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 1. 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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On November 2, 2010, BioScrip, Inc. (the "Company") issued a press release reporting its financial results for the three and nine months ended September 30, 2010. A copy of that press release is furnished with this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

The press release includes certain non-GAAP financial measures as described therein. As required by Regulation G, reconciliation between any non-GAAP financial measures presented and the most directly comparable GAAP financial measures is also provided.

As provided in General Instruction B.2 to Form 8-K, the information furnished in this Item 2.02 and in Exhibit 99.1 hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing with the Securities and Exchange Commission, except as shall be expressly provided by specific reference in such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) and (e) On November 2, 2010, the Company announced that Richard ("Rick") M. Smith, the Company's current President and Chief Operating Officer will succeed Richard H. Freidman as the Company's Chief Executive Officer, effective January 1, 2010. In connection with the appointment of Mr. Smith as Chief Executive Officer, the Company has entered into entered into a Separation Agreement with Richard H. Friedman, the Company's current Chief Executive Officer, dated as of November 1, 2010 (the "Separation Agreement"), pursuant to which Mr. Friedman's position as Chief Executive Officer will terminate effective December 31, 2010. Mr. Friedman will continue as a member of the Company's Board of Directors and will continue to serve as its non-executive Chairman of the Board of Directors. Pursuant to the Separation Agreement, the Company has agreed to provide Mr. Friedman with the following compensation and benefits:

- the same cash severance of $1,700,000 that would have been payable under the employment agreement by and between the Company and Mr. Friedman dated May 30, 2008 if there was no extension of Mr. Freidman's initial term under the employment agreement (which initial term would have ended May 31, 2011);
- payment on July 5, 2011 of Mr. Friedman's salary that would have been paid by the Company for the period starting from January 1, 2011 and ending on June 30, 2011 in accordance with the Company's standard payroll schedule for salaried employees as a result of his separation from service as contemplated by Section 409A of the Internal Revenue Code, as amended;
- all of Mr. Friedman's outstanding options to purchase common stock of the Company will vest and become fully exercisable on December 31, 2010 and the deadline to exercise these options will be extended to the earlier of (x) May 31, 2012 and (y) the last day on which he would have had the right to exercise the option if there had been no termination of his employment;
- all of Mr. Friedman's rights to his outstanding restricted stock grants will vest to the extent that the related performance requirements for vesting are established to have been satisfied for the year ended December 31, 2010 through the Company's independent audit process, but on no less favorable a basis than the basis then or thereafter applied to an other holder of a grant approved by the Company's compensation committee and evidenced by any Stock Grant Certificates dated April 29, 2008 during the term of those certificates (which expire by their respective terms on December 31, 2013); and

- reimbursement of Consolidated Omnibus Budget Reconciliation Act (COBRA) or equivalent premiums until December 31, 2012 and COBRA coverage (at Mr. Friedman's cost) from December 31, 2012 to June 30, 2014.

This description of the Separation Agreement is qualified in its entirety by the Separation Agreement filed as Exhibit 10.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

(c) Prior to the effective date of Mr. Smith's appointment as Chief Executive Officer, the Company expects to modify Mr. Smith's compensation, as reflected in the employment letter agreement dated November 13, 2008 by and between the Company and Mr. Smith, and will file an amendment to this Current Report on Form 8-K to disclose any such modification.

Mr. Smith, age 51, joined the Company as its President and Chief Operating Officer in January 2009 and was appointed a director of the Company in September 2009. Prior to joining the Company, from June 2006 to November 2008 Mr. Smith was Chief Executive Officer and a director of Byram Healthcare Centers, Inc., a provider of medical supplies and pharmacy items to long term chronic patients. From May 2003 to May 2006 Mr. Smith was the President and Chief Operating Officer of Option Care, Inc., a home infusion and specialty pharmaceutical company.

The press release issued by the Company announcing Mr. Smith's appointment as Chief Executive Officer and the termination of Mr. Friedman's employment is attached as Exhibit 99.2 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Separation Agreement dated as of November 1, 2010, by and between the Company and Richard H. Friedman.
99.1	Press Release dated November 2, 2010.
99.2	Press Release dated November 2, 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: November 2, 2010

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

Exhibit 10.1

EXECUTION VERSION

SEPARATION AGREEMENT

This Separation Agreement ("Agreement") is entered into by and between BioScrip, Inc. (together with its successors and assigns, the "Company") and Richard H. Friedman ("Executive") effective on the date Executive signs this Agreement;

WHEREAS, the Company and Executive (each a "Party" and together, the "Parties") entered into an employment agreement dated May 30, 2008 (the "Employment Agreement"); and

WHEREAS, the term of the Employment Agreement is (absent any extensions) scheduled to end on May 31, 2011; and

WHEREAS, the Company and Executive have agreed that Executive will (notwithstanding the terms of the Employment Agreement) resign as an officer and as an employee of the Company effective December 31, 2010; and

WHEREAS, the Company and Executive have agreed that Executive will (notwithstanding such resignation) continue as a member of the Company's Board of Directors (the "Board") and will continue to serve as the Chairman of the Board;

NOW, THEREFORE, for such consideration as the Company and Executive hereby declare full and adequate, the Company and Executive, each intending to be legally bound, agree as follows:

1. Employment Agreement.

   a. 2010. The Company and Executive agree that (except as expressly set forth in § 2 and § 4 of this Agreement) all of the terms and conditions and respective right and obligations set forth in the Employment Agreement shall remain in full force and effect until 11:59 pm eastern time on December 31, 2010.

   b. After 2010. The Company and Executive agree that after 2010: (1) section 6 and sections 7.1, 7.2, and 7.3 of the Employment Agreement shall remain in full force and effect in accordance with the terms of such sections, the terms of which are hereby incorporated as part of this Agreement, and (2) sections 1 through 5 of the Employment Agreement shall have no further force or effect.

2. Separation. Executive and the Company agree that by signing this Agreement the Executive's employment with the Company shall terminate effective 11:59 pm eastern time on December 31, 2010 and that neither Party has any right to revoke or rescind such agreement with respect to such termination.

3. Board Membership. The Company and Executive agree that Executive will continue to serve as a member of the Board, and as the Chairman of the Board, until (i) he resigns or is removed from such positions in accordance with the By-Laws of the Company, or (ii) the expiration of his current term on the Board if (x) his nomination for another term is not approved by the Board or its Nominating Committee, or (y) he is not elected to

another term by the stockholders of the Company. However, the Company and Executive agree that the level of services which Executive will be expected to provide to the Company after 2010 as a member of the Board and as Chairman of the Board will not exceed the level at which his termination of employment will constitute a "separation from service" from the Company under § 409A of the Internal Revenue Code of 1986, as amended (the "Code") on December 31, 2010.

4. Payments and Benefits.

   a. General. The Company and Executive agree that the payments and benefits described in this § 4 are in lieu of any payments or benefits otherwise due or payable under section 5 of the Employment Agreement, and Executive irrevocably waives any right he otherwise might have to any payments or benefits otherwise due or payable under section 5 of the Employment Agreement.

   b. Cash Severance. The Company and Executive acknowledge and agree that

      i. the amount of Executive's cash severance (less applicable tax withholdings) under this Agreement shall equal the cash severance which would have been payable under section 5.4(a) of the Employment Agreement (i.e., $1,700,000) if there was no extension of Executive's initial term under the Employment Agreement;

      ii. except as provided in § 4(b)(3), such cash severance shall be paid in approximate equal installments in accordance with the Company's standard payroll schedule for salaried employees over the two year period ending December 31, 2012, as described in section 5.2(b)(iv) of the Employment Agreement for a termination of employment by the Company without "Cause";

      iii. Executive is a "specified employee" within the meaning of § 409A of the Code, so that (absent his death) the installment payments described in section 5.2(b)(iv) of the Employment Agreement will be delayed until the earlier of (x) Tuesday, July 5, 2011, which is at least six months and one day following Executive's "separation from service" and (y) the date of his death; and

      iv. the payment made on July 5, 2011 (or on the date of his death, if earlier) will include (without interest) all of the payments that (but for Executive's status as a "specified employee") would have been paid in accordance with the Company's standard payroll schedule for salaried employees during the period that starts on January 1, 2011 and ends on June 30, 2011.

   c. Options and Restricted Stock Grants.

      i. Each of Executive's outstanding options to purchase Company stock will vest 100%, and thus become fully exercisable, on December 31, 2010.

ii. The deadline for Executive to exercise each of his vested options to purchase Company stock following his termination of employment will be extended to the earlier of (x) May 31, 2012 and (y) the last day on which he would have had the right to exercise the option if there had been no termination of his employment.

iii. Executive's right to his outstanding restricted stock grant evidenced by the Stock Grant Certificate dated May 30, 2008 and his outstanding restricted stock grant evidenced by the Stock Grant Certificate dated April 29, 2008 (together, the "Restricted Stock Grants") will vest to the extent, if any, that the related performance requirements for vesting are established through the Company's independent audit process to have been satisfied for the year ended December 31, 2010 (as determined in the ordinary course consistent with past practice, but on no less favorable a basis than the basis then or thereafter applied to any other holder of a grant approved by the Company's compensation committee and evidenced by any Stock Grant Certificates dated April 29, 2008 during the term of those certificates (which expire by their respective terms on December 31, 2013)). The Company also acknowledges and agrees that, for purposes of determining whether such performance requirements for vesting have been satisfied, EBITDAO (as defined in the Restricted Stock Grants) shall be determined without reduction for any restructuring charge incurred during the fourth quarter of the 2010 calendar year in accordance with generally accepted accounting principles.

d. <u>Health Care Continuation Coverage</u>.

i. If Executive timely elects COBRA coverage for Executive (or, if applicable, for Executive and any of his COBRA eligible dependents) under the Company's group health plan in which he participates on December 31, 2010, the Company will (subject to § 4(d)(4)(A)) reimburse Executive (on an after tax basis) for the COBRA coverage premiums he pays for such coverage, and each such reimbursement (subject to § 4(d)(4)(B)) will be made no later than sixty (60) days after the date that a premium is paid by Executive.

ii. If Executive's right to COBRA coverage ends before December 31, 2012, the Company at Executive's election will continue (subject to § 4(d)(4)(C)) to make the equivalent of COBRA coverage available to Executive (or, if applicable, to Executive and any of his COBRA eligible dependents) through December 31, 2012 subject to Executive (subject to § 4(d)(4)(A)) paying an amount each month to the Company equal to the applicable monthly premium for COBRA coverage. The Company will (subject to § 4(d)(4)(A)) reimburse Executive for such payments, and each reimbursement will be made no later than sixty (60) days after the date that a payment is made for such coverage.

iii. If Executive desires health care continuation coverage after December 31, 2012, the Company at Executive's election will continue (subject to § 4(d)(4)(C)) to make the equivalent of COBRA coverage available to Executive (or, if applicable, to Executive and any of his COBRA eligible dependents) through June 30, 2014 subject to Executive continuing to pay an amount each month to the Company equal to the then applicable monthly premium for COBRA coverage.

iv. a) If the Company reasonably determines that the Company can pay the premiums called for under § 4(d)(1) and § 4(d)(2) directly on behalf of Executive without subjecting such premium payments to tax under § 409A of the Code, then the Company will make such premium payments on Executive's behalf in lieu of reimbursing Executive for making such premium payments.

b) If the Company reasonably determines that no reimbursement can be made under § 4(d)(1) before July 5, 2011 without subjecting such reimbursement to tax under § 409A of the Code, all reimbursements for the period which starts on January 1, 2011 and ends on June 30, 2011 will be aggregated and made on Tuesday, July 5, 2011.

c) If the Company reasonably determines that the Company cannot provide continued coverage under the Company's group health plan, the Company for the period described in § 4(d)(2) will reimburse Executive (on an after tax basis) for the cost to purchase comparable coverage, subject to a cap based on the corresponding COBRA coverage premium for COBRA coverage under the Company's group health plan, and the Company's only obligation under § 4(d)(3) shall be to use reasonable efforts to locate an alternative source of healthcare coverage for Executive.

e. Earned but Unpaid Salary, Bonus and Expense Reimbursements. The Company will pay Executive any earned but unpaid salary due for the period ending December 31, 2010, in accordance with customary payroll practices of the Company, and will pay Executive any annual bonus for the 2010 calendar year that becomes payable by reason of the attainment of the pre-established performance goal (without any exercise of negative discretion). The Company shall also reimburse Executive, in accordance with the Company's standard policy for expense reimbursements, for any expenses incurred on or before December 31, 2010, on or before March 15, 2011 if Executive timely files an expense reimbursement claim for such expenses.

f. Other Payments and Benefits. Executive as a result of his termination of employment on December 31, 2010 will be eligible to receive such payments and benefits which are due or payable in the ordinary course upon or following a termination of an employee's employment under the Company's plans, programs and policies on the same basis and subject to the same terms and conditions as other similarly-situated employees or officers of the Company are eligible to receive such payments and benefits; provided, however, to the extent there is any duplication of benefits under § 4 of this Agreement and any benefits under such employee benefit plans, programs and policies, Executive hereby waives his rights to any benefits under such employee benefit plans, programs and policies. Without limiting the foregoing, the Company acknowledges and agrees that Executive is entitled to (i) his health savings account, which is fully vested and non-forfeitable; (ii) payment for his accrued but unused vacation days, as of December 31, 2010; (iii) full participation in any matching or other employer contributions to the Company's 401(k) plan for the 2010 calendar year (regardless of when such contributions are actually made); and (iv) indemnification, and advancement of legal fees and expenses, in accordance with the Company's current bylaws.

g. The Company will reimburse Executive for his attorney fees and charges incurred in connection with the implementation and negotiation of this Agreement (such reimbursement not to exceed $5,000), no later than 30 days after presentation of an invoice, with appropriate back-up, for such fees and charges.

5. Mutual Release.

a. Release by Executive. Executive, on behalf of himself and his heirs, executors, administrators and legal representatives (collectively, the "Releasors") hereby irrevocably and unconditionally releases and forever discharges the Company and its subsidiaries and affiliates (collectively, the "Releasees") from (and indemnifies them against) any and all claims, actions, causes of action, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind or character, whether known or unknown, whether now existing or hereafter arising, at law or in equity, that the Releasors may have, may have had, or may hereafter have, and that are based in whole or in part on facts existing prior to the date of this Agreement (collectively, "Claims"), including without limitation any Claims based on Title VII of the Civil Rights Act of 1964; the Americans With Disabilities Act; the Fair Labor Standards Act; the Equal Pay Act; the Family and Medical Leave Act; the Employee Retirement Income Security Act of 1974 (except as to claims pertaining to vested benefits under employee benefit plans maintained by the Releasees); the New York State and New York City Human Rights Laws, the New York Labor Law; the Occupational Safety and Health Act; the Worker Adjustment and Retraining Notification Act; the National Labor Relations Act; the Immigration Reform and Control Act; any common law, public policy, contract (whether oral or written, express or implied) or tort law; and any other local, state, federal or foreign law, regulation or ordinance, and that arise out of, or relate to, Executive's employment with, or services for, the Company or any of its affiliates, or the termination of such employment or services; provided, however, that this paragraph shall not release (i) Executive's rights arising under or preserved by this Agreement, or (ii) Executive's rights as a shareholder of the

Company or (iii) any claims based on any act or omission of a Releasee which constitutes willful misconduct, gross negligence or fraud.

b. Release by Company. The Company, on behalf of itself and the Releasees and each of their respective officers, directors, employees, shareholders and agents, hereby releases, acquits and forever discharges Executive and the Releasors from (and indemnifies them against) any and all claims, causes of actions, demands, suits, costs, expenses and damages of whatever kind or character, whether known or unknown, whether now existing or hereafter arising, at law or in equity, that any Releasee may have, may have had, or may hereafter have, and that are based in whole or in part on facts existing prior to the date of this Agreement, and that arise out of, or relate to, the Executive's employment with, or services for, the Company or any of its affiliates, or the termination of such employment or services, provided, however, that this paragraph shall not release (i) the Company's rights arising under or preserved by this Agreement, (ii) any claims based on any act or omission of Executive which constitutes willful misconduct, gross negligence or fraud or a violation of any applicable statute or regulation or (iii) any claims to the extent that the release of such claims would be inconsistent with a Releasees' obligations or Executive's obligations under applicable law.

6. Miscellaneous

a. 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), other than those arising under section 6 of the Employment Agreement, to the extent necessary for the Company (or its subsidiaries or affiliates, where applicable) to avail itself of the rights and remedies provided under section 6.2 of the Employment Agreement, 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 (and its subsidiaries or affiliates, where applicable) and Executive, and judgment may be entered on the arbitrator(s)' award in any court having jurisdiction.

b. 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
Fax: (914) 460-1661
Attention: General Counsel

with a copy to:

King & Spalding LLP
1185 Avenue of the Americas
New York, New York 10036-4003
Fax: (212) 556-2222
Attention: Richard A. Cirillo

(ii) If to the Executive, to:

Richard H. Friedman
35 Cherry Lawn Blvd.
New Rochelle, NY 10804

with a copy to:

Morrison Cohen LLP
909 Third Avenue
New York, New York 10022
Fax: 212-735-8708
Attention: Robert M. Sedgwick

c. Entire Agreement. This Agreement (and the arrangements described herein) contains the entire agreement between the Company and Executive with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect to the subject matter hereof.

d. 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 that expressly identifies the applicable provision and that is signed by the Company and Executive 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.

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

f. Assignment. Except as provided in this § 6(f), neither Party's rights or obligations under this Agreement may be assigned by such Party, and any purported assignment by either Party 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. In the event of Executive's death or a judicial determination of his incompetence, references in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiaries, estate, executors, or other legal representative(s).

g. Withholding. The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding required by law, but with respect to bonus compensation shall only withhold federal taxes at the bonus, or supplemental rate, to the extent permitted by law.

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

i. Counterparts. This Agreement may be executed by the Company and Executive 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 either the Company or Executive.

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

IN WITNESS WHEREOF, the Company and Executive have signed their names on the date set forth below their signature.

EXECUTIVE:	THE COMPANY, BIOSCRIP, INC.
/s/ Richard H. Friedman	By: /s/ Barry A. Posner
Richard H. Friedman Dated: November 1, 2010	Barry A. Posner EVP & General Counsel Dated: November 1, 2010

Exhibit 99.1

BIOSCRIP REPORTS 2010 THIRD QUARTER RESULTS

Elmsford, NY – November 2, 2010 – BioScrip, Inc. (Nasdaq: BIOS) today announced 2010 third quarter revenue of $441.2 million and net income of $2.0 million or $0.04 earnings per diluted share (EPS). Adjusted EBITDA for the quarter was $18.1 million.

Third Quarter Results

- Revenue was $441.2 million;
- Adjusted EBITDA of $18.1 million compared to $8.9 million in 2009;
- Net income of $2.0 million or $0.04 EPS compared to prior year of $5.7 million or $0.14 EPS;
- Average cash balances increased $14.4 million over the second quarter, with an average balance of $64.1 million; and
- Reduced debt $2.9 million and in compliance with all debt covenants.

"Although the fundamentals of BioScrip are strong and we remain excited about the Company's ongoing prospects, we recognize that we did not meet our guidance," said Rick Smith, President and Chief Operating Officer of BioScrip. "In our Infusion/Home Health segment, we were successful in posting solid organic growth, but revenue was slightly below our expectations. On the incremental $5.2 million of revenue in this segment, an additional $1.0 million, or 20%, of Adjusted EBITDA was generated from the second quarter to the third, reflecting the strength of the higher margin home infusion therapies and the cost synergies we are realizing from the CHS acquisition. In our Pharmacy Services segment, revenue exceeded our expectations but the mix was not as strong as we anticipated. While new patient census grew, it was offset by lower-than-anticipated patient refill patterns."

Mr. Smith added, "Overall our gross profit margins were impacted by IVIG product allocations and a manufacturer recall requiring us to fill prescriptions with a higher cost product, elimination of an industry-wide brand product rebate, conversion of certain CHS patients into a long-term contractual relationship and changes in reimbursement from certain payors."

"We are examining all aspects of our business model and we intend to improve the quality of our revenue stream and reduce our overhead structure. As a result of the Company not meeting its expectations, we have accelerated a strategic assessment of our business lines and our operating cost structure," Mr. Smith concluded.

Succession Announcement

As announced earlier today, the Company appointed Rick Smith, currently President and Chief Operating Officer, as Chief Executive Officer. Rich Friedman, currently Chairman and Chief Executive Officer, will serve as Non-Executive Chairman of the Board of Directors. Both changes are effective January 1, 2011.

2010 Guidance

Based on its year-to-date results, BioScrip is withdrawing its revenue, gross profit, net income, Adjusted EBITDA and EPS financial guidance for the full-year 2010, as well as fourth quarter 2010 revenue guidance. Management intends to assess its business, operations and 2011 outlook and expects to communicate its plans in January 2011.

Results of Operations

Third Quarter 2010 versus Third Quarter 2009

Revenue for the third quarter of 2010 totaled $441.2 million compared to $333.5 million for the same period a year ago, an increase of 32.3%. Pharmacy Services revenue for the third quarter of 2010 was $329.3 million compared to $296.7 million for the prior year period, an increase of $32.6 million or 11.0%. New revenue from the recently completed acquisition of the pharmacy operations of drugstore.com was $3.6 million. Infusion/Home Health Services revenue for the third quarter of 2010 was $111.8 million compared to $36.8 million in the third quarter of 2009, an increase of $75.0 million. CHS revenues contributed $68.0 million during the third quarter of 2010. Excluding the CHS revenues, Infusion/Home Health Services revenues increased 19.1%.

Consolidated gross profit for the third quarter of 2010 was $75.4 million, or 17.1% of revenue, compared to $41.5 million, or 12.4% of revenue for the third quarter of 2009. The increase in gross profit and gross margin percentage from 2009 to 2010 is the result of the contribution from CHS during the quarter and purchasing synergies, partially offset by previously disclosed pricing concessions, delays in brand to generic conversions, product allocations and last year's AWP settlement. Sequentially, consolidated gross profit margins declined 0.7% to 17.1% primarily as a result of IVIG product allocations and a manufacturer recall which required us to fill prescriptions with a higher cost product, elimination of an industry-wide brand product rebate, conversion of certain CHS patients into a long-term contractual relationship and changes in reimbursement from certain payors versus the second quarter.

Third quarter 2010 operating profit was $12.2 million, or 2.8% of revenue, compared to an operating profit of $6.7 million, or 2.0% of revenue, for the third quarter of 2009. Operating profit in the third quarter of 2010 includes $1.3 million of amortization expense and $1.0 million of transaction, integration and severance related expenses associated with the CHS and drugstore.com acquisitions.

During the third quarter of 2010, BioScrip generated $25.7 million of segment Adjusted EBITDA, or 5.8% of total revenue. Consolidated Adjusted EBITDA includes corporate expenses, which are not allocated to the segments. This compares to $15.8 million, or 4.7% of total revenue in the prior year period. The Pharmacy Services segment generated $10.7 million of segment Adjusted EBITDA, or 3.3% of Pharmacy Services revenue. This compares to $13.2 million, or 4.5% of that segment's revenue in the prior period. The Infusion/Home Health segment generated $14.9 million of Adjusted EBITDA, or 13.4% of revenue. This compares to $2.6 million, or 7.0% of Infusion/Home Health Services revenue in the third quarter of 2009.

On a consolidated basis, BioScrip reported $18.1 million of Adjusted EBITDA during the third quarter of 2010, or 4.1% of total revenue compared to $8.9 million, or 2.7% of total revenue in the prior year period.

Interest expense in the third quarter of 2010 was $8.1 million compared to $0.4 million in the third quarter of 2009.

The Company recorded a provision for income taxes of $2.1 million for the third quarter of 2010 on pre-tax income of $4.1 million, a 51.9% effective tax rate. The increased rate results from an additional $0.3 million charge relating to a reduction in the estimated value of our state deferred tax assets. This compares to $0.5 million of income tax expense on pre-tax income of $6.2 million, a 7.5% effective tax rate for the prior year period. The 2009 tax rate was lower due to utilizing the valuation allowance against our deferred tax assets, which was reversed in the fourth quarter of 2009.

Net income for the third quarter was $2.0 million, or $0.04 per diluted share, compared to $5.7 million, or $0.14 per diluted share, in the prior year period.

Nine Months Ended 2010 versus Nine Months Ended 2009

Revenue for the nine months ended September 30, 2010 was $1.2 billion compared to $988.0 million for the comparable period a year ago. Pharmacy Services segment revenue for the nine months ended September 30, 2010 was $923.6 million as compared to revenue of $880.4 million for the same period a year ago, an increase of $43.2 million, or 4.9%. The increase for the year was primarily related to new contracts, the expansion of patients served and industry wide drug inflation partially offset by pricing concessions and last year's AWP settlement. Infusion/Home Health Services segment revenue for the nine months ended September 30, 2010 was $264.6 million, as compared to $107.6 million for the same period a year ago, an increase of $157.0 million. CHS revenues contributed $137.8 million for the nine months ended September 30, 2010. Excluding the CHS revenues, Infusion/Home Health Services segment revenue increased 17.9% over the prior year period.

Consolidated gross profit for the nine months ended September 30, 2010 was $187.8 million compared to $115.9 million for the same period a year ago. Consolidated gross profit as a percent of revenue for the nine months ended September 30, 2010 was 15.8%, compared to 11.7% for the same period of 2009.

Consolidated operating profit for the nine months ended September 30, 2010 was $19.4 million, or 1.6% of total revenue, compared to $16.1 million, or 1.6% of revenue, for the same period a year ago. Operating profit for the nine months ended September 30, 2010 includes $2.2 million of amortization expense and $7.1 million of transaction, integration and severance related expenses associated with the CHS and drugstore.com acquisitions.

For the nine months ended September 30, 2010, BioScrip generated $62.8 million of segment Adjusted EBITDA, or 5.3% of total revenue. This compares to $41.9 million, or 4.2% of total revenue for the prior year period. Pharmacy Services segment generated $31.1 million of segment Adjusted EBITDA, or 3.4% of Pharmacy Services segment revenue. This compares to $34.5 million, or 3.9% of that segment's revenue in the prior period. Infusion/Home Health segment reported $31.7 million of segment Adjusted EBITDA, or 12.0% of Infusion/Home Health segment revenue. This compares to $7.4 million, or 6.9% of Infusion/Home Health Services segment revenue, in the prior year period.

On a consolidated basis, BioScrip reported $39.2 million of Adjusted EBITDA for the nine month period ended September 30, 2010, or 3.3% of total revenue compared to $22.1 million, or 2.2% of total revenues in the prior year period.

Interest expense for the nine months ended September 30, 2010 was $19.5 million, which includes $2.3 million associated with the Company's bridge loan. Interest expense for the comparable period in 2009 was $1.5 million.

Income tax expense was $2.0 million for the nine months ended September 30, 2010 on a pre-tax net loss of $0.1 million. The income tax expense for the year is the result of the non deductible transaction expenses associated with the CHS acquisition and the revaluation of certain state deferred tax assets. This compares to a $1.2 million income tax expense on pre-tax income of $14.7 million same period a year ago.

Net loss for the nine months ended September 30, 2010 was $2.1 million, or $0.04 per share. This compares to net income of $13.4 million or $0.34 per diluted share for the same period last year.

Liquidity

On September 30, 2010, the Company had $51.0 million of cash with an average cash balance of $64.1 million during the quarter. In addition, the $50.0 million revolving credit facility remains undrawn. Free cash flow (Adjusted EBITDA less debt service, cash interest, cash taxes and cash capital expenditure) during the third quarter was $12.1 million.

Conference Call

BioScrip will host a conference call to discuss its third quarter 2010 financial results on November 2, 2010 at 8:30 a.m. Eastern Time. Interested parties may participate in the conference call by dialing 800-909-4195 (US), or 212-231-2905 (International), 5-10 minutes prior to the start of the call. A replay of the conference call will be available shortly after the call's conclusion on Tuesday, November 2, through 10:30 a.m. Eastern Time on Wednesday, November 17, by dialing 800-633-8284 (US), or 402-977-9140 (International), and entering reservation number #21485382. An audio web cast and archive of the conference call will also be available under the investor relations section of the BioScrip website at www.bioscrip.com.

About BioScrip, Inc.

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

This press release may contain statements which constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the intent, belief or current expectations of the Company, its directors, or its officers with respect to the future operating performance of the Company, Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. Important factors that could cause such differences are described in the Company's periodic filings with the Securities and Exchange Commission.

EBITDA or earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA, which includes equity-based compensation and transaction, integration and severance and bad debt relating to CAP contract termination, are non-GAAP financial measures as defined under U.S. Securities and Exchange Commission Regulation G. As required by Regulation G, BioScrip has provided on Schedule 4 a reconciliation of this measure to the most comparable GAAP financial measure. The non-GAAP measure presented provides important insight into the ongoing operations and a meaningful benchmark to evidence the Company's continuing profitability trend.

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Schedule 1

BIOSCRIP, INC
CONSOLIDATED BALANCE SHEETS
(in thousands, except for share amounts)

	September 30, 2010 (unaudited)	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 50,979	$ —
Receivables, less allowance for doubtful accounts of $16,408 and $11,504 at September 30, 2010 and December 31, 2009, respectively	186,474	151,113
Inventory	66,322	51,256
Deferred taxes	19,960	12,913
Prepaid expenses and other current assets	16,519	3,999
Total current assets	340,254	219,281
Property and equipment, net	22,723	15,454
Deferred taxes	17,414	26,793
Goodwill	323,798	24,498
Intangible assets, net	32,101	—
Deferred financing costs	5,440	—
Other non-current assets	2,151	1,194
Total assets	$ 743,881	$ 287,220
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt	$ 3,864	$ 30,389
Accounts payable	84,782	74,535
Claims payable	4,598	4,068
Amounts due to plan sponsors	16,170	4,938
Deferred revenue	3,527	—
Accrued expenses and other current liabilities	46,577	14,273
Total current liabilities	159,518	128,203
Long-term debt, net of current portion	314,752	—
Other non-current liabilities	3,796	3,224
Total liabilities	478,066	131,427
Stockholders' equity		
Preferred stock, $.0001 par value; 5,000,000 shares authorized; no shares issued or outstanding	$ —	$ —
Common stock, $.0001 par value; 125,000,000 shares authorized; shares issued: 56,632,871 and 42,766,478, respectively; shares outstanding; 53,688,338 and 39,675,865, respectively	6	4
Treasury stock, shares at cost: 2,658,963 and 2,647,613, respectively	(10,496)	(10,367)
Additional paid-in capital	366,901	254,677
Accumulated deficit	(90,596)	(88,521)
Total stockholders' equity	265,815	155,793
Total liabilities and stockholders' equity	$ 743,881	$ 287,220

Schedule 2

BIOSCRIP, INC
CONSOLIDATED STATEMENTS OF OPERATIONS (1)
(unaudited and in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenue	$ 441,153	$ 333,476	$ 1,188,251	$ 987,974
Cost of revenue	365,769	291,980	1,000,426	872,100
Gross profit	75,384	41,496	187,825	115,874
% of Revenue	17.1%	12.4%	15.8%	11.7%
Operating expenses				
Selling, general and administrative expenses	55,950	32,402	146,978	94,335
Bad debt expense	5,309	2,433	12,536	5,410
Acquisition and integration expenses	595	—	6,694	—
Amortization of intangibles	1,326	—	2,196	—
Total operating expense	63,180	34,835	168,404	99,745
% of Revenue	14.3%	10.4%	14.2%	10.1%
Income from operations	12,204	6,661	19,421	16,129
Interest expense, net	8,122	447	19,515	1,471
Income (loss) before income taxes	4,082	6,214	(94)	14,658
Income tax expense	2,117	467	1,981	1,249
Net income (loss)	$ 1,965	$ 5,747	$ (2,075)	$ 13,409
Basic weighted average shares	53,425	38,961	49,232	38,807
Diluted weighted average shares	54,210	40,184	49,232	39,345
Basic net income (loss) per share	$ 0.04	$ 0.15	$ (0.04)	$ 0.35
Diluted net income (loss) per share	$ 0.04	$ 0.14	$ (0.04)	$ 0.34

BIOSCRIP, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Cash flows from operating activities:		
Net (loss) income	$ (2,075)	$ 13,409
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation	6,211	3,596
Amortization of intangible assets	2,196	—
Amortization of deferred financing costs	1,272	—
Change in deferred income tax	1,197	562
Compensation under stock-based compensation plans	2,726	2,385
Loss on disposal of fixed assets	125	—
Bad debt expense	12,536	5,410
Changes in assets and liabilities, net of acquired business:		
Receivables, net of bad debt expense	(10,564)	5,913
Inventory	(10,834)	(2,606)
Prepaid expenses and other assets	(6,618)	(1,014)
Accounts payable	7,100	(14,027)
Claims payable	530	(1,002)
Amounts due to plan sponsors	3,051	305
Accrued expenses and other liabilities	(963)	1,048
Net cash provided by operating activities	5,890	13,979
Cash flows from investing activities:		
Purchases of property and equipment, net	(6,747)	(4,522)
Cash consideration paid for Option Health earn-out	(1,000)	—
Cash consideration paid to CHS, net of cash acquired	(92,464)	—
Cash consideration paid to DS Pharmacy	(4,969)	—
Net cash used in investing activities	(105,180)	(4,522)
Cash flows from financing activities:		
Proceeds from new credit facility, net of fees paid to issuers	319,000	—
Borrowings on line of credit	300,310	997,920
Repayments on line of credit	(330,699)	(1,008,747)
Repayments of capital leases	(72)	—
Principal payments on CHS long-term debt, paid at closing	(128,952)	—
Principal payments on long-term debt	(1,250)	—
Repayment of note payable	(2,250)	—
Deferred financing costs	(8,680)	—
Net proceeds from exercise of employee stock compensation plans	2,990	1,448
Surrender of stock to satisfy minimum tax withholding	(128)	(78)
Net cash provided by (used in) financing activities	150,269	(9,457)
Net change in cash and cash equivalents	50,979	—
Cash and cash equivalents — beginning of period	—	—
Cash and cash equivalents — end of period	$ 50,979	$ —
DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 5,038	$ 1,432
Cash paid during the period for income taxes	$ 1,803	$ 741

BIOSCRIP, INC
Reconciliation between GAAP and Non-GAAP Measures
(unaudited and in thousands)

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Results of Operations:				
Revenue:				
Infusion and Home Health Services	$ 111,849	$ 36,809	$ 264,625	$ 107,613
Pharmacy Services	329,304	296,667	923,626	880,361
Total	$ 441,153	$ 333,476	$ 1,188,251	$ 987,974
Adjusted EBITDA by Segment before corporate overhead:				
Infusion and Home Health Services	$ 14,942	$ 2,586	$ 31,702	$ 7,420
Pharmacy Services	10,731	13,224	31,120	34,521
Total Segment Adjusted EBITDA	25,673	15,810	62,822	41,941
Corporate overhead	(7,602)	(6,896)	(23,646)	(19,831)
Consolidated Adjusted EBITDA	$ 18,071	$ 8,914	$ 39,176	$ 22,110
Interest expense, net	(8,122)	(447)	(19,515)	(1,471)
Income tax expense	(2,117)	(467)	(1,981)	(1,249)
Depreciation	(2,404)	(1,356)	(6,211)	(3,596)
Amortization	(1,326)	—	(2,196)	—
Stock-based compensation expense	(1,097)	(897)	(2,726)	(2,385)
Acquisition, integration and severance expenses	(1,040)	—	(7,139)	—
Bad debt expense related to contract termination	—	—	(1,483)	—
Net income (loss)	$ 1,965	$ 5,747	$ (2,075)	$ 13,409
Supplemental Operating Data				
Capital Expenditures:				
Infusion and Home Health Services	$ 977	$ 48	$ 2,229	$ 376
Pharmacy Services	1,104	545	3,044	3,010
Corporate unallocated	324	—	1,474	1,136
Total	$ 2,405	$ 593	$ 6,747	$ 4,522
Depreciation Expense:				
Infusion and Home Health Services	$ 1,128	$ 277	$ 2,381	$ 904
Pharmacy Services	954	858	3,019	1,950
Corporate unallocated	322	221	811	742
Total	$ 2,404	$ 1,356	$ 6,211	$ 3,596
Total Assets				
Infusion and Home Health Services			$ 438,705	$ 52,954
Pharmacy Services			143,153	121,081
Corporate unallocated			162,023	66,145
Total			$ 743,881	$ 240,180
Goodwill				
Infusion and Home Health Services			$ 299,300	$ —
Pharmacy Services			24,498	24,498
Total			$ 323,798	$ 24,498

Exhibit 99.2

NEWS RELEASE

BIOSCRIP NAMES RICHARD M. SMITH AS CHIEF EXECUTIVE OFFICER

Richard H. Friedman to Step Down as CEO and Serve as Non-Executive Chairman

Elmsford, NY – November 2, 2010 – BioScrip (Nasdaq: BIOS) today announced that Richard "Rick" M. Smith, currently President and Chief Operating Officer, has been named Chief Executive Officer, effective January 1, 2011. Mr. Smith will replace Richard H. Friedman, currently Chairman of the Board and Chief Executive Officer (CEO), who will be stepping down as CEO to serve as Non-Executive Chairman of the BioScrip Board of Directors, effective January 1, 2011.

"Rick has made significant improvements to the operations of BioScrip – as demonstrated by the successful integration of the Critical Homecare Solutions acquisition – and now is the perfect time to transition leadership over to him," said Mr. Friedman. "Having spent more than a decade at BioScrip in various executive management and Board Member roles, I'm proud to have been a part of the company's transformation into a key player in the specialty pharmacy and home infusion industry. I'm enthusiastic about Rick leading BioScrip into the company's next phase of growth."

"It's an exciting time to lead BioScrip given our strong position in the industry," said Mr. Smith. "We have many great assets and I look forward to building an organization based on accountability, growing value through leveraging core competencies, and maximizing margins and operating cash flow generation."

"On behalf of BioScrip's Board of Directors and the entire BioScrip team, I want to express our deep appreciation for Rich's many contributions and dedication to the company during the past 14 years, particularly the past four years when he reassumed the role of CEO," said Mr. Stuart A. Samuels, a member of BioScrip's Board of Directors and the Chairman of the Company's Management Development and Compensation Committee. "We look forward to Rich's continued commitment to the success of BioScrip in the role of Non-Executive Chairman, which will facilitate Rick's smooth transition to CEO."

About Richard "Rick" M. Smith

Prior to today's appointment, Mr. Smith has served as President and Chief Operating Officer of BioScrip , since January 2009. Prior to joining the Company, from June 2006 to December 2008, Mr. Smith was Chief Executive Officer and a director of Byram Healthcare Centers, Inc., a provider of medical supplies and pharmacy items to long term chronic patients. From May 2003 to May 2006, Mr. Smith was the President and Chief Operating Officer of Option Care, Inc., a home infusion and specialty pharmaceutical company.

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.

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