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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C.**

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**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 17, 2006**

**BioScrip, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation)

**0-28740**  
(Commission  
File Number)

**05-0489664**  
(IRS Employer  
Identification No.)

**100 Clearbrook Road, Elmsford, New York**  
(Address of Principal Executive Offices)

**10523**  
(Zip Code)

Registrant's telephone number, including area code **(914) 460-1600**

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(Former Name or Former Address, if Changed Since Last Report)

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 Section Act (17 CFR 230.425)
  - 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 August 17, 2006, BioScrip, Inc. (“BioScrip”) entered into a letter agreement with Brian Reagan, BioScrip’s Executive Vice President, providing Mr. Reagan with severance payment protection in the event he is terminated other than for “Cause” (as defined in the agreement) or he terminates his employment for “Good Reason” (as defined in the agreement). If at any time Mr. Reagan is terminated other than for Cause or if he terminates his employment with the Company (or any successor) for “Good Reason,” (i) he is entitled to receive severance payments equal to one (1) year of salary at his then current salary level, payable in accordance with BioScrip’s then applicable payroll practices and subject to all applicable federal, state and local withholding, and (ii) all outstanding securities contemplated to be issued under the terms of BioScrip’s 2001 Incentive Stock Plan granted to him and held by him at the time of termination shall vest and become immediately exercisable and shall otherwise be exercisable in accordance with their terms and conditions. If Mr. Reagan’s employment with BioScrip is terminated for any reason whatsoever, whether by BioScrip or him, BioScrip would not be liable for, or obligated to pay him, any stock or cash bonus compensation, incentive or otherwise, or any other compensation contemplated by the letter agreement not already paid, earned or accrued as of the date of such termination, and no other benefits shall accrue or vest subsequent to such date.

The foregoing summary is qualified in its entirety by reference to the complete text of the Letter Agreement, a copy of which is filed with this report as Exhibit 10.1.

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits. The following information is furnished as an exhibit to this Current Report:

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	Severance Letter Agreement between BioScrip, Inc. and Brian Reagan.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned duly authorized.

Date: August 21, 2006

BIOSCRIP, INC.

By: /s/ Barry A. Posner

Barry A. Posner,

Executive Vice President and General Counsel

August 17, 2006

Mr. Brian Reagan  
c/o BioScrip, Inc.  
10050 Crosstown Circle  
Eden Prairie, MN 55344

**Re: Severance Agreement**

Dear Brian:

This will confirm our agreement that if you are terminated by BioScrip, Inc. (the "Company") (or any successor) other than for "Cause" (as defined below) or if you terminate your employment with the Company (or any successor) for "Good Reason" (as defined below), you will be entitled to receive severance payments equal to one (1) year of salary at your then current salary level, payable in accordance with the Company's then applicable payroll practices and subject to all applicable federal, state and local withholding, and (ii) all outstanding securities contemplated to be issued under the terms of the Company's 2001 Incentive Stock Plan granted to you and held by you at the time of termination shall vest and become immediately exercisable and shall otherwise be exercisable in accordance with their terms and conditions. If your employment with the Company is terminated for any reason whatsoever, whether by you or the Company, the Company would not be liable for, or obligated to pay you any stock or cash bonus compensation, incentive or otherwise, or any other compensation contemplated hereby not already paid, earned or accrued as of the date of such termination, and no other benefits shall accrue or vest subsequent to such date.

For purposes of this Agreement, "Cause" shall mean any of the following: (i) commission by you of criminal conduct which involves moral turpitude; (ii) acts which constitute fraud or self-dealing by or on the part of you against the Company or any of its subsidiaries, including, without limitation, misappropriation or embezzlement; (iii) your willful engagement in conduct which is materially injurious to the Company or any of its subsidiaries; (iv) your gross misconduct in the performance of duties as an employee of the Company, including, without limitation, failure to obey lawful written instructions of the Board of Directors of the Company, any committee thereof or any executive officer of the Company or failure to correct any conduct which constitutes a breach of any written agreement between you and the Company or of any written policy promulgated by the Board of Directors of either the Company, any committee thereof or any executive officer of the Company, in either case after not less than ten days' notice in writing to you of the Company's intention to terminate you if such failure is not corrected within the specified period (or after such shorter notice period if the Company in good faith deems such shorter notice period to be necessary due to the possibility of material injury to the Company).

For purposes of this Agreement, "Good Reason" shall mean the existence of any one or more of the following conditions that shall continue for more than 30 days following written notice thereof by you to the Company: (i) the assignment to you of duties materially inconsistent with your position or positions with the Company; (ii) the reduction of your then current annual salary rate, without your consent; or (iii) the relocation of your principal location of employment more than 50 miles from your current location without your consent.

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Mr. Brian Reagan  
August 17, 2006  
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This letter agreement constitutes the entire understanding of the parties with respect to the subject matter hereof. This agreement shall be construed in accordance with, and its interpretation shall otherwise be governed by, the laws of the State of New York, without giving effect to principles of conflicts of law.

This letter supersedes and replaces the change of control severance agreement between the Company and yourself dated as of June 14, 2004 as well as the penultimate paragraph of the employment letter agreement dated July 18, 2005 between the Company and yourself, both of which shall be of no further force and effect.

Kindly signify your agreement to the foregoing by signing below and forward an executed copy to me for our files.

Sincerely,

BioScrip, Inc.

By: /s/ Barry A. Posner  
Barry A. Posner, EVP and General Counsel

Agreed and Accepted  
on this 17<sup>th</sup> day of July, 2006:

/s/ Brian Reagan  
Brian Reagan