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

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): October 24, 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**

(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 Securities 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 2.01 Entry Into a Material Definitive Agreement.

On July 14, 2006, BioScrip, Inc. (the "**Company**"), through its MIM Funding LLC ("**MIM Funding**") subsidiary, entered into an Extension and Fourth Amendment to the Loan and Security Agreement ("**LSA**"), dated as of November 1, 2000, between MIM Funding and HFG Healthco-4 LLC ("**HFG**") to, among other things, (i) extend the maturity date of the LSA from November 1, 2006 to November 1, 2010; (ii) change the interest rate from LIBO plus 2.4% to LIBOR plus a variable interest rate based on the Company's Debt/EBITDA Ratio for the relevant interest calculation period; and (iii) decrease the non-utilization fee to 0.35% per annum. In connection therewith, the Company agreed to pay HFG a renewal fee of \$262,500 on or before November 1, 2006,

Also on October 24, 2006, the Company, through its subsidiaries BioScrip PBM Services, Inc., BioScrip Infusion Services, LLC, BioScrip Pharmacy Services, Inc., BioScrip Infusion Services, Inc., BioScrip Pharmacy, Inc., JPD, Inc. d/b/a Northland Pharmacy and Natural Living, Inc. d/b/a BioScrip Pharmacy (collectively, the "**Providers**"), entered into an Extension and Seventh Amendment to the Receivables Purchase and Transfer Agreement, dated as of November 1, 2000 (the "**RPTA**"), among the Providers and MIM Funding LLC (the "**Purchaser**"), which was consented to by the Company and with HFG Healthco-4 LLC, an affiliate of Healthcare Finance Group, Inc. ("**HFG**"). Under the terms of the Extension and Seventh Amendment, among other things, (i) certain financial covenants were modified as set forth therein; (ii) each Provider agreed to grant to the Purchaser a security interest in all shares of capital stock, limited liability company interests, membership interests and all other interests held by a Provider in a subsidiary of such Provider, (iii) the termination date was extended to November 1, 2010; and (iv) the Providers agreed to maintain at all times consolidated liquidity greater than \$10,000,000.

The foregoing summary is qualified in its entirety by reference to the complete text of the Extension and Fourth Amendment to the LSA and the Extension and Seventh Amendment to the RPTA, copies of which are attached as Exhibits 10.1 and 10.2 hereto.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits. The following are furnished as exhibits to this Current Report:

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	Form of Extension and Seventh Amendment to the Receivables Purchase and Transfer Agreement
10.2	Form of Extension and Fourth Amendment to Loan and Security Agreement

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: October 27, 2006

BIOSCRIP, INC.

By: /s/ Barry A. Posner

Barry A. Posner,
Executive Vice President, Secretary
and General Counsel

EXTENSION AND SEVENTH AMENDMENT, dated as of October ____, 2006 ("**Seventh Amendment**"), to the RECEIVABLES PURCHASE AND TRANSFER AGREEMENT, dated as of November 1, 2000 (as amended, the "**RPTA**"), among BIOSCRIP PBM SERVICES, LLC (as successor to MIM Health Plans, Inc.), a Delaware corporation (together with its corporate successors and assigns, "**BioScrip**", and in its capacity as primary servicer thereunder, the "**Primary Servicer**"), each of the parties named on Schedule I to the RPTA (each, including BioScrip, a "**Provider**" and collectively, the "**Providers**"), and MIM FUNDING LLC, a Delaware limited liability company (together with its successors and assigns, the "**Purchaser**") and consented to by HFG HEALTHCO-4 LLC (the "**Lender**"), as assignee of the Purchaser. Unless otherwise defined herein, terms in the RPTA are used herein as therein defined.

The Providers and the Purchaser wish to extend the RPTA, subject to the amendments contained herein, and the Lender has agreed to consent to such extension and amendments.

Accordingly, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, and subject to the fulfillment of the conditions set forth below, the parties hereto agree as follows:

Effective as of the respective Effective Date (as defined below), the RPTA is hereby amended as follows:

SECTION 1. AMENDMENTS TO RPTA

1.1 Section 4.04(a) to the RPTA is hereby amended by (i) deleting clause (w) thereof and (ii) substituting therefor the following new clause (w):

"(w) all shares of capital stock, limited liability company interests, membership interests and all other interests held by a Provider in a Subsidiary of such Provider, whether held now or obtained in the future by such Provider,"

1.2 The defined term of "Facility Termination Date" contained in Exhibit I to the RPTA is hereby amended by (i) deleting the date "November 1, 2006" thereof and (ii) substituting therefor the phrase "the Scheduled Maturity Date (as defined in the LSA)".

1.3 Exhibit I to the RPTA is hereby amended by adding the following new defined terms in their appropriate alphabetical location:

"**Consolidated Fixed Charge Coverage Ratio**' for any period, means the ratio of (x) Consolidated EBITDA of the Parent and its Subsidiaries for such period, to (y) the sum of each of the following items to the extent paid or payable by the Providers in cash during such period: (i) the current portion long-term Debt, plus (ii) the current portion of Capital Leases, plus (iii) Consolidated Capital Expenditures (to the extent not funded by or being acquired under permitted purchase money loans or capital leases), plus (iv) Consolidated Interest

Expense, plus (v) taxes, plus (vi) payment of dividends, distributions, advances, and loans to officers, Affiliates, and shareholders.

'Consolidated Liquidity' means, at any date of determination, the positive difference, if any, between (x) the Borrowing Base (without regard to the Revolving Commitment) (each as defined in the Loan Agreement), and (y) the principal amount then outstanding under the Revolving Loan (as defined in the Loan Agreement)."

1.4 Exhibit IV to the RPTA is hereby amended by adding the following new clause (v) thereto:

"(v) Liquidity. The Consolidated Liquidity of the Providers at all times shall be greater than \$10,000,000; provided, that for purposes of this clause (v), the remedy period for the failure to comply with this clause (v) referred to in clause (d) of Exhibit V hereto shall be one Business Day."

1.5 Exhibit V to the RPTA is hereby amended by:

(a) deleting the ratio contained in clause (t) therein and substituting therefor "1.625:1.00".

(b) deleting clause (s) contained therein and substituting therefor the following:

"(s) Consolidated Net Worth. The Consolidated Net Worth, calculated as at the end of each fiscal quarter of the Parent, is less (i) \$177,500,000, *plus* (ii) 50% of the positive Net Income (if any and excluding from such positive Net Income the positive effects to Net Income as a result of the items described in (iii) and (iv) of this clause (s)) for such quarter, *plus* (iii) any increase to Consolidated Net Worth resulting from any reversals in such fiscal quarter of bad debt reserves or other reserves or asset write offs previously taken prior to the quarter ended September 30, 2006 by Parent (on a consolidated basis), *plus* (iv) any increase to Consolidated Net Worth resulting from any extraordinary item for such quarter, *minus* (v) any decrease in Consolidated Net Worth resulting from any and all write offs of goodwill and intangible assets as reflected in the Parent's financial statements for such quarter."

(c) adding as clause (y) thereto the following:

"(y) Fixed Charge Coverage Ratio. Commencing with the first fiscal quarter after the fiscal quarter ended September 30, 2007 in which the average Revolving Loan for any single Month in such fiscal quarter exceeds 65% of the Expected Net Value of Eligible Receivables (as defined in the Loan Agreement), the Consolidated Fixed Charge Coverage Ratio in any fiscal quarter of the Parent is less than 1.00:1.00."

1.6 Schedule II to the RPTA is hereby amended in its entirety and the Schedule II attached hereto shall be substituted therefor.

1.7 Schedule V to the RPTA is hereby amended by adding the following Provider Lockboxes and Provider Lockbox Accounts:

Provider Lockboxes

Bioscrip Pharmacy, Inc.
P.O. Box 874001
Kansas City, MO 64187

Bioscrip Pharmacy, Inc.
P.O. Box 874028
Kansas City, MO 64187

Bioscrip Pharmacy, Inc.
P.O. Box 870745
Kansas City, MO 64187

Provider Lockbox Accounts:

Bioscrip Pharmacy, Inc.
Account number _____
UMB Bank
1010 Grand Boulevard
P.O. Box 419226
Kansas City, MO 64141-6226
ABA # _____

Bioscrip Pharmacy, Inc.
Account number _____
UMB Bank
1010 Grand Boulevard
P.O. Box 419226
Kansas City, MO 64141-6226
ABA # _____

SECTION 2. CONDITIONS PRECEDENT

2.1 Effective Date of this Seventh Amendment. This Seventh Amendment shall become effective as of September 30, 2006 (the "**Effective Date**") provided that the following conditions shall have been satisfied in full on or before November 1, 2006:

- (a) The Lender shall have received fully executed counterparts of this Fourth Amendment; and
 - (b) The Lender shall have received fully executed counterparts of the amendment to RPTA being executed on the date hereof, together
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with evidence of the satisfaction of the conditions precedent set forth therein.

SECTION 3. MISCELLANEOUS

3.1 The Providers each hereby certify, represent and warrant that (i) except as otherwise disclosed in public filings made by the Parent with the United States Securities and Exchange Commission, the representations and warranties in the RPTA are true and correct, with the same force and effect as if made on such date, except as they may specifically refer to an earlier date, in which case they were true and correct as of such date, (ii) no unwaived Event of Termination, a Group-Wide Event of Termination, a Servicer Termination Event or a Group-Wide Servicer Event of Termination or would constitute such an Event of Termination, Group-Wide Event of Termination, Servicer Termination Event or Group-Wide Servicer Event of Termination has occurred or is continuing (nor any event that but for notice or lapse of time or both would constitute an Event of Termination, a Group-Wide Event of Termination, a Servicer Termination Event or a Group-Wide Servicer Event of Termination or would constitute such an Event of Termination, Group-Wide Event of Termination, Servicer Termination Event or Group-Wide Servicer Event), (iii) each of the Providers and the Primary Servicer, as applicable, has the corporate power and authority to execute and deliver this Sixth Amendment, and (iv) no consent of any other person (including, without limitation, shareholders or creditors of any Provider), and no action of, or filing with any governmental or public body or authority is required to authorize, or is otherwise required in connection with the execution and performance of this Sixth Amendment, other than, in each case, such that have been obtained.

3.2 The terms "Agreement", "hereof", "herein" and similar terms as used in the RPTA shall mean and refer to, from and after the effectiveness of this Seventh Amendment, the RPTA as amended by this Seventh Amendment, and as it may in the future be amended, restated, modified or supplemented from time to time in accordance with its terms. Except as specifically agreed herein, the RPTA is hereby ratified and confirmed and shall remain in full force and effect in accordance with its terms.

3.3 THIS SEVENTH AMENDMENT SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD CALL FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

3.4 This Seventh Amendment may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

3.5 Delivery of an executed counterpart of a signature page by telecopier shall be effective as delivery of a manually executed counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Seventh Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

PROVIDERS:

BIOSCRIP PBM SERVICES, LLC (as successor to MIM Health Plans, Inc.)

By: _____
Name:
Title:

BIOSCRIP PHARMACY SERVICES, INC.

By: _____
Name:
Title:

BIOSCRIP INFUSION SERVICES, INC.

By: _____
Name:
Title:

BIOSCRIP PHARMACY (NY), INC.

By: _____
Name:
Title:

BIOSCRIP PHARMACY, INC.

By: _____
Name:
Title:

NATURAL LIVING, INC.

By: _____
Name:
Title:

BIOSCRIP INFUSION SERVICES, LLC

By: _____
Name:
Title:

PURCHASER:

MIM FUNDING LLC

By: _____
Name:
Title:

PRIMARY SERVICER:

BIOSCRIP PBM SERVICES, LLC (as successor to MIM Health Plans, Inc.)

By: _____
Name:
Title:

CONSENTED TO:

BIOSCRIP, INC. (f/ka/ MIM CORPORATION)

By: _____
Name:
Title:

HFG HEALTHCO-4 LLC

By: HFG Healthco-4, Inc., a member

By: _____
Name:
Title:

SCHEDULE II

ADDRESSES FOR NOTICE

If to the Program Manager:

Healthcare Finance Group, Inc.
199 Water Street, 20th Floor
New York, New York 10038
Attention: David Hyams, Chief Credit Officer
Tel: (212) 785-9212
Fax: (212) 785-8512

If to the Master Servicer:

Healthcare Finance Group, Inc.
199 Water Street, 20th Floor
New York, New York 10038
Attention: David Hyams, Chief Credit Officer
Tel: (212) 785-9212
Fax: (212) 785-8512

EXTENSION AND FOURTH AMENDMENT, dated as of October __, 2006 ("**Fourth Amendment**"), to the **LOAN AND SECURITY AGREEMENT**, dated as of November 1, 2000 (as amended, the "**LSA**"), between MIM FUNDING LLC, a Delaware limited liability company (together with its successors and assigns, the "**Purchaser**") and HFG HEALTHCO-4 LLC (the "**Lender**"). Unless otherwise defined herein, terms in the LSA are used herein as therein defined.

The Providers and the Purchaser wish to extend the LSA, subject to the amendments contained herein, and the Lender has agreed to consent to such extension and amendments.

Accordingly, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, and subject to the fulfillment of the conditions set forth below, the parties hereto agree as follows:

SECTION 1. AMENDMENT TO LSA

Effective as of the respective Effective Date (as defined below), the LSA is hereby amended as follows:

1.1 Section 1.05(a) of the LSA is hereby amended by (i) deleting the phrase "the LIBO Rate in effect for the applicable Interest Period *plus* 2.40%" appearing in the third and fourth lines thereof and (ii) substituting therefor the phrase "LIBOR plus the Applicable Margin."

1.2 Section 1.05(c) of the LSA is hereby amended by (i) deleting the figure "0.50%" appearing in the second line thereof and (ii) substituting therefor the figure "0.35%."

1.3 Section 1.05(f) of the LSA is hereby amended by (i) deleting such subsection in its entirety and (ii) substituting therefor the following new section 1.05(f):

"(f) **Renewal Fee**. In connection with the extension of the Scheduled Maturity Date on (i) October __, 2006, the Borrower shall pay to the Program Manager a renewal fee of \$262,500, which amount is hereby acknowledged by the parties hereto as earned as of the date of this Fourth Amendment and shall in all events be paid in cash on or prior to November 1, 2006."

1.4 Section 5.07(a) of the LSA is hereby amended by (i) deleting the date "November 1, 2006" appearing in the third line thereof and (ii) substituting therefor the date "November 1, 2010."

1.5 Exhibit I to the LSA is hereby amended by adding the following new defined terms, to be inserted in their appropriate alphabetical order:

“**Applicable Margin**” for any Interest Period, means the relevant amount, based on the Debt/EBITDA Ratio (as defined in the RPTA) for the fiscal quarter ended immediately prior to the commencement of such Interest Period, set forth in the table below as the “Applicable Margin”:

Debt/EBITDA Ratio is:	Applicable Margin:
< 1.00:1.00	1.00%
> 1.00:1.00 but <1.50:1.00	1.45%
> 1.50:1.00 but < 2.00:1.00	1.75%
> 2.00:1.00	2.00%

“**LIBOR**” for any Interest Period, means the rate per annum established by the Program Manager two Business Days prior to the first day of each Interest Period based on an annualized 30-day interest rate (calculated on the basis of actual days elapsed over a 360-day year) equal to the offered rate that appears on page 3750 of the Dow Jones Market for U.S. dollar deposits.”

1.6 Exhibit I to the LSA is hereby amended by (i) deleting the defined term “A/R Fee” thereof and (ii) substituting therefor the following new defined term:

“**A/R Fee**” means the account receivable tracking fee, due on the first Business Day of each Month, in an amount equal to:

$$\text{AORA} \times \frac{\text{TD}}{360} \times 0.25\%$$

where:

AORA = The average outstanding amount of the Revolving Loan for the prior Month, calculated as the arithmetic average of all daily balances

TD = The actual amount of days in such prior Month”

1.7 Exhibit I to the LSA is hereby amended by (i) deleting the defined term “Early Termination Fee” thereof and (ii) substituting therefor the following new defined term:

“Early Termination Fee” as a percentage of the Commitment, means (i) from October ____, 2006 until and including November 1, 2007, 1.50%, (ii) from November 2, 2007 until and including November 1, 2008, 1.00%, (iii) from November 2, 2008 until and including November 1, 2009, 0.50%, and (iv) from November 2, 2009 until November 1, 2010, 0.25%.

1.8 The definition of “Scheduled Maturity Date” appearing in Exhibit I to the LSA is hereby amended by (i) deleting the date “November 1, 2006” appearing in the first line thereof and (ii) substituting therefor the date “November 1, 2010.”

1.9 Exhibit I to the LSA is hereby amended by deleting the defined term “LIBO Rate” thereof in its entirety.

1.10 Schedule I to the LSA is hereby amended in its entirety and the Schedule I attached hereto shall be substituted therefor.

1.11 Schedule IV to the RPTA is hereby amended by adding the following Provider Lockboxes and Provider Lockbox Accounts:

Provider Lockboxes

Bioscrip Pharmacy, Inc.
P.O. Box 874001
Kansas City, MO 64187

Bioscrip Pharmacy, Inc.
P.O. Box 874028
Kansas City, MO 64187

Bioscrip Pharmacy, Inc.
P.O. Box 870745
Kansas City, MO 64187

Provider Lockbox
Accounts:

Bioscrip Pharmacy, Inc.
Account number: _____
UMB Bank
1010 Grand Boulevard
P.O. Box 419226
Kansas City, MO 64141-6226
ABA # _____

Bioscrip Pharmacy, Inc.
Account number: _____
UMB Bank
1010 Grand Boulevard
P.O. Box 419226
Kansas City, MO 64141-6226
ABA # _____

SECTION 2. CONDITIONS PRECEDENT

2.1 Effective Date of this Fourth Amendment. Except as set forth in section 2.2 below, this Fourth Amendment shall become effective at such time when the following conditions have been satisfied in full or waived in writing by the Purchaser and the Lender as its assignee:

(a) The Lender shall have received fully executed counterparts of this Fourth Amendment; and

(b) The Lender shall have received fully executed counterparts of the amendment to RPTA being executed on the date hereof, together with evidence of the satisfaction of the conditions precedent set forth therein.

2.2 Effective Date of Certain Clauses. The amendments set forth in clauses 1.1, 1.2, 1.5, 1.6 and 1.9 hereof shall not be deemed effective until November 1, 2006 (with respect to each such clause hereof, the effective date of such clause as set forth in Sections 2.1 and 2.2 hereof, the “**Effective Date**”)

SECTION 3. MISCELLANEOUS

3.1 The Borrower hereby certifies, represents and warrants that, (i) except as to the matters previously disclosed in the public filings of BioScrip, Inc. (formerly known as MIM Corporation) the representations and warranties in the LSA are true and correct, with the same force and effect as if made on such date, except as they may specifically refer to an earlier date, in which case they were true and correct as of the date initially made, (ii) no unwaived Default or Event of Default has occurred or is continuing (nor any event that but for notice or lapse of time or both would constitute a Default or Event of Default, (iii) the Lender has the power and authority to execute and deliver this Fourth Amendment, and (iv) no consent of any other person and no action of, or filing with any governmental or public body or authority is required to authorize, or is otherwise required in connection with the execution and performance of this Fourth Amendment, other than such that have been obtained.

3.2 The terms “Agreement”, “hereof”, “herein” and similar terms as used in the LSA shall mean and refer to, from and after the effectiveness of this Fourth Amendment, the

LSA as amended by this Fourth Amendment, and as it may in the future be amended, restated, modified or supplemented from time to time in accordance with its terms. Except as specifically agreed herein, the LSA is hereby ratified and confirmed and shall remain in full force and effect in accordance with its terms.

3.3 THIS FOURTH AMENDMENT SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD CALL FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

3.4 This Fourth Amendment may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

3.5 Delivery of an executed counterpart of a signature page by telecopier shall be effective as delivery of a manually executed counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

MIM FUNDING LLC

By: _____
Name:
Title:

HFG HEALTHCO-4 LLC

By: HFG Healthco-4, Inc., a member

By: _____
Name:
Title:

SCHEDULE I

ADDRESSES FOR NOTICE

If to the Program Manager:

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199 Water Street, 20th Floor
New York, New York 10038
Attention: David Hyams, Chief Credit Officer
Tel: (212) 785-9212
Fax: (212) 785-8512

If to the Master Servicer:

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199 Water Street, 20th Floor
New York, New York 10038
Attention: David Hyams, Chief Credit Officer
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Fax: (212) 785-8512