
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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) November 29, 2010

BIOSCRIP, INC.

(Exact name of Registrant as specified in its charter)

**Delaware
(State of Incorporation)**

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

**05-0489664
(I.R.S. 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

**N/A
(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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 1, 2010, BioScrip, Inc. (the “Company”) announced that David W. Froesel, Jr. will succeed Stanley G. Rosenbaum, the Company’s Executive Vice President, Chief Financial Officer and Treasurer, in the same position and title effective December 1, 2010. Mr. Rosenbaum resigned from his position at the Company effective as of November 30, 2010. Mr. Froesel, age 58, served as the Senior Vice President and Chief Financial Officer of Omnicare, Inc. from March 1996 until his retirement in December 2009.

In connection with the appointment of Mr. Froesel, the Company entered into an employment offer letter (the “Offer Letter”) with Mr. Froesel dated November 29, 2010. The terms of the Offer Letter provide for the employment of Mr. Froesel as the Company’s Executive Vice President, Chief Financial Officer and Treasurer at an initial base annual salary of \$500,000 with eligibility to participate in the Company’s Management Short-term Cash Bonus Program at a target bonus level of 80% of the then annual base salary and based on specific corporate performance goals to be determined by the Company’s Board of Directors. Mr. Froesel will be granted options to purchase 200,000 shares of common stock of the Company, par value \$0.0001 per share (“Common Stock”) on the day he commences employment. The options will vest in three equal annual installments and the initial strike price of such options will be the closing price of the Common Stock on the later to occur of (i) the approval of the grant by the Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”); or (ii) the commencement date of Mr. Froesel’s employment. At the same time, Mr. Froesel will receive a cash-based phantom stock appreciation right (“SAR”) of 200,000 units at the closing price of the Common Stock on the commencement date of Mr. Froesel’s employment. The SAR will vest in three equal annual installments. Mr. Froesel may exercise this SAR, in whole or in part, to the extent the SAR has been vested and will receive in cash the amount, if any, by which the closing stock price on the exercise date exceeds the closing stock price on the commencement date of Mr. Froesel’s employment. Upon the exercise of any phantom SARs, Mr. Froesel will be required to use the net proceeds of such exercise to purchase shares of the Common Stock in the open market and hold such shares of Common Stock for a period of not less than one year from the date of purchase. Mr. Froesel’s right to exercise the SAR will expire on the earliest of (1) the tenth anniversary of the grant date, (2) the date that he forfeits his right to exercise the SAR as a result of termination of his employment, as more fully described below, or (3) the date that the SAR is exercised in full.

Mr. Froesel will not be required to relocate for two years from the commencement date of his employment, but if he is required to relocate after that period, the Company will cover his relocation expenses. The Company will pay or reimburse Mr. Froesel for all reasonably and necessary expenses actually incurred or paid by him. Under the terms of the Offer Letter, Mr. Froesel entered into a restrictive covenant agreement with the Company dated November 29, 2010 (the “Restrictive Covenant Agreement”), which will provide that during the term of employment and for one year following his termination Mr. Froesel may not directly or indirectly participate in any business that is competitive with any line of business that makes up more than 10% of the Company’s total consolidated sales during the 12 month period preceding the termination of his employment. Similarly, for two years following his termination, Mr. Froesel may not solicit or otherwise interfere with the Company’s relationship with any present or former employee or customer of the Company. Mr. Froesel is also required to keep confidential during the term of employment and thereafter all confidential and proprietary information concerning the Company and its business.

The Company also entered into a severance agreement dated November 30, 2010 (the “Severance Agreement”) with Mr. Froesel under which he is entitled to receive severance payment protection in the event of the termination of his employment under certain circumstances. If Mr. Froesel’s employment is terminated due to his death or disability, (i) he is entitled to receive his salary, bonus and other benefits earned and accrued through the date of termination, (ii) all fully vested and exercisable options may be exercised by him or his estate for one year following termination, (iii) any restricted stock units granted will vest and be free

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from restrictions on transferability, (iv) any stock grants that are subject to forfeiture will become non-forfeitable and will fully vest and (v) all unvested SARs will immediately vest at the then current value and will be paid in cash. In addition, if Mr. Froesel should remain disabled for six months following his termination for disability, he will also be entitled to receive for a period of one year following termination, his annual salary at the time of termination (less any proceeds received by him on account of Social Security payments or similar benefits and the proceeds of any Company provided long-term disability insurance) and continuing coverage under all benefit plans and programs to which he was previously entitled.

If the Company terminates Mr. Froesel for “Cause” or if Mr. Froesel terminates his employment other than for “Good Reason” (each as defined below), (i) he will be entitled to receive his salary, bonus and other benefits earned and accrued through the date of termination, (ii) all unvested stock options and unvested SARs will lapse and terminate immediately and may no longer be exercised (except that in the event of termination without Good Reason, he will have 30 days from the date of termination to exercise any vested options and all unvested SARs will immediately vest at the then current value and paid in cash), (iii) any unvested restricted stock units will terminate immediately and (iv) any stock grants made to him that are subject to forfeiture will be immediately forfeited.

If the Company terminates Mr. Froesel’s employment without “Cause” or Mr. Froesel terminates his employment for Good Reason, (i) he is entitled to receive his salary, bonus and other benefits earned and accrued through the date of termination, (ii) for a period of one year following termination he will be entitled to receive his annual salary at the time of termination and continuing coverage under all benefit plans and programs to which he was previously entitled, (iii) all unvested options will become vested and exercisable for 90 days from and after the date of termination (except that in the event of termination for Good Reason such options will be immediately exercisable) and he will become vested in any other pension or deferred compensation plan, (iv) any restricted stock units granted will vest and be free from restrictions on transferability, (v) all unvested SARs will immediately vest at then current value and will be paid in cash and (vi) any stock grants that are subject to forfeiture will become non-forfeitable and will fully vest.

“Cause” means (i) conviction of a felony or a crime of moral turpitude, (ii) commission of unauthorized acts intended to result in personal enrichment at the material expense of the Company or (iii) material violation of duties or responsibilities to the Company which constitute willful misconduct or dereliction of duty, provided that as to any termination pursuant to clause (iii), a majority of the members of the Compensation Committee approve the termination before it is effectuated. “Good Reason” means the existence of any one or more of the following conditions that shall continue for more than 45 days following written notice thereof by Mr. Froesel to the Company: (i) the material change in or reduction of Mr. Froesel’s authority, duties and responsibilities, or the assignment to Mr. Froesel of duties materially inconsistent with his position or positions with the Company; (ii) a reduction in the Mr. Froesel’s then current annual salary without his consent; or (iii) within two years of the date of the Severance Agreement, Mr. Froesel (A) is required to relocate more than 50 miles from his residence in Cincinnati, Ohio, or (B) is prohibited from working one business day per week in the Cincinnati, Ohio vicinity.

The Severance Agreement is intended to comply with the provisions of Section 409A of the Internal Revenue Code, to the extent applicable.

The foregoing summary is qualified in its entirety by reference to the complete text of the Offer Letter, a copy of which is filed with this Current Report on Form 8-K as Exhibit 10.1, and the Severance Agreement, a copy of which is filed with this Current Report on Form 8-K as Exhibit 10.2, and the Restrictive Covenant Agreement, which is filed with this Current Report on Form 8-K as Exhibit 10.3, all of which are incorporated herein by reference. The press release issued by the Company announcing Mr. Froesel’s appointment as Chief Financial Officer and the termination of Mr. Rosenbaum’s employment is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

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Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Offer Letter, dated as of November 29, 2010, by and between the Company and David W. Froesel, Jr.
10.2	Severance Agreement, dated as of November 30, 2010, by and between the Company and David W. Froesel, Jr.
10.3	Restrictive Covenant Agreement, dated as of November 29, 2010, by and between the Company and David W. Froesel, Jr.
99.1	Press Release dated December 1, 2010.

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 hereunto duly authorized.

BIOSCRIP, INC.

Date: December 3, 2010

By: /s/ Barry A. Posner
Barry A. Posner
Executive Vice President, Secretary and General
Counsel

[Letterhead of BioScrip]

November 29, 2010

David W. Froesel, Jr.
9060 Whisperinghill Dr.
Cincinnati, OH 45242

Re: BioScrip, Inc. and Subsidiaries

Dear David:

BioScrip, Inc., a Delaware corporation (the "Company"), is pleased to offer you employment as the Company's Executive Vice President, Chief Financial Officer and Treasurer, according to the terms and subject to the conditions set forth below. The terms and conditions of your employment would be as follows:

1. POSITION AND DUTIES:

Executive Vice President, Chief Financial Officer and Treasurer.

You would report to, and would have such duties as assigned to you from time to time by the Company's Chief Executive Officer or as directed by the Board of Directors. You acknowledge and understand that you are an employee at will.

For a period of two years from your start date, you will not be required to relocate. If you are required to relocate after two (2) years, the Company will pay your relocation expenses. You may work one business day per week from the Cincinnati, OH vicinity. The Company will provide you with office equipment to work from home, including a computer, business phone and phone service and other business equipment necessary or appropriate to work effectively from home, including facsimile and other business software.

2. BASE COMPENSATION:

Your annual base salary would be \$500,000 payable bi-weekly or at such other times as other employees of the Company are paid. Your performance and base salary shall be reviewed annually according to company practice.

3. PARTICIPATION IN HEALTH AND OTHER BENEFIT PLANS:

During your employment with the Company, you would be eligible to participate in all employee health and other benefit plans, policies and practices now or hereafter maintained by or on behalf of the Company and its subsidiary and affiliate corporations, commensurate with your position and level of individual contribution, all at the Company's discretion, in accordance with their respective terms and conditions. The Company may terminate or amend any such plans or coverage so as to eliminate; reduce or otherwise change any such health and benefit at its discretion.

4. BONUS:

You would be eligible to participate in BioScrip's Management Short-term Cash Bonus Program as long you remain continuously employed with BioScrip through the date bonuses are paid. Your target bonus would be at level of 80% of your then annual base salary and would be based on specific corporate performance goals determined by the Board. Any bonus, if payable, shall be paid as and when bonuses are paid to management generally.

5. EXPENSES:

Subject to such policies as may from time to time be established by the Company's management, the Company would pay or reimburse you for all reasonable and necessary expenses actually incurred or paid by you during your employment upon submission and approval of expense statements, vouchers or other reasonable supporting information in accordance with the then customary practices of the Company. No prior approval of such business expenses is required so long as such expenses are incurred and submitted for reimbursement in accordance with the Company's policies. If a business expense

reimbursement is not exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), any reimbursement in one calendar year shall not affect the amount that may be reimbursed in any other calendar year and a reimbursement (or right thereto) may not be exchanged or liquidated for another benefit or payment. Any business expense reimbursements subject to Section 409A of the Code shall be made no later than the end of the calendar year following the calendar year in which such business expense is incurred by the Executive.

6. EQUITY COMPENSATION:

You would be granted 200,000 stock options to purchase the Company's common stock, par value \$0.0001 per share of the Company ("Common Stock"), which would be awarded at the current market price on the date your employment commences. The options will vest in three equal annual installments. The initial strike price of the options would be the closing stock price on the NASDAQ on the later to occur of the (i) the approval of the grant by the Company's compensation committee of the Board of Directors; or (ii) the commencement date of your employment with the Company.

You would also be granted a cash-based phantom Stock appreciation right (SAR) of 200,000 units. This award will be granted at the closing stock price on the NASDAQ on the date your employment commences. The SAR's will vest in three equal annual installments and will pay out based on the difference in the closing stock price of the Company's Common Stock on the NASDAQ on the vesting date (provided the SAR is "in the money") and will be subject to the terms and conditions of a SAR grant agreement.

7. VACATION:

You would be entitled to four weeks (20 business days) vacation per year during the term of your employment.

8. FEDERAL IMMIGRATION LAW:

For purposes of federal immigration law, you would be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your commencement date, or our employment relationship with you may be terminated. If it is not received within such three (3) day period, you will not be able to continue employment with the Company until such time as the appropriate documentation is provided.

9. RESTRICTIVE COVENANT:

As a condition to your employment with the Company, you will be obligated to enter into a restrictive covenant agreement between you and the Company, covering, among other things, non-competition provisions, non-solicitation provisions, and the protection of the Company's trade secrets. That agreement is attached in the form attached hereto as Exhibit A.

10. OTHER TERMS:

You would be entitled to severance under the terms of a Severance letter attached hereto as Exhibit B.

11. LEGAL FEES AND EXPENSES:

The Company will reimburse you up to \$15,000.00 in connection with the review, negotiation and execution of the agreements contemplated by this offer letter.

13. INDEMNITY:

You will be provided indemnity to the fullest extent permitted under the Company's certificate of incorporation, bylaws or any other organizational document or to the maximum extent provided by Delaware law. The Company will provide you with usual and customary directors and officers liability insurance.

Your offer is contingent upon the results of your reference and background checks as well as negative results from a required confidential drug screening examination. You will be receiving an email that contains all of the documents we will need to process the reference and background checks and arrange for your drug screening. Once you complete and submit these documents, we will begin processing your background check. You will also receive an email within two

days via EScreen with the information you will need to take your drug screening. Please print out the attached EPassport and take it along with your driver's license to the designated testing facility. Please note that you will be required to perform your drug screening within 48 hours of receipt of your email.

This offer supersedes all prior offers, both verbal and written. Please call me at 914-460-1622 to discuss any questions or comments that you may have regarding these terms. Please return your paperwork by mail or fax to:

BioScrip, Inc.
Attn: Lisa Nadler
100 Clearbrook Road
Elmsford, NY 10523

Fax: 914-460-1670

We are very pleased to have you join us!

Sincerely yours,

BIOSCRIP, INC.

By: /s/ Lisa Nadler

Agreed to and accepted by:

/s/ David W. Froesel, Jr.

David W. Froesel, Jr.

SEVERANCE AGREEMENT

SEVERANCE AGREEMENT (this "Agreement") dated as of November 30, 2010, by and between BIOSCRIP, INC., a Delaware corporation, with its principal place of business at 100 Clearbrook Road, Elmsford, New York 10523 (hereinafter referred to as the "Company"), and David W. Froesel, Jr., residing at 9060 Whisperinghill Drive, Cincinnati, OH 45242 (hereinafter referred to as the "Executive").

WHEREAS, the Executive and the Company are parties to an employment offer letter dated as of November 29, 2010 (the "Offer Letter")

WHEREAS, pursuant to the terms of the Offer Letter the Company agreed to enter into this Agreement in order to provide Executive with the severance payment protection upon termination of Executive's employment with the Company;

Accordingly, the parties hereto agree as follows:

1. Severance upon Death or Disability.

1.1 Termination upon Death. If the Executive dies while employed by the Company: (i) the Executive's estate or beneficiaries shall be entitled to receive any salary and other benefits (including bonuses awarded or declared but not yet paid) earned and accrued prior to the date of termination and reimbursement for expenses incurred prior to the date of termination; (ii) all fully vested and exercisable stock options ("Options") previously or hereafter granted by the Company to Executive under any bonus program and held by the Executive may be exercised by his estate for a period of one (1) year from and after the date of the Executive's death unless such longer period is set forth in the grant agreement evidencing the Options ; (iii) any restricted stock units ("Restricted Stock Units") granted under any bonus program or otherwise granted shall vest and be free from restrictions on transferability (other than restrictions on transfer imposed under Federal and State securities laws); (iv) any shares of common stock granted (but expressly excluding therefrom grants of stock conditioned upon the achievement of performance or other financial measurements that have not met, "Stock Grants") to Executive under any bonus program that are subject to forfeiture shall become non- forfeitable and shall be fully vested and transferable; (v) the Executive's estate and beneficiaries shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder; and (vi) all unvested stock appreciation rights ("SARs") shall immediately vest at the then current value (i.e., the difference between (A) the fair market value of one share of the Company's Common Stock as of the date such SAR is exercised minus (B) the initial stock price specified in the SAR certificate) and shall be paid in cash notwithstanding any provision to- the contrary set forth in the SAR certificate or the Company's Amended and Restated 2008 Equity Incentive Plan (the "Plan"). Notwithstanding anything to the contrary contained in this Section 1.1, it is expressly understood and agreed that nothing in the foregoing clause (v) shall restrict the ability of the Company to amend or terminate any benefits plans and programs from time to time in its sole and absolute discretion; provided, however, that the Company shall in no event be required to provide any coverage under such benefit plans and programs after such time as the Executive becomes entitled to coverage under the benefit plans and programs of another

employer or recipient of the Executive's services (and provided, further, that such entitlement shall be determined without regard to any individual waivers or other arrangements).

1.2 Severance upon Disability. Upon termination of employment by virtue of Executive's disability, (i) the Executive shall receive salary and other benefits (including bonuses awarded or declared but not yet paid) earned and accrued prior to the effective date of the termination of employment and reimbursement for expenses incurred prior to the effective date of the termination of employment; (ii) all fully vested and exercisable Options previously or hereafter granted and held by the Executive may be exercised by the Executive or his estate or beneficiaries for a period of one (1) year from and after the date of the Executive's termination due to disability unless such longer period is set forth in the grant agreement evidencing the Options (iii) any Restricted Stock Units granted under any bonus program or otherwise granted shall vest and be free from restrictions on transferability (other than restrictions on transfer imposed under Federal and State securities laws); (iv) any Stock Grants made to Executive under any bonus program that are subject to forfeiture shall become non-forfeitable and shall be fully vested and transferable; (v) if the Executive's disability shall continue for a period of six (6) months after his termination, the Executive shall receive for a period for one (1) year after termination of employment (A) the annual salary that the Executive was receiving at the time of such termination of employment ("Annual Salary"), less the gross proceeds paid to the Executive on account of Social Security or other similar benefits and Company provided long-term disability insurance, payable in accordance with the customary payroll practices of the Company, but in any event in installments not less frequently than monthly; and (B) such continuing coverage under the benefit plans and programs the Executive would have received in the absence of such termination, including, without limitation, coverage under any health insurance plans or programs which are available or provided to senior executives of the Company generally, and at the same cost to Executive, if any, in each case to the extent that the Executive is eligible under the terms of such plans or programs; it being expressly understood and agreed that nothing in this clause (v) shall restrict the ability of the Company to amend or terminate such benefits plans and programs from time to time in its sole and absolute discretion; provided, however, that the Company shall in no event be required to provide any salary continuation under subsection (v) above or coverage under such benefit plans and programs after such time as the Executive becomes entitled to salary or coverage under the benefit plans and programs of another employer or recipient of the Executive's services (and provided, further, that such entitlement shall be determined without regard to any individual waivers or other arrangements); (vi) all unvested SARs shall immediately vest at the then current value (i.e., the difference between (A) the fair market value of one share of the Company's Common Stock as of the date such SAR is exercised minus (B) the initial stock price specified in the SAR certificate) and shall be paid in cash notwithstanding any provision to the contrary set forth in the SAR certificate or the Plan; and (vii) the Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder. Notwithstanding the foregoing, if and only to the extent that Executive's disability is a trigger for the payment of deferred compensation, as defined in Section 409A of the Code, "disability" shall have the meaning set forth in Section 409A(a)(2)(C) of the Code.

2. Severance in the Event of Certain Terminations of Employment

2.1 Termination for "Cause"; Termination of Employment by the Executive Without Good Reason.

2.1.1 For purposes of this Agreement, "Cause" shall mean (i) the Executive's conviction of a felony or a crime of moral turpitude; or (ii) the Executive's commission of unauthorized acts intended to result in the Executive's personal enrichment at the material expense of the Company; or (iii) the Executive's material violation of the Executive's duties or responsibilities to the Company which constitute willful misconduct or dereliction of duty, provided as to any termination pursuant to Section 2.1.1(iii), a majority of the Compensation Committee of the Board of Directors (or any successor committee thereto) shall first approve such "Cause" termination before the Company effectuates such a termination..

2.1.2 If the Company terminates the Executive for Cause, (i) the Executive shall receive Annual Salary and other benefits (including bonuses awarded or declared but not yet paid) earned and accrued prior to the effective date of the termination of employment (and reimbursement for expenses incurred prior to the effective date of the termination of employment); (ii) all unvested options and SARs shall lapse and terminate immediately and may no longer be exercised; (iii) any unvested Restricted Stock Units shall terminate immediately; (iv) any Stock Grants made to Executive under any bonus program that are subject to forfeiture shall be immediately forfeited; and (v) the Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

2.2 The Executive may terminate his employment upon written notice to the Company which specifies an effective date of termination not less than 30 days from the date of such notice. If the Executive terminates his employment and the termination is not covered by Sections 1 or 2.2 hereof, (i) the Executive shall receive the Annual Salary and other benefits (including bonuses awarded or declared but not yet paid) earned and accrued prior to the effective date of the termination of employment (and reimbursement for expenses incurred prior to the effective date of the termination of employment); (ii) all fully vested and exercisable options granted by the Company to the Executive under any bonus program or otherwise and held by the Executive may be exercised by the Executive for a period of 30 days from and after the date of the Executive's effective date of termination unless such longer period is set forth in the grant agreement evidencing the Options; (iii) any unvested Restricted Stock Units hereafter granted shall terminate immediately; (iv) any Stock Grants made to Executive under any bonus program that are subject to forfeiture shall be immediately forfeited; (v) all unvested SARs shall immediately vest at the then current value (i.e., the difference between (A) the fair market value of one share of the Company's Common Stock as of the date such SAR is exercised minus (B) the initial stock price specified in the SAR certificate) and shall be paid in cash notwithstanding any provision to the contrary set forth in the SAR certificate or the Plan; and (vi) the Executive shall have no further rights to any compensation or other benefits hereunder on or after the termination of employment, or any other rights hereunder

2.3 Termination Without Cause; Termination for Good Reason.

2.3.1 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 45 days following written notice thereof by the Executive to the Company: (i) the material change in or reduction of the Executive's authority, duties and responsibilities, or the assignment to the Executive of duties materially inconsistent with the Executive's position or positions with the Company; or (ii) a reduction in the Executive's then current Annual Salary without the Executive's consent; or (iii) within two (2) years of the date of this Agreement, Executive (A) shall be required to relocate more than 50 miles from his residence in Cincinnati, OH, or (B) is prohibited from working one business day per week in the Cincinnati, OH vicinity.

2.3.2 If the Company terminates the Executive's employment and the termination is not covered by Section 1 or 2.1 hereof: (i) the Executive shall receive Annual Salary and other benefits (including bonuses awarded or declared but not yet paid) earned and accrued under this Agreement prior to the effective date of the termination of employment (and reimbursement for expenses incurred prior to the effective date of the termination of employment); (ii) the Executive shall receive for one (1) year after termination of employment, (A) the Annual Salary that the Executive was receiving at the time of such termination of employment, payable in accordance with the customary payroll practices of the Company, in installments not less frequently than monthly, (B) such continuing coverage under the benefit plans and programs the Executive would have received in the absence of such termination, provided, however, continuation of health insurance coverage under such benefit plans and programs shall only be provided in accordance with subparagraph (C); and (C) upon proper election by the Executive, his spouse or children, COBRA Continuation Coverage for himself, his spouse and his children at a rate equal to what is paid for such coverage by active employees of the Company; it being expressly understood and agreed that nothing in this clause (ii) shall restrict the ability of the Company to amend or terminate such benefits plans and programs from time to time in its sole and absolute discretion; provided, however, that the Company shall in no event be required to provide any salary continuation or coverage under such benefit plans and programs after such time as the Executive becomes entitled to salary or coverage under the benefit plans and programs of another employer or recipient of the Executive's services (and provided, further, that such entitlement shall be determined without regard to any individual waivers or other arrangements); (iii) outstanding unvested Options previously or hereafter granted to the Executive and held by the Executive shall vest and become immediately exercisable and all Options held by the Executive on the effective date of termination may be exercised by the Executive for a period of 90 days from and after the date of the Executive's effective date of termination unless such longer period is set forth in the grant agreement evidencing the Options; (iv) the Executive shall become vested in any pension or other deferred compensation other than pension or deferred compensation under a plan intended to be qualified under Section 401(a) or 403(a) of the Internal Revenue Code of 1986, as amended; (v) any Restricted Stock Units granted under any bonus program or otherwise granted shall vest and be free from restrictions on transferability (other than restrictions on transfer imposed under Federal and State securities laws) as of the date of the Executive's effective date of termination; (vi) any Stock Grants made to Executive under any bonus program that are subject to forfeiture shall become non-forfeitable and shall be fully vested and transferable as of the date of the Executive's effective date of termination; ; (vii) all unvested SARs shall immediately vest at the then current value (i.e., the

difference between (A) the fair market value of one share of the Company's Common Stock as of the date such SAR is exercised minus (B) the initial stock price specified in the SAR certificate) and shall be paid in cash notwithstanding any provision to the contrary set forth in the SAR certificate or the Plan; (viii) the Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder. For the purpose of this Agreement, the term COBRA Continuation Coverage means healthcare continuation coverage rights which must be made available to the Executive pursuant to Code section 4980B, or any other similar or corresponding state or federal legislation.

2.3.3 If the Executive terminates his employment for Good Reason and such termination is not covered by Section 2.3.2 hereof, (i) the Executive shall receive Annual Salary and other benefits (including bonuses awarded but not yet paid) earned and accrued prior to the effective date of the termination of employment (and reimbursement for expenses incurred prior to the effective date of the termination of employment); (ii) the Executive shall receive for a period of one (1) years after termination of employment (A) the Annual Salary that the Executive was receiving at the time of such termination of employment, payable in accordance with the customary payroll practices of the Company applicable to senior executives, in installments not less frequently than monthly, and (B) such continuing coverage under the benefit plans and programs the Executive would have received in the absence of such termination, including, without limitation, coverage under any health insurance plans or programs which are available or provided to senior executives of the Company generally, and at the same cost to Executive, if any, in each case to the extent that the Executive is eligible under the terms of such plans or programs, and, in the event the Executive is not eligible under the terms of plans or programs providing healthcare coverage to senior executives of the Company generally, then, upon proper election by the Executive, his spouse or children, COBRA Continuation Coverage for himself; his spouse and his children at a rate equal to what is paid for such coverage by active employees of the Company; it being expressly understood and agreed that nothing in this clause (ii) shall restrict the ability of the Company to amend or terminate such benefits plans and programs from time to time in its sole and absolute discretion; provided, however, that the Company shall in no event be required to provide any coverage under such benefit plans and programs after such time as the Executive becomes entitled to coverage under the benefit plans and programs of another employer or recipient of the Executive's services (and provided, further, that such entitlement shall be determined without regard to any individual waivers or other arrangements); (iii) all outstanding unvested Options previously or hereafter granted to the Executive under any benefit program shall vest and become immediately exercisable unless such longer period is set forth in the grant agreement evidencing the Options; (iv) the Executive shall become vested in any pension or other deferred compensation other than pension or deferred compensation under a plan intended to be qualified under Section 401(a) or 403(a) of the Internal Revenue Code of 1986, as amended; (v) any Restricted Stock Units granted under any bonus program or otherwise granted shall vest and be free from restrictions on transferability (other than restrictions on transfer imposed under Federal and State securities laws); (vi) any Stock Grants made to Executive under any bonus program that are subject to forfeiture shall become non-forfeitable and shall be fully vested and transferable; (vii) all unvested SARs shall immediately vest at the then current value (i.e., the difference between (A) the fair market value of one share of the Company's Common Stock as of the date such SAR is exercised minus (B) the initial stock price specified in the SAR certificate) and shall be paid in cash notwithstanding any provision to the contrary set forth in the SAR certificate or the Plan; and (viii) the Executive shall have no

further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

3. Other Provisions

3.1 To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A in accordance with the provisions below:

- a) The Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). In addition, the parties shall cooperate fully with one another to ensure compliance with Section 409A, including, without limitation, adopting amendments to arrangements subject to Section 409A and operating such arrangements in compliance with Section 409A.
- b) Notwithstanding any other provision of the Agreement to the contrary, to the extent any payment or benefit to be paid or provided to Executive pursuant to the Agreement as a result of the termination of his employment constitutes “non-qualified deferred compensation” subject to Section 409A, such payment or benefit shall be paid or provided to the Executive under the Agreement at such time as the Executive would be considered to have incurred a “separation from service” from the Company within the meaning of Section 409A (without regard to whether such “separation from service” comes before, after or coincides with his termination of employment). For purposes of clarification, this paragraph shall not cause a forfeiture of any payment or benefits on the part of Executive, but shall only act as a delay until such time as a “separation from service” occurs.
- c) Notwithstanding any other provisions of the Agreement to the contrary, if any amount (including imputed income) to be paid to Executive pursuant to the Agreement as a result of Executive’s termination of employment is “deferred compensation” subject to Section 409A, and if Executive is a “specified employee” (as defined under Section 409A) as of the termination date, then, to the extent necessary to avoid the imposition of additional tax or other penalties under Section 409A, the payment of benefits, if any, scheduled to be paid by the Company to Executive hereunder during the first six-month period following the date of employment termination shall not be paid until the date which is the first business day which comes six months and a one day after the date the Executive has incurred a “separation from service” within the meaning of Section 409A. Any deferred compensation payments delayed in accordance with the terms of this Section shall be paid in a lump sum on the first day following such six-month and one day period.
- d) With respect to items eligible for reimbursement under the terms of the Agreement, (i) the amount of such expenses eligible for reimbursement in any taxable year shall not affect the expenses eligible for reimbursement in another

taxable year, (ii) no such reimbursement may be exchanged or liquidated for another payment or benefit, and (iii) any reimbursements of such expenses shall be made no later than the end of the calendar year following the calendar in which the related expenses were incurred, except, in each case, to the extent that the right to reimbursement does not provide for a “deferral of compensation” within the meaning of Section 409A.

- e) It is intended that each installment of payments and benefits provided under the Agreement shall be treated as a separate identified payment for purposes of Section 409A. Neither the Company nor Executive shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.
- f) The Company agrees to act in good faith under this Section 3.1 based on the guidance available from the Treasury Department and Internal Revenue Service respecting the proper interpretation of Section 409A, but nothing in this Section 3.1 shall constitute, or be construed as, a covenant by the Company that no payment will be made or benefit will be provided which will be subject to taxation under Section 409A or as a guarantee or indemnity by the Company with respect to the tax consequences to any such payment or benefit.

3.2 Severability. If it is determined that any of the provisions of this Agreement, or any part thereof, is invalid or unenforceable, the remainder of the provisions of this Agreement shall not thereby be affected and shall be given full effect, without regard to the invalid portions thereof.

3.3 Enforceability; Jurisdictions. Any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement that is not resolved by Executive and the Company (or its subsidiaries or affiliates, where applicable) shall be submitted to arbitration in New York, New York in accordance with New York law and the procedures of the American Arbitration Association. The determination of the arbitrator(s) shall be conclusive and binding on the Company (or its subsidiaries or affiliates, where applicable) and Executive and judgment may be entered on the arbitrator(s)' award in any court having jurisdiction. The cost of any arbitration hereunder shall be borne by the Company.

3.4 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmission or, if mailed, five days after the date of deposit in the United States mails as follows:

(i) If to the Company, to:

BioScrip, Inc.
100 Clearbrook Road
Elmsford, New York 10523
Attention: General Counsel

with a copy to:

Little Mendelson 650 California Street
20th Floor
San Francisco, CA 94108-2693
Attention: Scott D. Rechtschaffen

(ii) If to the Executive, to:

David W. Froesel, Jr.
9060 Whisperinghill Drive
Cincinnati, OH 45242

with a copy to:

Dinsmore & Shohl LLP
255 E. Fifth Street, Suite 1900
Cincinnati, Ohio 45202
Attention: J. Michael Cooney, Esq.

Any such person may by notice given in accordance with this Section 3.4 to the other parties hereto designate another address or person for receipt by such person of notices hereunder.

3.5 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

3.6 Waivers and Amendments. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

3.7 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPALS OF CONFLICTS OF LAW.

3.8 Assignment. This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive; any purported assignment by the Executive in

violation hereof shall be null and void. In the event of any sale, transfer or other disposition of all or substantially all of the Company's assets or business, whether by merger, consolidation or otherwise, the Company may assign this Agreement and its rights hereunder.

3.9 Withholding. The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding required by law.

3.10 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representatives.

3.11 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

3.12 Survival. Anything contained in this Agreement to the contrary notwithstanding, the provisions hereof shall survive any termination of the Executive's employment hereunder.

3.13 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

3.14 Supersedes Prior Agreements. Upon execution and delivery of this Agreement, this Agreement shall supersede in its entirety any and all prior agreements with respect to the Company's and the Executive's respective rights and obligations upon the termination of the Executive's employment with the Company.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first above written.

BIOSCRIP, INC.

By: /s/ Barry A. Posner
Barry A. Posner,
Executive Vice President

/s/ David W. Froesel, Jr.
David W. Froesel, Jr.

RESTRICTIVE COVENANTS AGREEMENT

1. **Background.** BioScrip, Inc. (BioScrip or the “Company”)¹ desires to employ (or continue to employ) you and you desire to be employed (or continue to be employed) by the Company. As a condition to such employment (or continued employment) the Company requires protection of its business interests as set forth in this Restrictive Covenants Agreement (referred to herein as the “RC Agreement”).

2. **Consideration.** Your acceptance of the terms of this RC Agreement is a condition of your initial or continued employment with the Company. In reliance upon this RC Agreement and your employment with the Company, the Company will provide you with one or more of the following: (i) portions of the Company’s Confidential Information (through computer password or other means); (ii) authorization to contact and deal with customers and prospective customers for the development of goodwill on behalf of the Company; or, (iii) specialized training provided by or through the Company related to the Company’s Business (as defined in paragraph 3 below).

3. **Covenant Against Competition; Other Covenants.** You acknowledge that (i) the principal business of Company is the provision of (A) comprehensive pharmaceutical care solutions, including specialty pharmaceutical programs; home infusion and mail order pharmacy services; pharmacy benefit management services; and the operation of retail pharmacies; and (B) home health and related services, including nursing; durable medical equipment; respiratory, physical and occupational therapy; and hospice care; the foregoing business of the Company, and any and all other businesses that after the date hereof, and from time to time during the term of your employment with the Company, become material with respect to the Company’s then- overall business, are collectively referred to as the “Business”; (ii) the Company is dependent on the efforts of a certain limited number of persons who have developed, or will be responsible for developing, the Business; (iii) the Business is national in scope; (iv) your work for the Company will give you access to the Company’s Confidential Information; (v) the covenants contained in this RC Agreement (collectively, the “Restrictive Covenants”) are essential to the Business as well as to the goodwill of the Company; and (vi) the Company would not have offered you employment or continued employment but for your agreement to accept and be bound by the Restrictive Covenants set forth herein. Accordingly, subject to any state specific limitations or exclusion contained herein, you covenant and agree that:

(a) **Restriction on Competition.** During the term of your employment and for a period of one year from the termination of your employment with the Company (by you or the Company), you shall not participate in, supervise, or manage (as an employee, consultant, agent, owner, manager, operator, partner, or in any comparable capacity) any “Competing Activities” in your “Territory.” “Competing Activities” means any activities that are the same as or similar in function or purpose to those you performed or supervised performance of on behalf of the Company in the two year period preceding your termination if such activities are being undertaken for the benefit of a business (meaning a person, company, or independently operated division or unit of a company) that provides a product or service that would displace one or more

¹ For purposes of this Agreement, the term BioScrip or the Company includes its parent(s), subsidiaries, affiliates, successors, and assigns. An “affiliate” of, or a company or person “affiliated” with, the Company is a person or company that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the Company. Notwithstanding the foregoing, wherever an obligation of the Company to you is described or provided for in this RC Agreement it shall only apply to the Company entity employing you and shall create no obligation on behalf of any Company entity that is not your employer.

of the Company's business opportunities in the line or lines of the Business in which you participated during the two year period preceding the termination of your employment. Notwithstanding the foregoing, nothing herein shall be construed to prohibit ownership as a passive investor of less than two percent (2%) of the issued and outstanding stock of a publicly held corporation. Your relevant "Territory" is described in Exhibit A. The relevant "Line(s) of the Business" you are expected to participate in are described in Exhibit A. Unless identified as a growth area in the Company's then current strategic plan, as approved by the Company's Board of Directors prior to the termination of your employment, "Competing Activities" shall not include any line of Business which makes up 10% or less of the Company's total consolidated sales during the twelve (12) month period preceding the termination of your employment.

(b) **Restriction on Customer and Employee Solicitation.** During the term of your employment and for a period of two years following the termination of your employment (by you or the Company), you shall not, without the Company's prior written consent, directly or indirectly, in person or through assisting others:

(i) solicit, knowingly induce or encourage any employee or independent contractor to leave the employment or other service of the Company, or hire (on your behalf or on behalf of any other person or entity) any employee or independent contractor who has left the employment or other service of the Company within one year of the termination of such employee's or independent contractor's employment or other service with the Company, or

(ii) solicit, contact, or engage in business related communications with (regardless of who initiates the communication), any customer, client, or referral source of the Company (a "Covered Customer") for the purpose of inducing or helping the Covered Customer to cease or reducing doing business for the Company or for the purpose of diverting business opportunities away from the Company, or (iii) provide services to a Covered Customer that would displace or reduce the business opportunities of the Company with the Covered Customer.

4. **Confidential Information.** During and after the term of your employment, you shall keep secret and retain in strictest confidence, and shall not use for your benefit or the benefit of others, except in connection with the Business and the affairs of the Company, all confidential and proprietary matters relating to the Company and the Business learned by you heretofore or hereafter directly or indirectly from the Company (the "Confidential Information"), including, without limitation, information or compilations of information with respect to (i) the strategic plans, budgets, forecasts, intended expansions of product, service, or geographic markets of the Company, (ii) sales figures, contracts, agreements, and undertakings with or with respect to customers, (iii) profit or loss figures, and (iv) customers, clients, suppliers, sources of supply and customer lists, and shall not disclose such Confidential Information to anyone outside of the Company except with the Company's express written consent and except for Confidential information which is at the time of receipt or thereafter becomes publicly known through no wrongful act of you or is received from a third party not under an obligation to keep such information confidential and without breach of this RC Agreement. A compilation or list of information maintained in confidence by the Company (like a customer list) will be considered Confidential Information irrespective of whether it may contain some items of information that would otherwise be publicly available because such a compilation has special value and utility in its compiled form. Notwithstanding the foregoing, the non-disclosure obligations of this RC Agreement will not apply to the extent that you are acting to the extent necessary to comply with legal process; provided that in the event that you are subpoenaed to testify or to produce any information or documents before any court, administrative agency

Restrictive Covenants Agreement (David Froesel)

or other tribunal relating to any aspect pertaining to the Company, you shall immediately notify the Company thereof.

All memoranda, notes, lists, records, property and any other tangible product and documents (and all copies thereof) made, produced or compiled by you or made available to you concerning the Company and its Business shall be the Company's property and shall be delivered to the Company at any time on request.

5. **Employment Status and Loyalty.** You acknowledge that except as may be set forth in a written agreement between you and the Company, your employment with the Company is "at will" meaning that both parties (you and the Company) retain the right to terminate the employment relationship at any time. Nothing in this RC Agreement shall be construed to the contrary. During your employment you will abide by all of the restrictions placed upon you in this RC Agreement, will avoid conflicts of interest, and will not engage in any form of competition with the Company. You understand and agree that even though you may have additional employment that does not violate the provisions of this RC Agreement, if your position with another employer impedes or otherwise adversely affects your job performance with the Company, you may be terminated for performance reasons. By way of example, if you moonlight or work elsewhere during the evenings and you are too tired during the day to perform your duties and responsibilities for the Company, you may be terminated.

6. **Rights and Remedies upon Breach of Restrictive Covenants.** You acknowledge and agree that any breach by you of any of the Restrictive Covenants would result in irreparable injury and damage to the Company for which money damages would not provide an adequate remedy. Therefore, if you breach, or threaten to commit a breach of, any of the Restrictive Covenants, the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity (including, without limitation, the recovery of damages).

(a) The right and remedy to have the Restrictive Covenants specifically enforced (without posting bond and without the need to prove damages) by any court having equity jurisdiction, including, without limitation, the right to an entry against you of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such Restrictive Covenants; provided, however, that where a bond is required by law for an injunction to issue, the agreed upon bond shall be \$1,000.

(b) The right and remedy to require you to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits (collectively, "Benefits") derived or received by you as the result of any transactions constituting a breach of the Restrictive Covenants, and you shall account for and pay over such Benefits to the Company. This remedy shall be in addition to, and not in lieu of, injunctive relief to prevent further harm and does not represent a complete or satisfactory remedy standing alone.

You agree that in any action seeking specific performance or other equitable relief, you will not assert or contend that any of the provisions of these Restrictive Covenants are unreasonable or otherwise unenforceable. The existence of any claim or cause of action by you, whether predicated on the RC Agreement or otherwise, shall not constitute a defense to the enforcement of the Restrictive Covenants.

Restrictive Covenants Agreement (David Froesel)

7. **Severability and Choice of Law.** If any of the Restrictive Covenants in this Agreement are found unenforceable as written, the Court shall reform the unenforceable restriction(s) so as to make same fully enforceable to the maximum extent of the law within the state or other geographic jurisdiction of the Court; and, the Agreement shall otherwise be enforced in accordance with its terms outside said state or jurisdiction. The law of the State of Delaware shall control the interpretation, application, and enforcement of this Agreement without regard or respect for any choice of law principles to the contrary of Delaware or of the state where you may reside at the time of enforcement.

Effective as of _____, 2010.

Agreed:

BioScrip, Inc.

By: /s/ Lisa Nadler

Name: Lisa Nadler
Title: Senior Vice President, Human Resources

Date

Employee

/s/ David W. Froesel, Jr.

Signature

David W. Froesel, Jr.

Printed Name

Date

Restrictive Covenants Agreement (David Froesel)

Exhibit A

1. State Specific Limitations. The following shall apply to you only if you reside in one of the states described below:

(a) California. While you are a resident in and subject to the laws of California, (1) the restrictions in Section 3(a) (“Restriction on Competition”) will not apply to you, and (2) the restrictions in Section 3(b) (“Restriction on Customer and Employee Solicitation”) of the RC Agreement will be modified to provide that during the proscribed two year period following termination of employment you will not (i) solicit, knowingly induce or encourage any employee or independent contractor to leave the employment or other service of the Company, or (ii) use Confidential Information to solicit, contact, or engage in business related communications with (regardless of who initiates the communication), any customer, client, or referral source of the Company with whom you dealt in the two year period preceding the termination of your employment (a “Covered Customer”) for the purpose of inducing or helping the Covered Customer to cease or reducing doing business for the Company or for the purpose of diverting business opportunities away from the Company.

(b) Georgia or Wisconsin. While you are a resident in and subject to the laws of Georgia or Wisconsin, (1) the restrictions against use of disclosure of Confidential Information contained in Section 4, shall apply to information that does not qualify as a trade secret for a period of three years following the termination of your employment, and shall apply to information that does qualify as a trade secret for as long as said information continues to qualify as a trade secret under applicable law, and (2) the restrictions in Section 3(a) of the RC Agreement will not apply to you.

2. Your Territory. Your relevant Territory is each state within the United States where Employee helps the Company do business, which at this time is understood to include all states located within the Continental United States.

3. Relevant Line(s) of Business. The Line(s) of the Business applicable to you are Specialty Pharmacy Services, Mail Order Pharmacy Services, Pharmacy Benefit Management Services, Community Pharmacy, Home Infusion Services and Home Health and Related Services. It is understood that your decision to remain employed with the Company after notification of assignment to a new or additional Territory or the inclusion of a new Line of Business within the scope of your duties, shall be deemed an acceptance of the amendment of this RC Agreement to add the additional geography of such new territory to the Territory covered by this RC Agreement, and/or the addition of such new Line of Business to the Line(s) of Business covered by this RC Agreement as it relates to you.

Understood and agreed:

/s/ David W. Froesel, Jr.

Signature

David W. Froesel, Jr.

Printed Name

Date

Restrictive Covenant Agreements (David Froesel)



BioScrip Appoints David W. Froesel, Jr. as Executive Vice President, Chief Financial Officer and Treasurer

ELMSFORD, N.Y., Dec 01, 2010 (BUSINESS WIRE) —

BioScrip (NASDAQ: BIOS) today announced that David W. Froesel, Jr. has been appointed Executive Vice President, Chief Financial Officer and Treasurer effective today. Mr. Froesel will replace Stanley G. Rosenbaum, who will be leaving the Company prior to year-end.

“We welcome David to the BioScrip team and are pleased to have an accomplished professional of his caliber leading our financial operations. David was a key member of the executive team at Omnicare for almost 14 years, where he served as Senior Vice President and Chief Financial Officer from March 1996 until his retirement in December 2009. Just prior to Mr. Froesel’s tenure at Omnicare, revenues were approximately \$400 million for the calendar year 1995 and grew to approximately \$6.2 billion in 2009. The Board is confident that David’s industry experience and strategic perspective will be invaluable to BioScrip in the ongoing assessment of its business and its future growth initiatives and we look forward to his contributions,” said Richard M. Smith, President and Chief Operating Officer of BioScrip.

Mr. Smith added, “On behalf of everyone at BioScrip, I would like to thank Stan for his service and leadership in creating a strong foundation for future growth as our Chief Financial Officer. We appreciate his commitment to working with David to effect a smooth transition and we all wish him well in his future endeavors.”

About David W. Froesel, Jr.

During Mr. Froesel’s time at Omnicare, the Company completed over 100 acquisitions, raised in excess of \$7 billion of capital through the bank and public markets and consistently generated significant positive operating cash flow. Additionally, Mr. Froesel has extensive experience in restructuring, merger integration and cost reduction activities.

Prior to joining Omnicare, Mr. Froesel was employed for 18 years at Mallinckrodt Group, Inc., a \$2.5 billion healthcare and specialty chemical company. From May 1993 to February 1996, he was Vice President of Finance and Administration at Mallinckrodt Veterinary, Inc., a subsidiary of Mallinckrodt, Inc. From July 1989 to April 1993, he was worldwide Corporate Controller of Mallinckrodt Medical, Inc., a subsidiary of Mallinckrodt, Inc. He received a B.S. in Accounting from the University of Missouri-St. Louis and an M.S. in Accounting from St. Louis University and is a Certified Public Accountant.

About BioScrip

BioScrip, Inc. (www.bioscrip.com) (Nasdaq: BIOS) is a national provider of specialty pharmacy and home care products and services that partners with patients, physicians, hospitals, healthcare payors and pharmaceutical manufacturers to provide clinical management solutions and delivery of cost-effective access to prescription medications. Our services are designed to improve clinical outcomes for chronic and acute healthcare conditions while controlling overall healthcare costs.

Forward Looking Statements-Safe Harbor

Statements contained in this press release that express a belief, expectation, anticipation or intent are considered forward-looking statements and are protected under the Safe Harbor of Private Securities Litigation and Reform Act. These forward-looking statements are based on information available to the Company today, and the Company assumes no obligation to update statements as circumstances change. These forward-looking statements may involve a number of risks and uncertainties, which may cause the Company’s results to differ materially from such statements.

Forward-looking statements are subject to inherent risks and uncertainties surrounding future expectations generally and may differ materially from actual future experience. Risks and uncertainties that could affect

forward-looking statements include the failure to realize synergies as a result of operational efficiencies or revenue opportunities, the failure to successfully integrate the businesses and operations from the CHS and drugstore.com acquisitions, leverage core competencies or maximize margins and operating cash flow generation, and the risks described from time to time in the Company's reports filed with the SEC, including the Company's annual report on Form 10-K for the year ended December 31, 2009 and the Company's quarterly reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010.

SOURCE: BioScrip, Inc.

Joele Frank, Wilkinson Brimmer Katcher

Ed Trissel / Dan Katcher / Bryan Darrow

212-335-4449