure that all required approvals are obtained, and the processes for ensuring that all Focus Arrangements are subject to a legal review by counsel with expertise in the Anti-Kickback Statute;
  - g. the Chief Compliance Officer's annual review of and reporting to the Board Compliance Committee on the Focus Arrangements Tracking System; DaVita Dialysis's internal review and approval process; and other Focus Arrangements systems, policies, processes, and procedures;
  - h. DaVita Dialysis's systems, policies, processes, and procedures for implementing effective responses when



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suspected violations of the Anti-Kickback Statute are discovered, including disclosing Reportable Events and quantifying and repaying Overpayments when appropriate; and

- i. DaVita Dialysis's systems, policies, processes, and procedures for ensuring that all new and renewed Focus Arrangements comply with the Focus Arrangements Requirements set forth in Section III.D.4 of the CIA.

3. *Arrangements Transactions Review.* The Arrangements Transactions Review shall consist of a review by the Monitor of 100 randomly selected Focus Arrangements that were entered into or renewed by DaVita Dialysis during the Reporting Period. The Monitor shall assess whether DaVita Dialysis has complied with Section III.D of the CIA with respect to the selected Focus Arrangements.

The Monitor's assessment with respect to each Focus Arrangement that is subject to review shall include:

- a. verifying that the Health Care Provider(s) involved in the Focus Arrangement was selected consistent with DaVita Dialysis's Selection Process and Selection Criteria (if applicable);
- b. verifying that the Focus Arrangement is maintained in DaVita Dialysis's centralized tracking system in a manner that permits the Monitor to identify the parties to the Focus Arrangement and the relevant terms of the Focus Arrangement (*i.e.*, the items/services/equipment/space to be provided, the amount of compensation, the effective date, the expiration date, etc.);
- c. verifying that the remuneration related to the Focus Arrangement was determined using the appropriate Valuation Methodology;
- d. verifying that the Focus Arrangement was subject to the internal review and approval process (including both a legal and business review) and obtained the necessary approvals, and that such review and approval is appropriately documented;

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- e. verifying that the remuneration related to the Focus Arrangement is properly tracked;
  - f. verifying that the services and activities are properly tracked and reviewed by DaVita Dialysis, and that the parties to the Focus Arrangement are performing the services required under the applicable Focus Arrangement (if applicable);
  - g. verifying that the use of leased space, medical supplies, medical devices, equipment, and other patient care items is properly monitored by DaVita Dialysis, and that such use is consistent with the terms of the applicable Focus Arrangement (if applicable); and
  - h. verifying that the Focus Arrangement satisfies the Focus Arrangements Requirements of Section III.D.4 of the CIA.

E. Compliance Audit Review

The Monitor shall conduct an annual review of annual, routine, and email compliance audits conducted of DaVita Dialysis.

1. OIG shall select three annual audits and one routine audit of DaVita Dialysis for the Monitor's review.
2. The Monitor shall select a statistically valid random sample of three email audits from the universe comprised of all email audits completed during the Reporting Period.
3. For each of the audits selected, the Monitor shall:
  - a. review the protocol and methodology of the audit to assess whether it was designed in a manner that sufficiently and effectively audits the issue;
  - b. review the work papers, including all records and references relied upon by DaVita Dialysis, to assess whether DaVita Dialysis relied on the relevant laws, regulations, and program guidance, and whether the work papers, records, and references reviewed support the findings reached by DaVita Dialysis; and

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- c. to the extent the Monitor finds that DaVita Dialysis's findings are unsupported or incorrect, provide the Monitor's findings and the Monitor's support for those findings.

F. Independent Investigations

During the first two Reporting Periods, the Monitor may, in his or her discretion, conduct an independent investigation of any complaint, concern, or report that the Monitor receives from any source concerning a probable violation of criminal, civil, or administrative laws applicable to any Federal health care program for which penalties or exclusion may be authorized, where:

1. such conduct is alleged to be by any member of the Board of Directors, officer, or Certifying Executive of DaVita;
2. such conduct allegedly has been approved or sanctioned by the DaVita Dialysis Compliance or Legal personnel;
3. the Monitor has concerns about the integrity or adequacy of DaVita's investigation; or
4. the Monitor otherwise believes, and OIG agrees, that DaVita Dialysis cannot effectively investigate the complaint, concern, or report,

except for conduct released by the Settlement Agreement entered into between the United States and DaVita contemporaneously with this CIA. The Monitor shall report its findings from any independent investigation conducted pursuant to this Section F to both DaVita and OIG. The Monitor shall complete any independent investigation begun but not completed during the first two Reporting Periods.

G. Quarterly Reports

1. The Quarterly Reports shall include, but shall not be limited to:
  - a. the Monitor's findings and recommendations to DaVita based on the work performed by the Monitor under Sections A, B, C, E, and F, above;
  - b. a list of the Subject Joint Venture Clinics unwound each quarter, a description of the terms of each transaction, and the Monitor's rationale for approving the transactions required to accomplish the unwinding;

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- c. a list of the Focus Arrangements reviewed each quarter, the Risk Determination for each of the listed Focus Arrangement, and the basis for each Risk Determination;
  - d. a list of the Focus Arrangements that DaVita Dialysis entered into each quarter, the Risk Determination for each of the listed Focus Arrangements, and the basis for each Risk Determination; and
  - e. the Monitor's evaluation of corrective actions taken by DaVita Dialysis based on the Monitor's findings and recommendations.

2. The Monitor shall submit via overnight delivery Quarterly Reports covering the first two Reporting Periods and the first 120 days of the third Reporting Period, with the first Quarterly Report due 30 days after the first quarter of the first Reporting Period. The last Quarterly Report shall be due 30 days after the first quarter of the third Reporting Period.

3. The Monitor may provide written recommendations to DaVita in between the Quarterly Reports, provided that the recommendations are simultaneously sent to OIG and included in the subsequent Quarterly Report. DaVita shall include its response and corrective action plans in its corresponding Quarterly Response Report.

4. With each Quarterly Report, the Monitor shall include a certification, signed by the Monitor, stating that the individuals who assisted in fulfilling the oversight obligations required by Sections A, B, C, E, and F, above, possessed the professional competence necessary to perform the work.

#### H. Annual Reports

The Monitor shall submit via overnight delivery each Annual Report no later than 80 days after the end of the Reporting Period for which the review was performed. With each individual review report, the Monitor shall include a certification, signed by the Monitor, stating that the individuals who worked on the review possessed the professional competence necessary to perform the work.

1. *Compliance Audit Review Report.* The Compliance Audit Review Report shall contain:
  - a. For each audit reviewed:

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- i. a description of the audit's objective, protocol, methodology, and results;
  - ii. the Monitor's assessment of DaVita Dialysis's performance of the audit, including the identification of any issues or deficiencies with the protocol and/or methodology, and any unsupported or incorrect findings; and
  - iii. to the extent DaVita Dialysis's findings are unsupported or incorrect, the Monitor's findings and the Monitor's justification for those findings.
- b. The Monitor's observations and recommendations concerning:
    - i. the strengths and weaknesses of DaVita Dialysis's performance of the audits;
    - ii. any improvements to DaVita Dialysis's compliance audit program to address specific problems or weaknesses identified through the Compliance Audit Review; and
    - iii. other improvements that could strengthen DaVita Dialysis's compliance audit program.

2. *Arrangements Systems Review Report.* The Monitor shall prepare a report based upon each Arrangements Systems Review performed. The Arrangements Systems Review Report shall include the following information:

- a. a description of the documentation (including policies) reviewed and personnel interviewed;
- b. a detailed description of DaVita Dialysis's systems, policies, processes, and procedures relating to the items identified in Section D.2.a-i above;
- c. findings and supporting rationale regarding weaknesses in DaVita Dialysis's systems, policies, processes, and procedures relating to Arrangements described in Section D.2.a-i above; and

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- d. recommendations to improve DaVita Dialysis's systems, policies, processes, or procedures relating to Arrangements described in Section D.2.a–i above.

3. *Arrangements Transactions Review Report.* The Monitor shall prepare a report based on each Arrangements Transactions Review performed. The Arrangements Transactions Review Report shall include the following information:

a. *Review Methodology*

- i. Review Protocol. A detailed narrative description of the procedures performed and a description of the sampling unit and universe utilized in performing the procedures for the sample reviewed.
- ii. Sources of Data. A full description of the documentation and other information, if applicable, relied upon by the Monitor in performing the Arrangements Transactions Review.
- iii. Supplemental Materials. The Monitor shall request all documentation and materials required for its review of the Focus Arrangements selected as part of the Arrangements Transactions Review, and DaVita Dialysis shall furnish such documentation and materials to the Monitor prior to the Monitor initiating its review of the Focus Arrangements. If the Monitor accepts any supplemental documentation or materials from DaVita Dialysis after the Monitor has completed its initial review of the Focus Arrangements (Supplemental Materials), the Monitor shall identify in the Arrangements Transactions Review Report the Supplemental Materials, the date the Supplemental Materials were accepted, and the relative weight the Monitor gave to the Supplemental Materials in its review. In addition, the Monitor shall include a narrative in the Arrangements Transactions Review Report describing the process by which the Supplemental Materials were accepted and the Monitor's reasons for accepting the Supplemental Materials.

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2. *Review Findings.* The Arrangements Transactions Review Report shall include the Monitor's findings with respect to each of the items set forth in Section D.3.a-h, above. In addition, the Monitor shall identify in the Arrangements Transactions Review Report any Focus Arrangement(s) reviewed that a reasonable person would consider a probable violation of the Anti-Kickback Statute, along with the Monitor's basis for reaching that conclusion. The Arrangements Transactions Review Report also shall include observations, findings, and recommendations on possible improvements to DaVita Dialysis's systems, policies, processes, and procedures in place to ensure that all Focus Arrangements comply with the Focus Arrangements Procedures and Focus Arrangements Requirements.

I. Extension of Certain Independent Monitor Responsibilities

OIG may, in its sole discretion, determine that the Monitor should continue to perform his or her responsibilities under Sections A, B, C, F, and G of this Appendix for the full third Reporting Period. If the OIG exercises this discretion, the requirements of Section D of this Appendix shall be tolled for the third Reporting Period.

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**APPENDIX D****EXECUTIVE FINANCIAL RECOUPMENT PROGRAM**

DaVita shall establish and maintain throughout the term of the CIA a financial recoupment program that puts at risk of forfeiture and recoupment an amount equivalent to up to three years of annual performance pay (e.g., annual bonus, plus long-term incentives) for a Covered Executive who is discovered to have been involved in any significant misconduct (Executive Financial Recoupment Program). This financial recoupment program shall apply to Covered Executives who are either current DaVita employees or who are former DaVita employees at the time of a Recoupment Determination.

A. Existing Commitments. Pursuant to DaVita's existing Board-approved clawback policy (the "Clawback Policy"), if the Board of Directors of DaVita (the "Board") determines that any fraud or intentional misconduct by an executive officer or director was a significant contributing factor to the Company having to restate all or a portion of its consolidated financial statements, the Board may (i) require reimbursement of any bonus or incentive compensation paid to such executive or director, (ii) cause the cancellation of restricted stock unit awards and outstanding stock appreciation rights or stock options granted to such executive officer or director, and (iii) seek reimbursement of any gains realized that are attributable to such awards. These actions may be taken if (a) the amount of incentive compensation was calculated based on the achievement of certain financial results that were subsequently reduced due to a financial statement restatement, (b) the executive officer or director engaged in any fraud or intentional misconduct that was a significant contributing factor to the need for the restatement and (c) the amount of the bonus or incentive compensation that would have been awarded to the officer had the financial results been properly reported would have been lower than the amount actually awarded. Under the Clawback Policy, the Company may not seek to recover bonuses or incentive or equity-based compensation paid or which vests more than three years prior to the date the applicable financial statement restatement is disclosed. In addition, pursuant to the terms of certain awards made under the DaVita Healthcare Partners Inc. 2011 Incentive Award Plan (the "LTI Plan"), an award shall terminate, and the Company may seek repayment of gains realized by a recipient of such an award, if the recipient of the award (w) breaches certain restrictive covenants contained in the award, (x) is convicted of a felony, (y) is adjudicated by a court of competent jurisdiction to have committed an act of fraud or dishonesty resulting or intending to result directly or indirectly in personal enrichment at the expense of DaVita, or (z) is excluded from participating in any Federal health care program (the "Award Provisions" and, together with the Clawback Policy, the "Existing Commitments").

If DaVita discovers any employee misconduct that would implicate the forfeitures described in this paragraph, it will evaluate the situation and make a determination about

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whether any forfeiture, and the terms of such forfeiture, will be implemented. DaVita reserves the right to amend the Existing Commitments in order to implement any changes required by rules that may be adopted by the Securities and Exchange Commission and the New York Stock Exchange pursuant to the Dodd-Frank Act relating to clawback policies.

B. New Commitments. In addition to the compensation forfeiture provisions of the Existing Commitments already in place with respect to annual bonuses and other forms of incentive compensation, no later than December 31, 2014, DaVita shall modify and supplement the provisions of its annual bonus plan and any plans and programs that provide for the award of long-term incentives (i.e., awards that have vesting dates later than the one year anniversary of the grant date), whether based on or settled in cash or equity, and whether under the LTI Plan or any other plan or program (collectively, the “LTI Program”) and any employment agreements, as appropriate, by imposing the following eligibility and repayment conditions on future bonuses and LTI Program awards, as well as establishing the mandatory tolling remedy and additional remedies described below (collectively, “New Commitments”) to all Covered Executives. The New Commitments shall apply prospectively to Covered Executives beginning with the 2015 bonus plan year and LTI Program awards (bonuses earned in 2015 and paid out in 2016 and LTI awards granted in 2015).

1. *Covered Executive Bonus Eligibility and Repayment Conditions*. DaVita shall implement an eligibility and repayment condition on annual bonuses designed to survive both the payment of the bonus and the separation of a Covered Executive’s employment. This will allow DaVita, as a consequence of a Triggering Event as defined below in Section C, to pursue repayment from the Covered Executive of all or any portion of the bonus monies paid to the Covered Executive. To the extent permitted by controlling law, these bonus eligibility and repayment conditions will survive the payment of the Covered Executive’s bonus and the separation of the Covered Executive’s employment for a period of three years from the payment of the bonus for the plan year.

Consistent with a Recoupment Determination, as defined below in Section D, DaVita shall endeavor to collect repayment of any bonus from the Covered Executive through reasonable and appropriate means according to the terms of its bonus plan (or employment agreement, as the case may be) and to the extent permitted by controlling law of the relevant jurisdiction. If necessary to collect the repayment, DaVita shall file suit against the Covered Executive unless good cause exists not to do so. For purposes of the Executive Financial Recoupment Program, “good cause” shall include, but not be limited to, a financial inability on the part of the Covered Executive to repay any recoupment amount or DaVita’s inability to bring such a suit under the controlling law of the relevant jurisdiction.

DaVita HealthCare Partners Inc.  
Corporate Integrity Agreement – Appendix D  
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2. *LTI Program Awards.* DaVita shall implement, in all long-term incentive awards that vest in three or more years, a right to clawback any unvested equity or target cash value if a Triggering Event occurred within three years after the issuance of the award. In the event the long-term incentive award vesting is less than three years, DaVita shall implement a right to seek recoupment or forfeiture, as the situation requires, of the portion of the award that has vested and/or been paid or otherwise monetized by the Covered Executive within three years from the grant date. This right is designed to survive the issuance of the awards in the event the award vests in less than three years and to survive the separation of a Covered Executive's employment. This will allow DaVita, as a consequence of a Triggering Event as defined below in Section C, to compel disgorgement by the Covered Executive of all or any portion of the award granted to the Covered Executive, including all unvested awards and payments made to, or value realized by, the Covered Executive. This will also provide that, as a consequence of a Triggering Event, DaVita may pursue repayment by a Covered Executive who is a former employee of all or any portion of the last three years' worth of share option and restricted share grants that became vested and were paid during the Covered Executive's last years of employment and following termination of employment.

To the extent permitted by controlling law, these eligibility and repayment conditions shall survive vesting and payment for a period of three years from the Covered Executive's employment termination date. Consistent with a Recoupment Determination, DaVita shall endeavor to collect repayment of these LTI Program awards from the Covered Executive through reasonable and appropriate means and to the extent permitted by controlling law of the applicable jurisdiction. If necessary to collect the repayment, DaVita shall file suit against the Covered Executive unless good cause exists not to do so.

3. *Tolling Remedy.* To the extent permitting by controlling law, for the three years during which the bonus eligibility and repayment conditions exist, if DaVita reasonably anticipates that a Triggering Event has occurred pursuant to Section C of this Appendix, and DaVita has recoupment rights remaining under Sections B.1 and B.2 of this Appendix, DaVita shall have the right to notify the Covered Executive that those rights shall be tolled and thereby extended for an additional three years or until the Recoupment Committee determines that a Triggering Event has not occurred, whichever is earlier, to the extent permitted by applicable controlling law.

4. *Additional Remedies.* If, after expiration of the time period specified in Sections B.1 and B.2, above, the Recoupment Committee determines that a Triggering Event occurred, DaVita shall make a determination as to whether to pursue available remedies (e.g., filing suit against the Covered Executive) existing under statute or common law to the extent available.

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Corporate Integrity Agreement – Appendix D  
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C. Triggering Events

1. DaVita shall revise, as necessary, its bonus plan and LTI Program requirements (and employment agreements, if applicable) to provide that a Covered Executive will be ineligible for an annual bonus or LTI Program award upon discovery of significant misconduct, which shall include violations of a significant DaVita policy, applicable regulations, or law.

2. *Definition of Triggering Event.* The eligibility and repayment conditions described above shall be triggered upon a Recoupment Determination that finds:

- a. significant misconduct (e.g., violation of a significant DaVita policy, or applicable regulations or law) by the Covered Executive that, if discovered prior to payment, would have made the Covered Executive ineligible for an annual bonus or LTI Program award in that program year or subsequent program years; or
- b. significant misconduct by subordinate employees in the business unit over which the Covered Executive had responsibility that does not constitute an isolated occurrence and which the Covered Executive knew or should have known was occurring that, if discovered prior to payment, would have made the Covered Executive and/or employees in question ineligible for an annual bonus or LTI Program award in that program year or subsequent program years.

D. Administration of Recoupment Program. DaVita shall engage in a standardized, formal process to determine, in its sole discretion, whether a Triggering Event has occurred and, if so, the extent of bonus monies, LTI Program awards, and deferred compensation that are subject to repayment or forfeiture by the Covered Executive, and the most appropriate method for securing recoupment of relevant monies previously paid to or value realized by a Covered Executive. The findings and conclusions resulting from this process shall be referred to as the “Recoupment Determination.”

1. *Initiation.* DaVita shall initiate the Recoupment Determination process upon: (1) discovery of potential significant misconduct that may rise to the level of a Triggering Event, or (2) written notification by a United States federal government agency to the Chief Compliance Officer of DaVita of a situation that may rise to the level of a Triggering Event and gives rise (or may give rise) to liability relating to Federal health care programs. This written notification shall either identify the Covered

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Executive(s) potentially at issue or provide information (e.g., a description of the alleged misconduct and the applicable time period) to allow DaVita to identify the Covered Executive and alleged misconduct.

2. *Recoupment Committee.* The Recoupment Determination shall be made by a committee of senior executives headed by the Chief Compliance Officer (Recoupment Committee). In the event a Recoupment Determination must be made with respect to a member of the Recoupment Committee, it shall be made by the Board Compliance Committee.

3. *Timeline for Recoupment Determination Process.* DaVita shall initiate the Recoupment Determination process within 30 days after discovery by DaVita or notification, pursuant to Section D.I of this Appendix, of a potential Triggering Event. Absent extraordinary reasons, DaVita shall reach a Recoupment Determination within 90 days after initiation of the determination process.

In connection with making its Recoupment Determination, the Recoupment Committee or appropriate Delegate (as defined below), pursuant to implementing policies and procedures, shall:

- a. undertake an appropriate and substantive review or investigation of the facts and circumstances associated with the Triggering Event or any written notifications about potential Triggering Events received pursuant to Section D.I, above;
- b. make written findings regarding the facts and circumstances associated with the Triggering Event and any written notifications about potential Triggering Events received pursuant to Section D.I, above; and
- c. set forth in writing its determinations (and the rationale for such determinations) about:
  - i. whether a Triggering Event occurred;
  - ii. the extent of bonus monies, LTI Program award payments made or value realized, or deferred compensation that will be subject to forfeiture and/or repayment by the Covered Executive;

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- iii the means that will be followed to implement the forfeiture and/or secure the recoupment of performance pay from the Covered Executive; and
  - iv the timetables under which DaVita will implement the forfeiture and/or attempt to recoup the performance pay.

For purposes of this section, a “Delegate” shall refer to the DaVita personnel to whom the Recoupment Committee has delegated one or more of its required tasks in furtherance of the Executive Financial Recoupment Program.

E. Reporting. The Recoupment Committee shall provide annual reports to the Board (or an appropriate committee thereof) about: (1) the number and circumstances of any Triggering Events that occurred during the preceding year and any written notifications about potential Triggering Events received pursuant to Section D.1, above; (2) a description of any Recoupment Determinations made during the preceding year (including any decision to require or not require forfeiture/recoupment from any Covered Executives, the amount and type of any forfeiture/recoupment, the means for collecting any recoupment, and the rationale for such decisions); and (3) a description of the status of any forfeitures and/or recoupments required under prior Recoupment Determinations that were not fully completed in prior years.

The Recoupment Committee shall also provide annual reports to the OIG about: (1) the number and circumstances of any Triggering Events that occurred during the preceding year and any written notifications about potential Triggering Events received pursuant to Section D.1, above; (2) a summary description of any Recoupment Determinations made during the preceding year (including any decision to require or not require forfeiture/recoupment from any Covered Executives, the amount and type of any forfeiture/recoupment, the method for collecting any recoupment, and the rationale for such decisions); and (3) a description of the status of any forfeitures and/or recoupments required under prior Recoupment Determinations that were not fully completed in prior years.

DaVita shall maintain all of the forfeiture and recoupment commitments set forth in Sections A–E above for at least the CIA Period.

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**APPENDIX E****EXCLUDED JOINT VENTURES****A. Conditions**

In exchange for OIG's agreement that the joint ventures listed below ("Excluded Joint Ventures") will be excluded as parties to the CIA, DaVita agrees to the following:

1. During the CIA Period, each of the dialysis clinics that is owned and operated by the Excluded Joint Ventures will be managed pursuant to a Management Services Agreement with DaVita Dialysis, and all individuals and entities who provide items or services to the Excluded Joint Ventures will be considered Covered Persons to the same extent that individuals and entities who provide items or services to joint ventures that are parties to the CIA qualify as Covered Persons.
2. DaVita shall fulfill the obligations of Section III.P of the CIA (Reportable Events) for any Reportable Event that occurs at a dialysis clinic owned by an Excluded Joint Venture.
3. DaVita shall notify OIG of any sale of its interest in an Excluded Joint Venture or closure of any dialysis clinic that is owned and operated by the Excluded Joint Venture to the same extent as it is required to notify OIG of changes to DaVita Dialysis business units or locations under Section IV of the CIA.
4. OIG shall be able to exercise its rights under Section VII of the CIA to inspect DaVita's books, records, and other documents and supporting materials related to and/or conduct on-site reviews at the dialysis clinics owned and operated by the Excluded Joint Ventures for the purpose of determining DaVita's compliance with the CIA and DaVita Dialysis's compliance with the requirements of the Federal health care programs.
5. Section X of the CIA shall apply to DaVita for any violations of the CIA by DaVita or DaVita Dialysis that involve or occur at an Excluded Joint Venture.

**B. List of Excluded Joint Ventures**

1. Bluegrass Dialysis, LLC
2. DVA Healthcare Southwest Ohio, LLC

DaVita HealthCare Partners Inc.  
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Page 1 of 2

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3. DVA/Washington University Healthcare of Greater St. Louis, LLC
  4. Fields Dialysis, LLC
  5. Greater Los Angeles Dialysis Center, LLC
  6. ISD Lees Summit LLC, f/k/a DSI Lees Summit LLC
  7. ISD Plainfield, LLC, f/k/a DSI Plainfield, LLC
  8. Ohio River Dialysis, LLC
  9. Physicians Dialysis of Houston, LLP
  10. Pittsburgh Dialysis Partners, LLC
  11. River Valley Dialysis, LLC
  12. Southcrest Dialysis, LLC
  13. UT Southwestern DVA Healthcare, LLP

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**APPENDIX F****JOINT VENTURES EXCEPTED FROM  
THE PARTIAL DIVESTITURE BAN**

1. Basin Dialysis, LLC
2. Bluegrass Dialysis, LLC
3. Borrego Dialysis, LLC
4. Carroll County Dialysis Facility Limited Partnership
5. Cimarron Dialysis, LLC
6. DVA Healthcare – Southwestern Ohio, LLC
7. DVA Healthcare of New London, LLC
8. DVA Healthcare of Norwich, LLC
9. DVA Healthcare of Tuscaloosa, LLC (f/k/a REN Centers of Tuscaloosa, LLC)
10. Fields Dialysis, LLC
11. Green Desert Dialysis, LLC
12. Grosse Pointe Dialysis LLC & Medical Director Agreement for the Grosse Pointe Dialysis Center
13. Joshua Dialysis, LLC
14. Lockhart Dialysis, LLC
15. Longworth Dialysis. LLC
16. Mountain West Dialysis Services LLC
17. Ohio River Dialysis, LLC
18. River Valley Dialysis, LLC (f/k/a Greater Ohio River Dialysis, LLC)

DaVita HealthCare Partners Inc.  
Corporate Integrity Agreement – Appendix F  
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19. Roose Dialysis, LLC
  20. Routt Dialysis, LLC
  21. Star Dialysis, LLC
  22. Total Renal Care of North Carolina, LLC
  23. TRC-Four Corners Dialysis Clinics, LLC
  24. Tustin Dialysis Center, LLC
  25. UT Southwestern DVA Healthcare, LLP
  26. Valley Springs Dialysis, LLC

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

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**Form 8-K**

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

**Date of Report (date of earliest event reported): October 22, 2014**

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**DAVITA HEALTHCARE PARTNERS INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-14106**  
(Commission  
File Number)

**No. 51-0354549**  
(IRS Employer  
Identification No.)

**2000 16<sup>th</sup> Street**  
**Denver, CO 80202**  
(Address of principal executive offices including Zip Code)

**(303) 405-2100**  
(Registrant's telephone number, including area code)

**Not applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 240.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

On October 22, 2014, DaVita HealthCare Partners Inc. (the “Company”) entered into a final settlement agreement (the “Settlement Agreement”) with the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General of the Department of Health and Human Services (the “OIG”), the Defense Health Agency on behalf of TRICARE, through its General Counsel (collectively, the “United States”) and relator David Barbetta, to resolve the pending 2010 and 2011 U.S. Attorney Physician Relationship Investigations. Under the Settlement Agreement, the Company will pay \$350 million plus accrued interest from February 8, 2014, at the rate of 2.25% per annum to the United States, plus a civil forfeiture of \$39 million (together, the “Settlement Payment”). In addition, the Company has agreed in principle to a settlement of certain state Medicaid claims in the amount of \$11.5 million plus interest. The Company had previously announced an agreement in principle in these matters and had accrued an estimated loss contingency reserve of \$397 million. In the third quarter of 2014, the Company increased the reserve from \$397 million to \$414 million.

Under the Settlement Agreement, the United States agrees to release the Company from any civil or administrative monetary liability arising from allegations that the Company caused the submission of claims to the federal health care programs that were ineligible for reimbursement due to certain violations of the Anti-Kickback Statute in connection with certain of its dialysis center joint venture arrangements. Additionally, under the Settlement Agreement the United States and the relator agree to dismissal of the civil action filed by the relator under the qui tam provisions of the False Claims Act, and the OIG agrees, conditioned upon the Company’s full payment of the Settlement Payment, to release its permissive exclusion rights and to refrain from instituting proceedings to exclude the Company or any Company affiliates from participating in Medicare, Medicaid or other Federal health care programs.

The Settlement Agreement reflects the Company’s disagreement with the United States’ claims and contains no admissions of facts or liability on the part of the Company. The Settlement Payment does not include the payment of the relator’s expenses, costs and attorney’s fees, the amount of which remain under negotiation. The United States has also informed the Company that it has declined to proceed with any criminal charges in connection with this matter.

In connection with the resolution of this matter, and in exchange for the OIG’s agreement not to exclude the Company from participating in the federal health care programs, the Company has entered into a five-year corporate integrity agreement (the “Corporate Integrity Agreement”) with the OIG. The Corporate Integrity Agreement, a copy of which is attached as Exhibit 10.1 hereto, requires that the Company maintain certain elements of its compliance programs and imposes certain expanded compliance-related requirements during the term of the Corporate Integrity Agreement. Among these requirements are the following:

- Establishment of specific procedures to track and ensure compliance of relationships between its domestic dialysis business and referral sources with the Anti-Kickback Statute.
- Retention of an independent monitor to perform duties under the Corporate Integrity Agreement, which include pre-review and oversight of proposed relationships between its domestic dialysis business and certain referral sources.
- Supplementing the Company’s current executive compensation clawback program to specifically address certain compliance-related matters.
- Cooperation with future investigations by the OIG.

In addition to the foregoing, the Corporate Integrity Agreement includes ongoing monitoring, reporting, certification, records retention and training obligations, the formal allocation of certain oversight responsibility to the Board’s Compliance Committee, the creation of a Management Compliance Committee and the retention of an independent compliance advisor to the Board.

The Corporate Integrity Agreement also contains certain business restrictions related to a subset of the Company’s joint venture arrangements. Pursuant to these obligations, the Company has agreed to: (1) unwind 11 joint venture transactions that were created through partial divestitures to or partial acquisitions from Nephrologists and that cover 26 of the Company’s 2,119 clinics; (2) not enter into certain types of partial divestiture joint venture transactions with nephrologists during the term of the Corporate Integrity Agreement and (3) certain other restrictions.

In the event of a breach of the Corporate Integrity Agreement, the Company could become liable for payment of certain stipulated penalties, or could be excluded from participation in federal health care programs. The costs associated with compliance with the Corporate Integrity Agreement could be substantial and may be greater than we currently anticipate.

The foregoing descriptions of the Corporate Integrity Agreement is qualified in its entirety by the full terms of that agreement, which is attached as Exhibit 10.1 hereto and incorporated herein by reference.

**Item 7.01. Regulation FD Disclosure.**

On October 22, 2014, the Company issued a press release titled “DaVita Kidney Care Finalizes DOJ Settlement.” A copy of the press release is attached hereto as Exhibit 99.1.

The information contained in Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.1 attached hereto) is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as

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amended (the "Exchange Act"), or otherwise subject to the liabilities of that section and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Corporate Integrity Agreement, dated as of October 22, 2014, by and among the Office of Inspector General of the Department of Health and Human Services and DaVita HealthCare Partners Inc.
99.1	Press Release dated October 22, 2014 announcing the registrant's entry into a settlement agreement and corporate integrity agreement.



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**EXHIBIT INDEX**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
10.1	Corporate Integrity Agreement, dated as of October 22, 2014, by and among the Office of Inspector General of the Department of Health and Human Services and DaVita HealthCare Partners Inc.
99.1	Press Release dated October 22, 2014 announcing the registrant's entry into a settlement agreement and corporate integrity agreement.

EX-99.1 3 d807612dex991.htm EX-99.1

Exhibit 99.1



PRESS RELEASE

**DaVita Kidney Care Finalizes DOJ Settlement***Resolves all Pending Issues Regarding Joint Ventures in Question*

**DENVER (Oct. 22, 2014)** – DaVita Kidney Care, a division of DaVita HealthCare Partners Inc. (NYSE: DVA) today announced it has finalized its comprehensive settlement with the U.S. Department of Justice and certain other federal agencies into allegations of improperly structured joint ventures with certain physician partners.

As announced in February of this year, DaVita Kidney Care will be subject to a Corporate Integrity Agreement and an independent monitor to oversee certain future joint ventures. The agreement also includes a repayment to the government and a provision requiring executive certification of quarterly and annual compliance reports.

*The following statement is attributable to DaVita Kidney Care:*

We are pleased to announce a civil resolution of the government's thorough review of our joint venture practices that covered more than a decade's worth of transactions. Patient care was never at issue, nor were billing or payment practices.

We are proud of our commitment to compliance over our 15-year history. We have worked incredibly hard to get things right and it is our belief there was no intentional wrongdoing.

We believe this settlement is the right thing for our teammates, partners and shareholders. It allows us to move forward with heightened clarity and transparency, both with regulators and our physician partners. As part of the settlement we will undo 11 joint venture transactions covering 26 of our 2,119 clinics.

We thank our teammates and physicians for their uninterrupted dedication in providing the highest quality care in the industry to the nearly 170,000 kidney care patients we serve in the U.S. This commitment is reflected in the government's recent annual Quality Improvement Program report card which shows DaVita leading the industry in all quality indicators measured.

**About DaVita Kidney Care**

DaVita Kidney Care is a division of DaVita HealthCare Partners Inc. a Fortune 500(r) company that, through its operating divisions, provides a variety of health care services to patient populations throughout the United States and abroad. A leading provider of dialysis services in the United States, DaVita Kidney Care treats patients with chronic kidney failure and end stage renal disease. DaVita Kidney Care strives to improve patients' quality of life by innovating clinical care, and by offering integrated treatment plans, personalized care teams and convenient health-management services. As of June 30, 2014, DaVita Kidney Care operated or provided administrative services at 2,119 outpatient dialysis centers located in the United States serving approximately 168,000 patients. The company also operated 84 outpatient dialysis centers located in 10 countries outside the United States. DaVita Kidney Care supports numerous



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programs dedicated to creating positive, sustainable change in communities around the world. The company's leadership development initiatives and social responsibility efforts have been recognized by Fortune, Modern Healthcare, Newsweek and WorldBlu. For more information, please visit [DaVita.com](http://DaVita.com).

**Contact Information**

Media:

Skip Thurman

303-876-6610

[Skip.thurman@davita.com](mailto:Skip.thurman@davita.com)

News Releases

## **DaVita Kidney Care Announcement Regarding Atlanta Lawsuit** **Company nears settlement of longstanding private case**

DENVER, May 4, 2015 /PRNewswire/ -- DaVita Kidney Care, a division of DaVita HealthCare Partners Inc. (NYSE: DVA) and a leading provider of kidney care services, today announced the next step in an agreement in principle for a settlement in an Atlanta-based case, which previously was announced on April 15. The lawsuit was brought by private attorneys regarding allegations of medication wastage from 2003 to 2010.



"We should be held to high standards of accountability," said Javier Rodriguez, CEO of DaVita Kidney Care. "Our 67,000 teammates across 11 countries look forward to putting this behind us. We can now renew our focus on collaborating with regulators to avoid situations like this going forward."

"Although we believe strongly in the merits of our case, we decided it was in our stakeholders' best interests to resolve it," said Chief Legal Officer for DaVita HealthCare Partners Kim Rivera. "The potential mandatory penalties for being found in the wrong in even a small percentage of instances were simply too large."

"Our current compliance program is already much more comprehensive than what we had five to 10 years ago," said Chief Compliance Officer for DaVita HealthCare Partners Jeanine Jiganti. "We will use this experience to take our effectiveness to a whole new level going forward."

DaVita Kidney Care thanks its teammates and physicians for their dedication to providing the highest quality kidney care to the more than 170,000 patients they serve. This commitment to their patients is reflected in the government's two key scoring reports: The Quality Incentive Plan and the Five-Star Rating System. DaVita Kidney Care is the clear national leader in kidney care clinical outcomes, outperforming the industry in both.


### **About DaVita Kidney Care**

DaVita Kidney Care is a division of DaVita HealthCare Partners Inc., a Fortune 500® company that, through its operating divisions, provides a variety of health care services to patient populations throughout the United States and abroad. A leading provider of dialysis services in the United States, DaVita Kidney Care treats patients with chronic kidney failure and end stage renal disease. DaVita Kidney Care strives to improve patients' quality of life by innovating clinical care, and by offering integrated treatment plans, personalized care teams and convenient health-management services. As of March 31, 2015, DaVita Kidney Care operated or provided administrative services at 2,197 outpatient dialysis centers located in the United States serving approximately 174,000 patients. The company also operated 93 outpatient dialysis centers located in 10 countries outside the United States. DaVita Kidney Care supports numerous programs dedicated to creating positive, sustainable change in communities around the world. The company's leadership development initiatives and social responsibility efforts have been recognized by Fortune, Modern Healthcare, Newsweek and WorldBlu. For more information, please visit [DaVita.com](http://DaVita.com).

### **Contact Information**

Media:

Skip Thurman

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Logo - <http://photos.prnewswire.com/prnh/20140318/DC85712LOGO>

SOURCE DaVita Kidney Care

## Appendix 21

### Non-Binding Contractor Estimate



## Clark County

### Request for Budget Proposal -2019

**Building Tenant Improvement**

**GSF  
12,000**

<u>Division</u>	<u>Description</u>	<u>SHELL Bid Amounts</u>	<u>LIFE SAFETY Bid Amounts</u>	<u>TI Bid Amounts</u>	<u>Costs</u>	<u>Costs/SF</u>
1	General Requirements	-	-	108,380.00	108,380.00	9.03
2	Site Work	-	-	67,319.00	67,319.00	5.61
3	Concrete	-	-	53,456.00	53,456.00	4.45
4	Masonry	-	-	9,240.00	9,240.00	0.77
5	Metals	-	-	11,280.00	11,280.00	0.94
6	Wood and Plastics	-	-	218,490.00	218,490.00	18.21
7	Moisture Protection	-	-	68,456.00	68,456.00	5.70
8	Doors and Windows	-	-	157,260.00	157,260.00	13.11
9	Finishes	-	-	408,750.00	408,750.00	34.06
10	Specialties	-	-	16,500.00	16,500.00	1.38
11	Equipment	-	-	-	-	-
12	Furnishings	-	-	-	-	-
13	Special Construction	-	-	-	-	-
14	Conveying Systems	-	-	-	-	-
15	Mechanical	-	-	548,525.00	548,525.00	45.71
16	Electrical	-	-	242,890.00	242,890.00	20.24
<b>Subtotal</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,910,546.00</b>	<b>\$ 1,910,546.00</b>	<b>\$ 159.21</b>
<b>Taxes and Insurance</b> 3.5%		-	-	66,869.11	66,869.11	5.57
<b>Overhead and Markup</b> 8%		-	-	158,193.21	158,193.21	13.18
<b>Total Direct Cost</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,135,608.32</b>	<b>\$ 2,135,608.32</b>	<b>\$ 177.97</b>
* <b>WA State Sales Tax Vancouver</b> 8.4%		-	-	179,391.10	179,391.10	14.95
<b>Total Cost</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,314,999.42</b>	<b>\$ 2,314,999.42</b>	<b>\$ 192.92</b>

\* Tax rates are subject to change and will be charged at the rate set by the WA State Dept of Revenue at the time of billing.

**NOTICE:** This Budget Owned By Axiom Northwest Construction, Inc and the attachments hereto, if any, may contain privileged and/or confidential information. It is intended only for use by the named addressee(s).

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