

CMS Issues Correction to Proposed 2006 ESRD Reimbursement

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EL SEGUNDO, Calif.

DaVita Inc. . The Centers for Medicare and Medicaid Services (CMS) has issued a correction to the proposed rule containing its 2006 Physician Fee Schedule, which includes adjustments regarding dialysis pharmaceutical payments and the dialysis composite rate. The correction increases the proposed composite rate drug add-on adjustment for 2006 to 11.3%, from the 8.9% figure CMS initially reported.

(Photo: <http://www.newscom.com/cgi-bin/prnh/20020729/DAVITALOGO>)

Based upon this correction, we expect the negative impact to DaVita's standalone 2006 Medicare reimbursement to be approximately \$1-2 million from the drug add-on adjustment, with a proportional impact on the Gambro Healthcare business we are acquiring.

DaVita is a leading provider of dialysis services for patients suffering from chronic kidney failure. DaVita operates and provides administrative services to kidney dialysis centers and home peritoneal dialysis programs domestically in 37 states, as well as Washington, D.C. As of June 30, 2005, DaVita operated or provided administrative services at 706 outpatient centers serving approximately 57,200 patients.

Photo: NewsCom: <http://www.newscom.com/cgi-bin/prnh/20020729/DAVITALOGO>

AP Archive: <http://photoarchive.ap.org/>

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SOURCE: DaVita, Inc.

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