DaVita Announces Continuing Developments Concerning the Company's Florida Laboratory

DaVita Inc. announced that First Coast Service Options, Inc., the Medicare carrier for the Company's Florida laboratory, has notified the Company that it will conduct a study of the utilization of dialysis-related laboratory services. The purpose of the study is to determine what ongoing program safeguards are appropriate. During the study period, estimated to be at least 90 days, the carrier will suspend all of its' laboratory prepayment screens. The Company cannot determine what prepayment screens, documentation requirements or other standards the carrier may ultimately implement as a result of its study.

Additionally, First Coast Service Options has indicated that over the next several months it will begin paying certain of the Company's laboratory claims with dates of service as early as June 1, 2001. If the carrier were to pay 100% of every claim submitted this could result in cash payments to the Company over the next six months of up to $30 million. It is unclear what portion of such claims will actually be paid or what portion of amounts paid will require refund following post payment review.

The carrier's actions will not result in the release of any suspended payments for dates of service prior to June 1, 2001, and do not affect the status of the Company's pending challenges to the carrier's denials of previously submitted claims. Furthermore, the carrier did not address the previously disclosed review of the Florida laboratory by the Department of Justice.

DaVita is a leading provider of dialysis services for patients suffering from chronic kidney failure. The Company owns and operates kidney dialysis centers and home peritoneal dialysis programs domestically in 32 states, as well as Washington, D.C. As of March 31, 2002, DaVita operated 495 outpatient dialysis facilities serving over 43,000 patients, including 3,400 patients in 32 centers under management.

This release contains forward-looking statements. Factors which could impact future results include the uncertainties associated with governmental regulation, general economic and other market conditions, and the risk factors set forth in DaVita's SEC filings, including its Form 10-Q for the quarter ended March 31, 2002. The forward-looking statements should be considered in light of these risks and uncertainties. These risks include those relating to possible reductions in private and government reimbursement rates, the concentration of profits generated from PPO and private indemnity patients and from ancillary services including the administration of pharmaceuticals, the ongoing payment disputes and review of DaVita's Florida laboratory subsidiary by its Medicare carrier and the Department of Justice, the ongoing review by the U.S. Attorney's Office and U.S. Department of Health and Human Services Office of the Inspector General in Philadelphia and DaVita's ability to maintain contracts with physician medical directors.

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