DaVita Enters Into New Sourcing and Supply Agreement with Amgen and Initiates 2017 Kidney Care Guidance

DENVER, Jan. 9, 2017 /PRNewswire/ -- DaVita Inc. (NYSE: DVA), a leading independent medical group and a leading provider of kidney care services in the United States, announced today that it has entered into a six year supply agreement with Amgen, replacing prior agreements that were to expire in 2018. This agreement continues DaVita's long-term relationship with Amgen focused on serving kidney care patients.

The agreement, among other things, provides for discount pricing and rebates for Epogen and Aranesp. Through this agreement DaVita has committed to purchase Epogen and Aranesp in amounts necessary to meet a minimum percentage of the company's and its affiliates' requirements for erythropoiesis stimulating agents in the United States. While the percentage varies during the term of the agreement, in no year will it be less than 90% of ESA requirements.

DaVita is also providing initial 2017 guidance for its Kidney Care business. Including the financial impact of this agreement, the company expects 2017 operating income in its Kidney Care segment to be between $1.525 billion and $1.625 billion. Additionally, as the company had previously stated, it expects 2017 operating income in its DaVita Medical Group segment to be roughly flat with 2016 adjusted operating income. The company intends to provide complete 2017 operating income guidance in its Q4 2016 earnings announcement.

DaVita is a registered trademarks of DaVita Inc.

About DaVita Inc.
DaVita Inc., a Fortune 500® company, is the parent company of DaVita Kidney Care and HealthCare Partners, a DaVita Medical Group. DaVita Kidney Care is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and end stage renal disease. As of September 30, 2016, DaVita Kidney Care operated or provided administrative services at 2,318 outpatient dialysis centers located in the United States serving approximately 186,000 patients. The company also operated 139 outpatient dialysis centers located in 11 countries outside the United States. HealthCare Partners manages and operates medical groups and affiliated physician networks in California, Nevada, New Mexico, Florida, Colorado and Washington in its pursuit to deliver excellent-quality health care in a dignified and compassionate manner. As of September 30, 2016 HealthCare Partners provided integrated care management for approximately 750,000 patients. For more information, please visit DaVita.com/about.

Forward Looking Statements
This release contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions, including, among other things, the uncertainties associated with the risk factors set forth in our SEC filings, including our annual report on Form 10-K for the year ended December 31, 2015, and our subsequent quarterly and annual reports and our current reports on Form 8-K. The forward-looking statements should be considered in light of these risks and uncertainties.

These risks and uncertainties include, but are not limited to, 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, 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 systems, 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. We base our forward-looking statements on information currently available to us at the time of this release. 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.

Contact Information

Investors:
Jim Gustafson
(310) 536-2585
jim.gustafson@davita.com

Media:
Skip Thurman
(303) 876-6610
skip.thurman@davita.com

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