

SETTLEMENT AGREEMENT AND RELEASE

I. PARTIES

This Settlement Agreement (“Agreement”) is entered into by the State of Michigan (“State”) and Gambro Healthcare, Inc. (“Gambro”) [hereafter referred to as “the Parties”].

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. Gambro, a for-profit corporation organized under the laws of the State of Tennessee, is a supplier of renal dialysis services. Gambro, at all relevant times hereto, was in the business of providing renal dialysis and related services to patients with End-Stage Renal Disease (“ESRD”). ESRD is a life threatening condition in which a patient’s kidneys are unable to remove toxins from the blood, thus necessitating some form of dialysis treatment. This condition is often suffered by patients who have experienced chronic kidney disease over a period of time.

B. Gambro Supply Corp., including its predecessor, REN Supply Corporation (collectively “GSC”), is a subsidiary of Gambro. GSC was a Durable Medical Equipment Prosthetics Orthotics and Supply company (“DMEPOS”) in the business of supplying dialysis supplies and equipment to patients who receive dialysis at home. Home dialysis supplies and equipment may be billed to Medicare either by a dialysis clinic (Method I) or by a DMEPOS company (Method II). A DMEPOS company billing Medicare under Method II may receive higher reimbursement than a dialysis clinic billing Medicare under Method I. Subject to the terms of a plea agreement (“Plea Agreement”) between the United States and GSC, GSC has entered a plea of guilty in the United States District Court for the Eastern District of Missouri to an Information charging GSC with a single count of health care fraud, pursuant to 18 U.S.C. § 1347, for factual misrepresentations made by REN Supply

Corporation on its supplier applications in 1993 and 1996, which were not disclosed by GSC until 1998. Pursuant to this guilty plea, GSC was fined Twenty-Five Million dollars (\$25,000,000.00).

C On April 13, 2001, Steven J. Bander, M.D. ("Relator") filed a qui tam action in the United States District Court for the Eastern District of Missouri captioned United States of America ex rel. Steven J. Bander, M.D. v. Gambro Healthcare U.S., Inc., which was subsequently amended (hereinafter "the Civil Action.") During the approximate period April 1996 to December 2000, the Relator was a licensed nephrologist who served as Chief Medical Officer for Gambro. As part of his duties, the Relator oversaw medical and nursing services at Gambro's outpatient dialysis centers across the United States.

D. Gambro, by itself and through its various subsidiaries and related companies, submitted or caused to be submitted claims for payment to the State's Medicaid program, 42 U.S.C. §§ 1396-1396v

E. Covered Conduct. The State contends it has certain administrative and civil claims against Gambro for engaging in the following conduct. Unless otherwise specified, the covered period for the conduct alleged below is January 1, 1991 through December 1, 2004 ("Covered Conduct"):

1. GSC – To the extent GSC submitted claims to the State's Medicaid program, then the State contends as follows:

a. From January 1, 1991 to September 30, 2004, GSC existed solely as a billing entity and only for the purpose of maximizing Gambro's Medicare and Medicaid reimbursement for Method II home dialysis supplies and equipment. The State contends this arrangement violated 42 U.S.C. § 1395rr and 42 C.F.R. § 414.330 because GSC was a shell corporation serving as a billing mechanism for Gambro's dialysis clinics, and thus home dialysis patients were receiving supplies

from Gambro, while GSC billed for such supplies at the higher rates reimbursed by Medicare and Medicaid for a DMEPOS company. The State contends this arrangement also violated 42 C.F.R. § 424.57 because GSC did not meet the requirements to be a DMEPOS company. The State contends the foregoing also violated State Medicaid statutes and/or regulations, if any, applicable to a DMEPOS company. The State contends the foregoing resulted in GSC submitting, or causing the submission of, false claims to its Medicaid Program for Method II home dialysis supplies and Gambro submitting, or causing the submission of, false claims to its Medicaid program for support services provided to Method II home patients.

b. From January 1, 1991 to September 30, 2004, GSC submitted, or caused to be submitted, false claims to the State's Medicaid program seeking reimbursement for a greater quantity of supplies, including emergency supplies, than GSC delivered or caused to be delivered to beneficiaries.

2. Ancillary Drugs and Tests

a. The State contends that Gambro improperly assigned diagnosis codes from the standardized International Classification of Diseases, Ninth and/or Tenth Revisions ("ICD-9 codes") when submitting, or causing to be submitted, claims to its Medicaid program. Gambro's computer system assigned an ICD-9 code by reference to local medical review policies published by Medicare fiscal intermediaries rather than by reference to patients' actual diagnoses. As a result, the preemptive ICD-9 codes permitted reimbursement for claims for certain ancillary medications and tests that were ordered, prescribed or administered despite a lack of medical necessity. The State also contends Gambro administered certain ancillary medications and tests that lacked medical necessity for reasons other than preemptive coding and/or lacked the documentation to support medical necessity, as described below:

1. Carnitor - The State contends Gambro, from January 1, 1991 to December 1, 2004, submitted, or caused to be submitted, false claims for Carnitor to its Medicaid program. The State contends such Carnitor claims were false because they contained preemptive ICD-9 codes, lacked medical necessity and/or lacked the documentation to support medical necessity;

2. Vitamin D - The State contends Gambro, from January 1, 1991 to December 1, 2004, submitted, or caused to be submitted, false claims to its Medicaid program for Vitamin D drugs. The State contends such Vitamin D claims were false because they contained preemptive ICD-9 codes, lacked medical necessity and/or lacked the documentation to support medical necessity;

3. Iron - The State contends Gambro, from January 1, 1991 to December 1, 2004, submitted, or caused to be submitted, false claims to its Medicaid program for Iron drugs. The State contends such Iron claims were false because they contained preemptive ICD-9 codes, lacked medical necessity and/or lacked the documentation to support medical necessity;

4. Epogen - The State contends Gambro, from January 1, 1991 to December 1, 2004, submitted, or caused to be submitted, false claims to its Medicaid program for Epogen ("EPO"). The State contends such EPO claims were false because Gambro administered EPO to patients in higher doses than was medically necessary. The State contends Gambro, through the administration of more EPO than was medically necessary, maintained patients' hematocrit readings at higher levels which required additional documentation supporting medical necessity for continuing the administration of EPO. The State also contends Gambro submitted EPO claims that lacked medical necessity and/or lacked the documentation to support medical necessity;

5. Electrocardiograms - The State contends Gambro, from January 1,

1991 to December 31, 2002, submitted, or caused to be submitted, false claims to its Medicaid program for routine Electrocardiograms (“EKGs”) The State contends such EKG claims were false because they lacked medical necessity and/or lacked the documentation to support medical necessity;

6. Nerve Conduction Studies - The State contends Gambro, from January 1, 1991 to December 31, 2000, submitted, or caused to be submitted, false claims to its Medicaid program for routine Nerve Conduction studies. The State contends such Nerve Conduction claims were false because they lacked medical necessity and/or lacked the documentation to support medical necessity; and

7. Bone Density Studies - The State contends Gambro, from January 1, 1991 to December 31, 1998, submitted, or caused to be submitted, false claims to its Medicaid program for routine Bone Density studies. The State contends such Bone Density claims were false because they lacked medical necessity and/or lacked the documentation to support medical necessity.

3 Physician Remuneration

a. The State contends Gambro submitted, or caused to be submitted, false claims to its Medicaid program for services referred, ordered or arranged for by physicians, physician practices, physician groups, universities and hospitals (collectively referred to as “Physicians” in this Paragraph 3 only) which were rendered to patients at dialysis clinics owned and/or operated by Gambro. The State contends:

1. Gambro knowingly and willfully offered to pay and/or paid to Physicians illegal remuneration in the form of fees for services as medical directors and/or regional medical directors at the aforementioned dialysis clinics, payments associated with the acquisition of clinics from Physicians, and payments associated with clinic development agreements;

2. That the illegal remuneration paid by Gambro, described above in Paragraph E.3 a., to Physicians was intended to induce such Physicians to refer their patients to the aforementioned dialysis clinics owned and/or operated by Gambro;

3. That such claims were false because (1) Gambro forfeited its right to bill the State's Medicaid program for such services by paying remuneration intended to induce those and other referrals in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and applicable State anti-kickback statutes and/or regulations, if any, and (2) Gambro was required to and did certify on cost reports submitted to Medicare fiscal intermediaries that services identified or summarized in each cost report were not provided or procured through the payment directly or indirectly of a kickback or billed in violation of law; and

4. That Gambro submitted such claims despite and notwithstanding its knowledge that the claims were false as described above;

4 Joint Ventures

a. The State contends that Gambro submitted, or caused to be submitted, false claims to its Medicaid program for services referred, ordered or arranged for by physicians, physician practices and/or physician groups (collectively, "JV Partners" in this Paragraph 4 only) which were rendered to patients at dialysis clinics owned and/or operated by joint ventures ("JVs") in which Gambro and the JV Partners had ownership interests. The State contends:

1. Gambro knowingly and willfully offered to pay and/or paid to its JV Partners illegal remuneration in connection with the JVs in the form of distributions of income from the JVs, reduction or elimination of losses incurred by the JVs, and the accumulation of equity interest in the JVs;

2. That the illegal remuneration paid by Gambro, described above in Paragraph E.4 a., was intended to induce the JV Partners to refer their ESRD patients to dialysis clinics owned by the JVs in which Gambro had a significant financial interest;

3. That such claims were false because (1) the JVs forfeited their right to bill the State's Medicaid program for such services by paying remuneration intended to induce those and other referrals in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and applicable State anti-kickback statutes and/or regulations, if any, and (2) the JVs were required to and did certify on cost reports submitted to Medicare fiscal intermediaries that services identified or summarized in each cost reports were not provided or procured through the payment directly or indirectly of a kickback or billed in violation of law; and

4. That Gambro submitted such claims despite and notwithstanding its knowledge that the claims were false as described above.

F Except as to any admissions GSC made in connection with the Plea Agreement, Gambro denies the allegations of the State as set forth above and in the Civil Action, and therefore, this Agreement is neither an admission of liability or wrongdoing by Gambro, nor a concession by the State that its claims are not well founded.

G. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, the Parties reach a full and final settlement pursuant to the Terms and Conditions below

III. TERMS AND CONDITIONS

NOW, THEREFORE, in reliance on the representations contained herein and in

consideration of the mutual promises, covenants, and obligations set forth below in this Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. Pursuant to a Settlement Agreement between the United States and Gambro, dated December 1, 2004 ("Federal Settlement Agreement"), Gambro agreed to pay, and has paid, to the United States the sum of Three Hundred-Eight Million, Three Hundred Ninety Thousand, Six Hundred Seventy Two dollars (\$308,390,672) (the "Federal Settlement Amount"). Included in the Federal Settlement Amount were monies paid to the United States representing the federal share of any settlement with the states and/or the District of Columbia for Covered Conduct.

2. With regard to those states and/or the District of Columbia that execute a state settlement agreement with Gambro (the "Participating States," which are listed in Exhibit A to this Agreement), Gambro agrees to pay to the Participating States, collectively, the sum of Fifteen Million dollars (\$15,000,000.00), plus accrued interest (the "State Settlement Amount"), as described below

A. Gambro agrees to pay interest on the State Settlement Amount from December 1, 2004, at the simple rate of 5.00% per annum until the earlier of the following events: (1) six months elapses from the date of December 1, 2004; or (2) all of the Participating States have executed the state settlement agreements and the State Settlement Amount has been transferred into an escrow account under the control of the National Association of Medicaid Fraud Control Units ("NAMFCU"). The NAMFCU negotiating team is responsible for establishing the escrow account, and paying the costs for such escrow account, if any, and distributing the respective shares of the State Settlement Amount to the Participating States. The State Settlement Amount shall be distributed to the Participating States when the state settlement agreements are executed by or on behalf of all the Participating States or as otherwise agreed in writing between Gambro and the

NAMFCU negotiating team.

B The total settlement amount paid by Gambro for the Covered Conduct for the State is \$875,119.13. This total settlement amount consists of two portions. The first portion, \$390,384.50, including a proportionate amount of the interest referenced in paragraph 2A above, is being paid to the State under this Agreement. The second portion, \$484,734.63, was previously paid to the United States as part of the Federal Settlement Agreement.

3. Subject to the exceptions in Paragraph 4 below, and in consideration of the obligations of Gambro set forth in this Agreement and conditioned upon Gambro's payment in full of the State Settlement Amount, subject to Paragraph 16 below (concerning bankruptcy proceedings commenced within 91 days of the effective date of this Agreement), the State on behalf of itself, and its officers, agents, agencies, and departments, agrees fully to release, waive, and discharge Gambro, its current and former parents, brother and sister corporations, indirect, direct, wholly-owned and partially-owned subsidiaries, including any joint ventures involving the operation of dialysis clinic(s) in which Gambro or its subsidiaries have or had an ownership interest, and their predecessors, successors, and assigns, from any civil or administrative monetary claim that the State has or may have for the Covered Conduct.

4. Notwithstanding any term of this Agreement, the State specifically does not in this Agreement release Gambro, its current and former parents, brother and sister corporations, indirect, direct, wholly-owned and partially-owned subsidiaries, including any joint ventures involving the operation of dialysis clinic(s) in which Gambro or its subsidiaries have or had an ownership interest, and their predecessors, successors, and assigns, from any and all of the following: (a) any criminal, civil, or administrative claims arising under the State's revenue codes; (b) any criminal liability not specifically released by this Agreement; (c) any civil or administrative liability that Gambro has or

may have under any State statute, regulation, or rule not covered by the release; (d) any claims based upon obligations created by this Agreement; (e) any liability to the State (or its agencies) for any conduct other than the Covered Conduct; (f) any express or implied warranty claims or other claims for defective or deficient products and services provided by Gambro; (g) any claims for personal injury or property damages or for other consequential damages arising from the Covered Conduct; (h) any claim based on failure to deliver items or services due, except as otherwise described in Covered Conduct in Section II, Paragraph E.1.; or (i) any civil or administrative claims against individuals, including current and former directors, officers, and employees of Gambro, its past, present, and future parents, affiliates, divisions, and subsidiaries, and their predecessors, successors, and assigns.

5. In consideration of the obligations of Gambro set forth in this Agreement and the Corporate Integrity Agreement (“CIA”) that Gambro has entered into with the Office of the Inspector General, United States Department of Health and Human Services in connection with this matter, conditioned on Gambro’s payment in full of the State Settlement Amount, and subject to Paragraph 16 below (concerning bankruptcy proceedings commenced within 91 days of the effective date of this Agreement), the State agrees to release and refrain from instituting, directing, recommending or maintaining any action seeking exclusion from the State’s Medicaid program against Gambro, its current and former parents, brother and sister corporations, indirect, direct, wholly-owned and partially-owned subsidiaries, including any joint ventures involving the operation of dialysis clinic(s) in which Gambro or its subsidiaries have or had an ownership interest, and their predecessors, successors and assigns, for the Covered Conduct or the guilty plea described in the Plea Agreement. Nothing in this Agreement precludes the State from taking action against Gambro in the event that Gambro is excluded by the federal government, or for conduct and practices other than the Covered

Conduct and/or GSC's guilty plea pursuant to the Plea Agreement. The State does not have the authority to release Gambro from any claims or actions which may be asserted by private payors or insurers, including those that are paid by the State's Medicaid program on a capitated basis.

6. This Agreement is expressly conditioned upon GSC's plea of guilty pursuant to the Plea Agreement. In consideration of the United States District Court for the Eastern District of Missouri's acceptance of GSC's plea of guilty pursuant to the Plea Agreement, which occurred on December 2, 2004, the State agrees that it will not investigate, prosecute, or refer for prosecution or investigation to any agency or other State authority Gambro, its current and former parents, brother and sister corporations, indirect, direct, wholly owned and partially-owned subsidiaries, including any joint ventures involving the operation of dialysis clinic(s) in which Gambro or its subsidiaries have or had an ownership interest, and their predecessors, successors, and assigns, for the Covered Conduct, including the conduct to which GSC pleaded guilty on December 2, 2004.

7. The State agrees to dismiss with prejudice any lawsuit, including any *qui tam* "whistleblower" lawsuit, in which the State has intervened and/or has the authority to dismiss, currently pending in the courts of the State against Gambro and/or its current and former parents, brother and sister corporations, indirect, direct, wholly owned and partially-owned subsidiaries, including any joint ventures involving the operation of dialysis clinic(s) in which Gambro or its subsidiaries have or had an ownership interest, and their predecessors, successors, and assigns, for the Covered Conduct.

8. Gambro agrees that this Agreement is not punitive in purpose or effect. Nothing in this Paragraph 8 or any other provision of this Agreement constitutes an agreement by the State concerning the characterization of the Settlement Amount for purposes of the State's revenue codes.

9. Gambro fully and finally releases the State, its agencies, employees, servants, and

agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) which Gambro has asserted, could have asserted, or may assert in the future against the State, its agencies, employees, servants, and agents, for the Covered Conduct and the State's investigation and prosecution thereof.

10. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by the State's Medicaid program for the Covered Conduct; and Gambro shall not resubmit to the State's Medicaid program any previously denied claims for the Covered Conduct, and shall not appeal any such denials of claims.

11. Gambro agrees to the following:

a. Unallowable Costs Defined: that all costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47, and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395ggg and 1396-1396v, and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Gambro, its present or former officers, directors, employees, shareholders, and agents in connection with the following shall be "unallowable costs" on government contracts and under the State's Medicaid Program:

(1) the matters covered by this Agreement;

(2) the State's audit(s), civil, and any criminal investigation(s) of the matters covered by this Agreement;

(3) Gambro's investigation, defense, and corrective actions undertaken in response to the State's audit(s), civil and criminal investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);

(4) the negotiation and performance of this Agreement; and

(5) the payment Gambro makes to the State pursuant to this Agreement

(All costs described or set forth in this Paragraph 11 a are hereafter, "unallowable costs").

b. Future Treatment of Unallowable Costs: These unallowable costs shall be separately determined and accounted for in nonreimbursable cost centers by Gambro, and Gambro shall not charge such unallowable costs directly or indirectly to any contracts with the State or its Medicaid program, or seek payment for such unallowable costs through any cost report, cost statement, information statement, or payment request submitted by Gambro or any of its subsidiaries or affiliates to the State's Medicaid programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Gambro further agrees that within 90 days of the Effective Date of this Agreement it shall identify to the State's Medicaid program any unallowable costs (as defined in this Paragraph 11) included in payments previously sought from the State's Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Gambro or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the unallowable costs. Gambro agrees that the State, at a minimum, shall be entitled to recoup from Gambro any overpayment plus applicable interest and penalties, if any, as a result of the inclusion of such unallowable costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the State pursuant to the direction of its Attorney General's Office, and/or the affected agencies. The State reserves its rights to disagree with any calculations submitted by Gambro or any of its subsidiaries or affiliates on the effect of inclusion of unallowable costs (as defined in this Paragraph 11) on Gambro or any of

its subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the State to audit, examine, or re-examine Gambro's books and records to determine that no unallowable costs have been claimed in accordance with the provisions of this Paragraph 11

12. Gambro agrees to cooperate fully and truthfully with the State's investigation and prosecution of individuals and entities, except those for which prosecution has been declined in this Agreement. Upon reasonable notice, Gambro will use its best efforts to encourage, and agrees not to impair, the cooperation of its current and former directors, officers and employees, consistent with the rights and privileges of such individuals. Gambro will furnish to the State, upon reasonable request, copies of non-privileged documents and records in its possession, custody and control related to the Covered Conduct. The State will not consider Gambro to be in breach of this Paragraph 12 if: (a) Gambro honors non-discretionary obligations imposed on Gambro by applicable law, its bylaws, or joint defense agreements entered into before the Effective Date of this Agreement; (b) Gambro advances or pays, pursuant to its bylaws, legal expenses and fees incurred by its current or former directors, officers or employees related to the Covered Conduct; or (c) Gambro produces to any of its current or former directors, officers or employees any documents produced to the State related to the Covered Conduct.

13. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 14 below.

14. Gambro waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

15. Gambro warrants that it has reviewed its financial situation and that it currently is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and shall remain solvent following payment of the State Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Gambro, within the meaning of 11 U.S.C. § 547(c)(1); and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended and do, in fact, represent a reasonably equivalent exchange of value which is not intended to hinder, delay, or defraud any entity to which Gambro was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

16. If within 91 days of the Effective Date of this Agreement or of any payment made hereunder, Gambro commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, (a) seeking to have any order for relief of Gambro's debts, or seeking to adjudicate Gambro as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Gambro or for all or any substantial part of Gambro's assets, Gambro agrees as follows:

a. Gambro's obligations under this Agreement shall not be avoided pursuant to 11 U.S.C. § 547, and Gambro shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Gambro's obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) Gambro was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the State; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value

given to Gambro.

b. If Gambro's obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the State, at its sole option, may rescind the releases in this Agreement, and bring any civil and/or administrative claim, action, or proceeding against Gambro for the claims that would otherwise be covered by the releases provided in Paragraphs 3 through 5 above. Gambro agrees that:

(i) any such claims, actions, or proceedings brought by the State (including any proceedings to exclude Gambro from participation its Medicaid program) are not subject to an "automatic stay" pursuant to 11 U S C § 362(a) as a result of the action, case, or proceeding described in the first clause of this Paragraph 16, and that Gambro will not argue or otherwise contend that the State's claims, actions, or proceedings are subject to an automatic stay; (ii) Gambro shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceeding which are brought by the State within 120 calendar days of written notification to Gambro that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the Effective Date of this Agreement; and (iii) the State has a valid claim against Gambro in the amount of \$380,862.93, and the State may pursue its claim in the case, action, or proceeding referenced in the first clause of this Paragraph 16, as well as in any other case, action, or proceeding

c. Gambro acknowledges that its agreements in this Paragraph 16 are provided in exchange for valuable consideration provided in this Agreement

17. In addition to all other payments and responsibilities under this Agreement, Gambro agrees to reimburse all reasonable travel costs and travel expenses of the NAMFCU negotiating team. Gambro will pay this amount by separate check or wire transfer made payable to the National

Association of Medicaid Fraud Control Units after the Participating States have executed the state settlement agreements, or as otherwise agreed by Gambro and the NAMFCU negotiating team.

18. This Agreement is governed by the laws of the State. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement will be the court of relevant jurisdiction in the State, except that disputes arising under the CIA shall be resolved exclusively under the dispute resolution provisions in the CIA.

19. This Agreement may not be amended except by written consent of the Parties

20. The individuals signing this Agreement on behalf of Gambro represent and warrant that they are authorized by Gambro to execute this Agreement. The State signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

21. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same agreement

22. The Effective Date of the Agreement shall be on the date of signature of the last signatory to the Agreement.

23. This Agreement is binding on the Parties' successors, transferees, heirs and assigns.

24. All Parties consent to the State's disclosure of this Agreement to the public.

25. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

STATE OF MICHIGAN

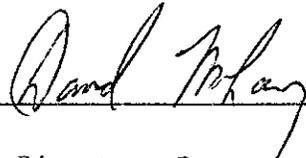
DATED: 5-31-05

BY: 

TITLE: DIRECTOR MI MFCU

STATE OF MICHIGAN MEDICAID PROGRAM

DATED: May 10, 2005

BY: 

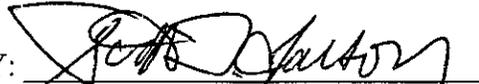
TITLE: Director, Bureau of Medicaid
Financial Management

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GAMBRO HEALTHCARE, INC.

DATED: August 12, 2005

BY:



SCOTT T. LARSON
Senior Vice President and General Counsel
Gambro Healthcare, Inc.

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GAMBRO HEALTHCARE, INC.

DATED: August 15, 2005

BY: 
THOMAS F. CARLUCCI
Foley & Lardner LLP
Counsel to Gambro Healthcare, Inc.

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EXHIBIT A
GAMBRO PARTICIPATING STATES

Alabama
Arizona
Arkansas
California
Colorado
Connecticut
Dist. Of Columbia
Florida
Georgia
Illinois
Indiana
Iowa
Kansas
Kentucky
Louisiana
Maryland
Massachusetts
Michigan
Minnesota
Mississippi
Missouri
Nebraska
Nevada
New Hampshire
New Jersey
New Mexico
New York
North Carolina
Ohio
Oklahoma
Oregon
Pennsylvania
Rhode Island
South Carolina
Tennessee
Texas
Utah
Virginia
Washington
West Virginia
Wisconsin