Risk Factors Comparison 2024-02-14 to 2023-02-22 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

This Annual Report on Form 10- K contains forward- looking statements within the meaning of the federal securities laws. Please read the cautionary notice regarding forward- looking statements in Item 7 of Part II of this Annual Report on Form 10- K under the heading" Management' s Discussion and Analysis of Financial Condition and Results of Operations." These forward- looking statements involve risks and uncertainties, including those discussed below, which could have a material adverse effect on our business, cash flows, financial condition, results of operations and / or reputation. The risks and uncertainties discussed below are not the only ones facing our business. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial could also have a material adverse effect on our business, cash flows, financial condition, results of operations and / or reputation. Summary Risk Factors The following is a summary of the principal risks and uncertainties that could adversely affect our business, cash flows, financial condition and / or results of operations, and these adverse impacts may be material. This summary is qualified in its entirety by reference to the more detailed descriptions of the risks and uncertainties included in this Item 1A. below and you should read this summary together with those more detailed descriptions. These principal risk and uncertainties relate to, among other things: Risks Related to the Operation of our Business • macroeconomic conditions and global events; • the complex set of governmental laws, regulations and other requirements that impact us, including potential changes thereto; • **changes in federal and state healthcare or regulations; •** the various lawsuits, demands, claims, qui tam suits, governmental investigations and audits and other legal matters that we may be subject to from time to time; • the number or percentage of patients with higher- paying commercial insurance, the average rates that commercial payors pay us, any restrictions in plan designs or other contractual terms, including, without limitation, the scope and duration of coverage and in- network benefits; • our ability to successfully implement our strategy with respect to integrated kidney care, value- based care and home- based dialysis; **• our ability to successfully implement our strategy with respect to home- based dialysis** • changes in the structure of and payment rates under government- based programs; • increases in labor costs, including, without limitation, due to shortages, changes in certification requirements and / or higher than normal turnover rates in skilled clinical personnel; currently pending or future governmental laws, rules, regulations or initiatives; our ability to attract and retain key leadership talent or employees; or union organizing activities or other legislative or other changes; • our ability to comply with complex privacy and information security laws that impact us and / or our ability to properly maintain the integrity of our data, protect our proprietary rights to our systems or defend against cybersecurity attacks; • our ability to establish and maintain supply relationships that meet our needs at cost- effective prices or at prices that allow for adequate reimbursement as applicable, our ability to access new technology or superior products in a cost- effective manner and our increasing reliance on third party service providers; • changes in clinical practices, payment rates or regulations impacting pharmaceuticals and / or devices; • our ability to compete successfully, including, without limitation, implementing our growth strategy and / or retaining patients and physicians willing to serve as medical directors; • our U. S. integrated kidney care, **U. S. other** ancillary services and our international operations and our ability to expand within markets or to new markets, or invest in new products or services; • political, economic, legal, operational and other risks as we expand our operations and offer our services in markets outside of the U. S., and utilizing third- party suppliers and service providers operating outside of the U. S.; • our ability to effectively maintain, operate or upgrade our information systems or those of third- party service providers upon which we rely, including, without limitation, our clinical, billing and collections systems, and our ability to adhere to federal and state data sharing and access requirements and regulations; • our acquisitions, mergers, joint ventures, noncontrolling interest investments or dispositions **; • if our joint ventures were found to violate the law** ; • our aspirations, goals and disclosures related to environmental, social and governance (ESG) matters; • our ability to appropriately estimate the amount of dialysis revenues and related refund liabilities; General Risks • our current or future level of indebtedness, including, without limitation, our ability to generate cash to service our indebtedness and for other intended purposes and our ability to maintain compliance with debt covenants; • changes in tax laws, regulations and interpretations or challenges to our tax positions; • the effects of natural or other disasters, political instability, public health crises or adverse weather events such as hurricanes, earthquakes, fires or flooding; • liability claims for damages and other expenses that are not covered by insurance or exceed our existing insurance coverage; • our ability to successfully maintain an effective internal control over financial reporting; and • provisions in our organizational documents, our compensation programs and policies and certain requirements under Delaware law that may deter changes of control or make it more difficult for our stockholders to change the composition of our Board of Directors and take other corporate actions that our stockholders would otherwise determine to be in their best interests. Macroeconomic conditions and global events have impacted and will continue to impact our business and cost structure in a variety of ways, and ~~there~~ **these and other uncontrollable events may in the future impact the rate of growth of our patient population and our ability to grow the business. There** can be no assurance that we will be able to successfully execute cost savings **or other** initiatives in a manner that will offset the impact of these ~~challenging~~ conditions, which could result in a material adverse impact on us. We continue to be impacted by general conditions in the global economy and marketplace, many of which ~~are~~ **may be** interrelated. These conditions relate to, among other things, ~~the COVID- 19 pandemic,~~ inflation, ~~rising~~ interest rates, challenging labor market conditions ~~and~~ **,** supply chain challenges **, continuing effects of COVID- 19 and other factors that may impact our long term rate of growth of our patient population** . Certain of these impacts could be further intensified by concurrent global events such as the ongoing conflict between Russia and Ukraine **and in Israel, Gaza and the surrounding areas** , which ~~has~~ **have** continued to drive sociopolitical and economic uncertainty and volatility ~~in Europe and~~ across the globe.

The ultimate impact of these and other conditions on our business over time depends on future developments that are highly uncertain and difficult to predict. **We also have risk associated** ~~With~~ **with** ~~respect to~~ COVID- 19 ~~, these future developments include, among other things, the ultimate severity and duration of the pandemic; the evolution of new strains or variants of the virus that may present varying levels of infectivity or virulence; COVID- 19' s impact on the chronic kidney disease (CKD) patient population and our patient population, including on the mortality of these patients; the availability, acceptance, impact and efficacy of COVID- 19 vaccines, treatments and therapies; the pandemic' s continuing impact on our revenue and non- acquired growth due to lower treatment volumes; the potential negative impact on our commercial mix or the number of patients covered by commercial insurance plans; continued increased COVID- related costs; supply chain challenges and disruptions, including with respect to our clinical supplies; the responses of our competitors to the pandemic and related changes in the marketplace; the timing, scope and effectiveness of federal, state and local government responses; and any potential changes to the extensive set of federal, state and local laws, regulations and requirements that govern our business. COVID- 19 has also intensified certain conditions and developments in the U. S. and global economies, labor market conditions, inflation and monetary policies that continue to impact our business as further described below~~ . We have experienced and expect to continue to experience a negative impact on revenue and non- acquired growth from COVID- 19 due to lower treatment volumes, including from the negative impact of COVID- 19 on the mortality rates of our patients, which has in turn impacted our patient census, as well as the direct and indirect impact of COVID- 19 on our missed treatment rate and new admissions. We expect that the impact of COVID- 19 is likely to continue to negatively impact our revenue and non- acquired growth for a period of time ~~even as the pandemic subsides~~ due to the ~~compounding~~ **ongoing** impact of **the virus on ESKD and CKD patient** ~~mortalities~~ **mortality rates** , among other things ~~. Because ESKD patients may be older and generally have comorbidities, several of which are risk factors for COVID- 19, we believe the mortality rate of infected patients has been higher in the dialysis population than in the general population. Over the longer term, we believe that changes in mortality in both the ESKD and CKD populations due to COVID- 19 will continue to depend primarily on the infection rate, case fatality rate, the age and health status of affected patients, and access to and continued efficacy of vaccinations or other treatments or therapies, particularly as it relates to variants of the virus, as well as willingness to be vaccinated~~ . New admission rates, future revenues and non- acquired growth could also continue to be negatively impacted over time to the extent that the CKD population experiences elevated mortality levels due to ~~the pandemic. There remains significant uncertainty as to the ultimate impact of~~ COVID- 19 ~~on our treatment volumes, in part due to, among other things, the indeterminate severity and duration of the pandemic and the complexity of factors that may drive new admissions and missed treatment rates over time~~ . **As** ~~Depending on the ultimate severity and duration of the pandemic, the magnitude of these cumulative impacts could have a material adverse impact on our results of operations, financial condition and cash flows. For~~ further **described below in** ~~information on our growth strategy and the rate of growth of the ESKD population, see~~ the risk factor under the heading," If we are unable to compete successfully..." ~~COVID~~ **, certain other events beyond our control could also impact the rate of growth of our ESKD patient population. Any decrease in growth rates for the ESKD or CKD patient population, higher mortality rates for dialysis patients or other reductions in demand for dialysis treatments, if sustained or significant, could have a material adverse effect on our business, results of operations, financial condition and cash flows. Any such impact would be magnified to the extent it also resulted in a lower number of patients with commercial insurance or a lower percentage of patients under commercial insurance relative to government** ~~- 19 and other~~ **based programs. Ongoing** global **economic** conditions **and political and regulatory developments, such as general labor, supply chain and inflationary pressures** have also increased, and will continue to increase, our expenses, including ~~,~~ among ~~others~~ **other things** , staffing and labor costs. Our business is labor intensive and our financial and operating results have been and continue to be sensitive to variations in labor- related costs and productivity. We have historically faced and expect to continue to face difficulties in hiring and retaining caregivers due in part to a nationwide shortage of clinical personnel. **We expect certain of** ~~These~~ **these** ~~challenges have been heightened by the~~ increased **staffing** ~~demand for~~ and ~~demand upon~~ **labor costs to continue, due to, among other factors, recent legislative changes,** such ~~personnel by the ongoing pandemic and our COVID- 19 response,~~ as **Senate Bill 525** ~~well as ongoing volatility and uncertainty~~ in **California** ~~the labor market~~ , ~~particularly in healthcare. In 2022, as part of our continuing efforts in this challenging~~ and ~~highly competitive labor market, we incurred higher than usual wage increases~~ **increased training** ~~, and higher incentive pay. For additional details on the substantial resources dedicated, and~~ costs ~~incurred in response to COVID- 19, see the discussion under Part I, Item 1~~ . **The cumulative** ~~Business of this Form 10- K under the heading" COVID- 19 and its~~ impact ~~on our business"~~ **of these increased costs could be material** . In addition, **our industry has experienced increased union organizing activities, including the filing of petitions by unions at certain of our competitors' clinics with a number of those clinics voting to unionize.** ~~potential~~ **Potential** staffing shortages or **other potential developments or** disruptions **related to our teammates** , if material, could ultimately lead to the unplanned closures of certain centers or adversely impact clinical operations, ~~and~~ **or** may otherwise have a material adverse impact on our ability to provide dialysis services or the cost of providing those services, among other things. The staffing and labor cost inflation described above, in addition to higher equipment and clinical supply costs, among other things, have put pressure on our existing cost structure, and we expect that some of these increased costs will continue as labor market conditions remain challenging, global supply chains continue to experience volatility and disruptions and as inflationary pressures continue. Prolonged volatility, uncertainty, labor supply shortages and other challenging labor market conditions could have an adverse impact on our growth and ability to execute on our other strategic initiatives and a material adverse impact on our labor costs, among other things. Prolonged strain on global supply chains may result in equipment and clinical supply shortages, disruptions, delays or associated price increases that could impact our ability to provide dialysis services or the cost of providing those services, among other things. Moreover, to the extent that monetary policies or other factors impacting structural costs over the long term have contributed to or may in the future contribute to inflationary pressures, this may in turn continue to increase our labor and supply costs at a rate that outpaces

the Medicare or any other rate increases we may receive. In our value- based care and other programs where we assume financial accountability for total patient cost, an increase in ~~COVID- 19 rates among patients~~ **our underlying staffing and labor expenses** could have an impact on total cost of care. This increase may in turn impact the profitability of those programs relative to their respective funding. We continue to **invest in and** implement cost savings ~~opportunities~~ **initiatives designed** to help mitigate these cost and volume pressures. These include, among other things, anticipated cost savings related to general and administrative cost efficiencies, such as ongoing initiatives that increase our use of third party service providers to perform certain activities, including financial reporting and information technology functions, initiatives relating to clinic optimization, initiatives for capacity utilization improvement, and procurement opportunities ~~, such as our transition to a new erythropoiesis stimulating agent (ESA) contract~~. We have incurred, and expect to continue to incur charges in connection with the continued implementation of these initiatives, and there can be no assurance that we will be able to successfully execute these initiatives or that they will achieve expectations or succeed in helping offset the impact of these challenging conditions. Any failure on our part to adjust our business and operations in this manner, to adjust to other marketplace developments or dynamics or to appropriately implement these initiatives in accordance with applicable legal, regulatory or compliance requirements could adversely impact our ability to provide dialysis services or the cost of providing those services, among other things, and ultimately could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows. Deterioration in economic conditions, whether ~~in connection with the COVID- 19 pandemic or~~ driven by ~~other~~ macroeconomic conditions ~~or~~ **,** global events **, domestic political or governmental volatility or other events beyond our control** , including the aforementioned inflationary and labor market pressures, volatility and uncertainty, as well as ~~rising~~ **potential volatility in** interest rates, could have a material adverse effect on our business, results of operations, financial condition and cash flows. Among other things, the potential decline in federal and state tax revenues that may result from a deterioration in economic conditions may create additional pressures to ~~contain or reduce reimbursements for our services from Medicare, Medicaid and other~~ government sponsored programs. **Any potential period of extended or** ~~Increases~~ **increased** ~~in~~ job losses in the U. S. as a result of adverse economic conditions, including economic deterioration, could ultimately result in a smaller percentage of our patients being covered by an employer group health plan and a larger percentage being covered by lower- paying government insurance programs or being uninsured. In the event a material reduction occurs in the share of our patients covered by commercial insurance plans, it would have a material adverse impact on our business, results of operations, financial condition and cash flows. The extent of these effects will depend upon, among other things, the extent and duration of any increased unemployment levels for our patient population, any economic deterioration or potential recession; ~~the timing and scope of federal, state and local governmental responses to the ongoing pandemic;~~ and patients' ability to retain existing insurance and their individual choices with respect to their coverage, all of which are highly uncertain and difficult to predict. ~~In a declining~~ **Declining** ~~economy~~ **economic conditions or other pressures that drive increased focus on healthcare costs may lead** , employers **to** ~~may also~~ select more restrictive commercial plans with lower reimbursement rates. To the extent that payors are negatively impacted by a decline in the economy, we may experience further pressure on commercial rates, a slowdown in collections and a reduction in the amounts we expect to collect. For additional information on risks regarding the potential impact of decreases to the percentage or number of our patients with commercial insurance, see the risk factor under the heading" If the number or percentage of patients with higher- paying commercial insurance declines..." If general economic conditions **or labor market conditions** deteriorate ~~further~~ or remain uncertain for an extended period of time, we may **experience negative impacts on reimbursement rates or the availability of insurance coverage for our patients, which may in turn materially and unfavorably impact our revenues and financial results. These impacts could lead us to** incur future charges to recognize impairment in the carrying amount of our goodwill and other intangible assets **, which could have a material adverse effect on our business, results of operations and financial condition. As of December 31, 2023, we had approximately $ 7 billion of goodwill recorded on our consolidated balance sheet** . We **account for impairments of goodwill in accordance with the provisions of applicable accounting guidance, and record impairment charges when and to the extent a reporting unit' s carrying amount is determined to exceed its estimated fair value. We use a variety of factors to assess changes in the financial condition, future prospects and other circumstances concerning our businesses and to estimate their fair value when applicable. These assessments and the related valuations can involve significant uncertainties and require significant judgment on various matters. The aforementioned impacts** may ~~experience~~ **also drive** an increased need for additional liquidity funded by accessing existing credit facilities, raising new debt in the capital markets, or other sources, and we may seek to refinance existing debt, which may be more difficult or costly in an uncertain or declining economic environment. For additional information regarding the risks related to our indebtedness, see the discussion in the risk factor under the heading" The level of our current and future debt..." Furthermore, any extended billing or collection cycles, or deterioration in collectability of accounts receivable, will adversely impact our results of operations and cash flows. ~~Should our revenues and financial results be materially, unfavorably impacted due to, among other things, a worsening of the economic and labor market conditions in the United States that negatively impacts reimbursement rates or the availability of insurance coverage for our patients, we may incur future charges to recognize impairment in the carrying amount of our goodwill and other intangible assets, which could have a material adverse effect on our business, results of operations and financial condition. As of December 31, 2022, we had approximately $ 7 billion of goodwill recorded on our consolidated balance sheet. We account for impairments of goodwill in accordance with the provisions of applicable accounting guidance, and record impairment charges when and to the extent a reporting unit' s carrying amount is determined to exceed its estimated fair value. We use a variety of factors to assess changes in the financial condition, future prospects and other circumstances concerning our businesses and to estimate their fair value when applicable. These assessments and the related valuations can involve significant uncertainties and require significant judgment on various matters.~~ Any or all of these economic conditions or developments, as well as other consequences of these conditions or developments, **some of which are beyond our control and**

none of which we can reasonably predict, could have a material adverse effect on our patients, teammates, physician partners, suppliers, business, results of operations, financial condition and / or cash flows or materially harm our reputation. In addition, these conditions or developments each may heighten many of the other risks and uncertainties discussed herein. Our business is subject to a complex set of governmental laws, regulations and other requirements and any failure to adhere to those requirements, or any changes in those requirements, could have a material adverse effect on our business, results of operations, financial condition and cash flows, could materially harm our stock price, and in some circumstances, could materially harm our reputation. We operate in a complex regulatory environment with an extensive and evolving set of federal, state and local governmental laws, regulations and other requirements that apply to us. These laws, regulations and other requirements are promulgated and overseen by a number of different legislative, regulatory, administrative, and quasi- regulatory bodies, each of which may have varying interpretations, judgments or related guidance. As such, we utilize considerable resources on an ongoing basis to monitor, assess and respond to applicable legislative, regulatory and administrative requirements, but there is no guarantee that we will be successful in our efforts to adhere to all of these requirements. Laws, regulations and other requirements that apply to or impact our business include, but are not limited to: • Medicare and Medicaid **coverage and** reimbursement statutes, and other federal **coverage and** reimbursement statutes, rules and regulations (including, but not limited to, manual provisions, local coverage determinations, national coverage determinations, payment schedules and agency guidance); • Medicare and Medicaid provider requirements, including, but not limited to, requirements associated with providing and updating certain information about the Medicare or Medicaid entity, as applicable, and its direct and indirect affiliates; • Section 1115A of the Social Security Act, which, among other things, authorizes the Center for Medicare and Medicaid Innovation (CMMI) to test certain innovation models; • Fraud waste and abuse laws; • the 21st Century Cures Act (the Cures Act); • Federal Acquisition Regulations; • the Foreign Corrupt Practices Act (FCPA) **, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107- 56 (Patriot Act), Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001,** and similar laws and regulations; • antitrust and competition laws and regulations; • laws and regulations related to the corporate practice of medicine; • laws and regulations regarding the collection, use and disclosure of patient health information (e. g., Health Insurance Portability and Accountability Act of 1996 (HIPAA)); • the No Surprises Act; • laws and regulations regarding the storage, handling, shipment, disposal and / or dispensing of pharmaceuticals and blood products and other biological materials **; • laws, regulations or other guidance across jurisdictions that require enhanced disclosures and due diligence surrounding the impacts of our Company and value chain on, and the financial risks and opportunities for our Company from, environmental, social and governance (ESG) or other similar sustainability or corporate responsibility matters, as well as enhanced policies, processes and controls designed to appropriately monitor and track such information and enhanced actions to address our Company' s impact on these matters** ; and • individualized state laws and regulations associated with the operation of our business. If any of our personnel, representatives, third party vendors, or operations are alleged to have violated these or other laws, regulations or requirements, we could experience material harm to our reputation and stock price, and it could impact our relationships and / or contracts related to our business, among other things. If any of our personnel, representatives, third party vendors or operations are found to violate these or other laws, regulations or requirements, we could suffer additional severe consequences that could have a material adverse effect on our business, results of operations, financial condition and cash flows, including, among others: • Loss of required certifications or suspension or exclusion from or termination of our participation in government programs (including, without limitation, Medicare, Medicaid and CMMI demonstration programs); • Refunds of amounts received in violation of law or applicable payment program requirements dating back to the applicable statute of limitation periods; • Loss of licenses required to operate healthcare facilities or administer pharmaceuticals in the states in which we operate; • Reductions in payment rates or coverage for dialysis and ancillary services and pharmaceuticals; • Criminal or civil liability, fines, damages or monetary penalties; • Imposition of corporate integrity agreements, corrective action plans or consent agreements; • Enforcement actions, investigations, or audits by governmental agencies and / or state law claims for monetary damages by patients who believe their protected health information (PHI) has been used, disclosed or not properly safeguarded in violation of federal or state patient privacy laws, including, among others, HIPAA and the Privacy Act of 1974; • Enforcement actions, investigations, or audits by government agencies related to interoperability and related data sharing and access requirements and regulations; • Mandated changes to our practices or procedures that significantly increase operating expenses that could subject us to ongoing audits and reporting requirements as well as increased scrutiny of our billing and business practices which could lead to potential fines, among other things; • Termination of various relationships and / or contracts related to our business, such as joint venture arrangements, medical director agreements, hospital services and skilled nursing home agreements, real estate leases, value- based care arrangements, clinical incentive programs, payor contracts **, debt agreements** and consulting or participating provider agreements with physicians, among others; and • Harm to our reputation, which could negatively impact our business relationships and stock price, our ability to attract and retain patients, physicians and teammates, our ability to obtain financing and our access to new business opportunities, among other things. Any future penalties, sanctions or other consequences could be more severe in certain circumstances if the OIG or a similar regulatory authority determines that we knowingly or repeatedly failed to comply with laws, regulations or requirements that apply to our business. Additionally, the healthcare sector, including the dialysis industry, is regularly subject to negative publicity, including as a result of governmental investigations, adverse media coverage and political debate surrounding the U. S. healthcare system, among other things. Negative publicity, regardless of merit, regarding the dialysis industry generally, the U. S. healthcare system or DaVita in particular may adversely affect us. See Note ~~16~~ **15** to the consolidated financial statements included in this report for further details regarding certain pending legal proceedings and regulatory matters to which we are or may be subject from time to time, any of which may include allegations of violations of applicable laws, regulations and requirements. ~~The complex and highly regulated environment that we operate~~

~~in, the novel nature of our COVID- 19 response and rulemaking responses to COVID- 19 by certain state and federal agencies, including without limitation OSHA and CMS, may increase our exposure to legal, regulatory compliance and clinical risks. Compliance with COVID- 19- related safety rules and regulations is enforced with sanctions and / or fines, and non- compliance also has the potential for negative publicity or reputational impact. In addition, our novel response to the pandemic included implementing certain restrictive operational protocols for an extended period of time. Maintaining these restrictive operational protocols may also have adversely impacted our strategic initiatives, such as our strategy to continue to build our abilities to offer home dialysis options and expanding our integrated care capabilities. Moreover, the expected expiration of the federal government' s national emergency and public health emergency declarations in May 2023 may impact the coverage for certain services for Medicare and Medicaid patients and will end waivers for the provision of certain services, and returning our services to a pre- pandemic regulatory state similarly may increase our exposure to legal, regulatory, compliance and clinical risks. If we experience a failure of the fitness of our clinical laboratory, dialysis centers and related operations and / or other facilities as a result of operational changes implemented in connection with the COVID- 19 pandemic or for any other reason, or if another event or occurrence adversely impacts the safety of our caregivers or patients (or is alleged to have done so), we could face adverse consequences, including without limitation, material negative impact on our brand, increased litigation, compliance or regulatory investigations, teammate unrest, work stoppages or other workforce disruptions. Any governmental investigations or legal actions brought by patients, teammates, caregivers or others relating to the safety of our caregivers or patients, or alleged exposure to COVID- 19 at our facilities or by our caregivers, may involve significant demands and require substantial legal defense costs, which may not be adequately covered by our professional and general liability insurance, and may materially harm our reputation.~~ Changes in federal and state healthcare legislation or regulations could have a material adverse effect on our business, results of operations, financial condition and cash flows. Each of the laws, regulations and other requirements that govern our business may continue to change over time, and there is no assurance that we will be able to accurately predict the nature, timing or extent of such changes or the impact of such changes on the markets in which we conduct business or on the other participants that operate in those markets. Among other things, the regulatory framework of the healthcare marketplace continues to evolve as a result of executive, legislative, regulatory and administrative developments and judicial proceedings. These changes shape the landscape for our current dialysis and ancillary businesses as well as for emerging comprehensive and integrated kidney care markets. For example, as further described below, we have made substantial investments in and dedicated resources to our integrated care business, value- based care initiatives and home- based dialysis business to address recent regulatory developments that include innovative payment models, and there are risks to those investments, or additional investments may be required, in the event the regulatory environment changes and we do not adequately adapt to such changes. In addition, access to healthcare has been both positively and negatively impacted over time by legal, regulatory and judicial action and changes to the political environment may increase the likelihood of regulatory or legislative changes that would impact us. If access to healthcare is significantly altered or if other reforms limiting access to healthcare are enacted in the future, such changes could impact our business in a number of ways, some of which may be material. Considerable uncertainty exists surrounding the continued development of the healthcare regulatory environment including pilot programs and models, as well as similar healthcare reform measures and / or other changes to laws, regulations and other requirements at the federal and / or state level that govern our business. Changes to the continuously evolving healthcare regulatory landscape may also have the potential to generate opportunities with relative ease of entry for certain ~~smaller~~ **different** and / or non- traditional providers and we may be competing with them for patients in an asymmetrical environment with respect to **reimbursement rates,** data and / or regulatory requirements given our status as an ESRD service provider **and relative scale** . For example, CMS may consider opening for comment its established Medicare ESRD conditions for coverage. In the event that this process results in reductions or other changes in minimum health and safety standards for the provision of dialysis services, it may change the marketplace in which we operate. If we are unable to successfully adapt to these marketplace developments in a timely and compliant manner, we may experience a material adverse reduction in our overall number of patients, among other things. For additional detail on our evolving competitive environment, see the risk factor under the heading" If we are unable to compete successfully..." Broader changes to the regulatory landscape may also impact our business. For example, in January 2023, the Federal Trade Commission **(FTC)** proposed a new rule that would generally prohibit employers from using **non-** ~~noncompete~~ **--- compete** clauses in contracts with workers that extend beyond the termination of the employment or independent contractor relationship. **It is unclear if** ~~While the rule remains open for comment~~ and ~~the~~ **when a** final rule **will be** ~~has not been~~ issued **and whether it would be subject to legal challenges. In addition** , ~~we~~ **Congress and more than half of the states' legislatures introduced legislation in 2023 that would place some restrictions on non- compete agreements between employers and workers. While few of these states passed such legislation, it is possible that similar legislation could be introduced in 2024. We** are monitoring these developments **and any state follow- on regulations** for any potential impact on our agreements with teammates, our arrangements with medical directors, joint venture operating agreements, or the terms of any of our existing agreements with physicians **, among others,** should ~~the proposed rule~~ **any such legislation or regulation** be finalized and implemented. Although we cannot predict the short- or long- term effects of **any** legislative or regulatory changes, future market changes could result in, among other things, more restrictive commercial plans with lower reimbursement rates or higher deductibles and co- payments that patients may not be able to pay. Because our revenue and operating income levels are highly sensitive to the percentage and number of our patients with higher- paying commercial health insurance, any legislative, regulatory or other changes that decrease the accessibility and availability, including the duration, of commercial insurance is likely to have a material adverse impact on our business. For additional information on the impact of economic conditions or legislative or regulatory changes on the coverage and rates for our services and the percentage or number of our patients with ~~commercial insurance, see the risk factor under the heading" If the number or percentage of patients with higher- paying commercial insurance declines..."~~ There have also been several state initiatives to limit payments to dialysis providers ~~or~~ **,**

impose other burdensome operational requirements **or prescribe wage levels. Depending on the extent of the limitations** , ~~which~~ **burdens or prescriptions of such initiatives** , ~~if~~ **the** ~~passed~~ **passage** ~~,~~ **of such initiatives into law** could have a material adverse impact on our business, results of operation, financial condition and cash flow. For ~~instance~~ **example** , ~~in 2022, voters in~~ California **recently enacted California Senate Bill No. 525** ~~considered a statewide ballot initiative proposed by the Service Employees International Union- United Healthcare Workers West~~ (**SB 525** ~~SEIU- UHW~~) ~~that sought to impose certain regulatory requirements on dialysis clinics~~ , **which raises** ~~including requirements related to physician staffing levels, clinical reporting, clinical treatment options and limitations on~~ the **minimum wage** ~~ability to make decisions on closing or reducing services~~ for **many California healthcare workers, effective as of June 1,** ~~dialysis clinics. While voters rejected this most recent ballot initiative in 2022~~ **2024** ~~, we incurred substantial costs to oppose it~~ . We may **continue to** face **other proposed regulations or legislation or** ballot initiatives ~~or other proposed regulations or legislation~~ in **various** ~~California or other~~ states in future years, which may require us to incur further substantial costs and which, if passed, could have a material adverse impact on our business, results of operations, financial condition and cash flows. Finally, there have also been rule making and legislative efforts at both the federal and state level regarding the use of charitable premium assistance for ESRD patients ~~that may establish new conditions for coverage standards for dialysis facilities~~ . For example, on October 13, 2019, a California bill (AB 290) was signed into law that limits the amount of reimbursement paid to certain providers for services provided to patients with commercial insurance who receive charitable premium assistance ~~. The American Kidney Fund~~ (~~AKF~~ **reimbursement cap**) ~~, an organization that provides charitable premium assistance, announced that it would be withdrawing from California as a result of AB 290~~ . The implementation of AB 290 has been stayed pending resolution of legal challenges ~~, but in~~ **. The trial court recently issued a decision relating to** ~~the~~ **these** ~~event~~ **challenges to** AB 290 ~~becomes effective~~ **that may result in the stay being lifted** and **at least some provisions of the law being implemented in the near future, although any appeal of the decision may result in the stay being continued. While it is currently unclear when and how** ~~the~~ **those** ~~AKF withdraws~~ **provisions may be implemented, in the event certain provisions of AB 290 are implemented in their proposed** ~~from~~ **form** ~~California~~ **, including the reimbursement cap** , it may ~~cause other~~ **have a negative consequence on our business. Depending on what provisions are implemented,** organizations that provide charitable premium assistance **may choose** to withdraw from California, **which** ~~and we~~ would ~~expect~~ **have** an adverse impact on the ability of patients to afford Medicare premiums and Medicare supplemental and commercial coverage. We expect that such an adverse impact will in turn adversely impact our business, results of operations, financial condition and cash flows. In the past, bills similar to AB 290 have been introduced in other states, but none has become law. If these or similar bills are introduced and implemented in other jurisdictions, and organizations that provide charitable premium assistance in those jurisdictions are similarly impacted, it could in the aggregate have a material adverse impact on our business, results of operations, financial condition and cash flows. For additional information on risks associated with charitable premium assistance for ESRD patients and the potential impact of decreases to the percentage or number of our patients with commercial insurance, see the risk factor under the heading" If the number or percentage of patients with higher- paying commercial insurance declines..." Among other things, legislation, regulations, regulatory guidance, ballot initiatives and any similar initiatives could result in a reduction in the percentage of our patients with commercial insurance; limit the scope or nature of coverage through the **healthcare** exchanges **established by the ACA** or other health insurance programs or otherwise reduce reimbursement rates for our services from commercial and / or government payors; restrict or prohibit the ability of patients with access to alternative coverage from selecting a marketplace plan on or off exchange; limit the amount of revenue that a dialysis provider can retain for caring for patients with commercial insurance; impose burdensome operational requirements; affect payments made to providers for services provided to patients who receive charitable premium assistance and / or otherwise restrict or prohibit the use of charitable premium assistance; or reduce the standards for network adequacy or require disclosure of certain pricing and patient responsibility information. In turn, these potential impacts could cause us to incur substantial costs to oppose any such proposed requirements or measures, impact our dialysis center development plans, and if passed and / or implemented, could materially reduce our revenues and increase our operating and other costs, adversely impact dialysis centers across the U. S. making certain centers economically unviable, lead to the closure of certain centers, restrict the ability of dialysis patients to obtain and maintain optimal insurance coverage and reduce the number of patients that select commercial insurance plans or MA plans for their dialysis care, among other things. **For additional details regarding insurance coverage for dialysis services, see the discussion in the risk factor under the heading" If the number or percentage of patients with higher- paying commercial insurance declines..."** The healthcare legislative and regulatory environment is dynamic and evolving, and any such proposed or issued laws, requirements, rules and guidance could impact our business, including as may be described above, and any failure on our part to adequately adjust to any resulting marketplace developments or regulatory compliance requirements, may, among other things, erode our patient base or reimbursement rates and could otherwise have a material adverse effect on our business, results of operations, financial condition and cash flows. To the extent that the information above describes statutory and regulatory provisions, it is qualified in its entirety by reference to the particular statutory and regulatory provisions that are referenced. For additional information related to the laws, rules and other regulations described above, please see Part I ~~,~~ Item 1. Business of this Form 10- K under the heading" Government Regulation." We are, and may in the future be, a party to various lawsuits, demands, claims, qui tam suits, governmental investigations and audits and other legal matters, any of which could result in, among other things, substantial financial penalties or awards against us, mandated refunds, substantial payments made by us, required changes to our business practices, exclusion from future participation in Medicare, Medicaid and other healthcare programs and possible criminal penalties, any of which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price. We are, and may in the future be, subject to investigations and audits by governmental agencies and / or private civil qui tam complaints filed by relators and other lawsuits, demands, claims, legal proceedings and / or other actions, including, without limitation, investigations or other actions resulting from our obligation to self- report certain

suspected violations of law. Any allegations against us, our personnel or our representatives in such matters may among other things harm our reputation, stock price, and our various business relationships and / or contracts related to our business, and these impacts may be material. Responding to subpoenas, investigations and other lawsuits, claims and legal proceedings, as well as defending ourselves in such matters, will continue to require management' s attention and cause us to incur significant legal expense. Negative developments, findings or terms and conditions that we might agree to accept as part of a negotiated resolution of pending or future legal or regulatory matters could result in, among other things, harm to our reputation, substantial financial penalties or awards against us, substantial payments made by us, required changes to our business practices, impacts on our various relationships and / or contracts related to our business, exclusion from future participation in Medicare, Medicaid and other healthcare programs and, in certain cases, criminal penalties, any of which could have a material adverse effect on us. It is possible that criminal proceedings may be initiated against us and / or individuals in our business in connection with governmental investigations. Other than as may be described in Note ~~16~~ **15** to the consolidated financial statements included in this report, we cannot predict the ultimate outcomes of the various legal proceedings and regulatory matters to which we are or may be subject from time to time, or the timing of their resolution or the ultimate losses or impact of developments in those matters, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price. See Note ~~16~~ **15** to the consolidated financial statements included in this report for further details regarding these and other legal proceedings and regulatory matters. If the number or percentage of patients with higher- paying commercial insurance declines, if the average rates that commercial payors pay us decline, if commercial plans subject patients to restriction in plan designs, or if we are unable to maintain contracts with payors with competitive terms, including, without limitation, reimbursement rates, scope and duration of coverage and in- network benefits, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. A substantial portion of our U. S. dialysis ~~net~~ patient ~~services~~ **service** revenues **are** ~~for the year ended December 31, 2022 was~~ generated from patients who have commercial payors as their primary payor. The majority of these patients have insurance policies that pay us on terms and at rates that are generally significantly higher than Medicare rates. As such our revenue and net income levels are sensitive to the number of our patients with higher- paying commercial insurance coverage and the percentage of our patients under higher- paying commercial plans relative to government- based programs. The payments we receive from commercial payors generate nearly all of our profit and all of our nonacute dialysis profits come from commercial payors. When traditional or original Medicare (Medicare) becomes the primary payor for a patient, the payment rate we receive for that patient decreases from the employer group health plan or commercial plan rate to the lower Medicare payment rate. If the number of our patients who have Medicare or another government- based program as their primary payor increases, it could negatively impact the percentage of our patients covered under commercial insurance plans. There are a number of factors that could drive a decline in the number or percentage of our patients covered under commercial insurance plans, including, among ~~others~~ **other things** ~~, a continued decline in the rate of growth of the ESRD patient population~~ , improved mortality, changes in the patient' s or a family member' s employment status, reduced availability of commercial health plans or reduced coverage by such plans through the ACA exchanges or otherwise due to changes to the laws, marketplace, healthcare regulatory system or otherwise. Commercial payors could also cease paying in the primary position after providing 30 months of coverage resulting in potentially material reductions in payment as the patient moves to Medicare primary. Declining macroeconomic conditions could also negatively impact the percentage of our patients covered under commercial insurance plans. To the extent there are job losses in the U. S., we could experience a decrease in the number of patients covered under commercial plans and / or an increase in uninsured and underinsured patients independent of whether general economic conditions improve. If we experience higher numbers of uninsured or underinsured patients, it also would result in an increase in uncollectible accounts. Our arrangements and negotiations with payors also impact the number or percentage of patients with higher- paying commercial insurance. We continuously are in the process of negotiating existing and potential new agreements with commercial payors who aggressively negotiate terms with us, and we can make no assurances about the ultimate results of these negotiations or the timing of any potential rate changes resulting from these negotiations **. A material portion of both our commercial revenue and MA revenue is concentrated with a limited number of commercial payors, and any changes impacting our highest paying commercial payors or our relationships with these payors will have a disproportionate impact on us** . Sometimes many significant agreements are being renegotiated at the same time. We believe payor consolidations have significantly increased the negotiating leverage of commercial payors, and ongoing consolidations may continue to increase this leverage in the future. In addition, our agreements and rates with commercial payors may be impacted by new business activities of these commercial payors as well as steps that these commercial payors have taken and may continue to take to control the cost of and / or the eligibility for access to the services that we provide, including, without limitation, relative to products on and off the healthcare exchanges. These efforts could impact the number of our patients who are eligible to enroll in commercial insurance plans, and remain on the plans, including plans offered through healthcare exchanges. We continue to experience downward pressure on some of our rates with commercial payors as a result of these and other general conditions in the market, including, among other things, as employers seek to shift to less expensive options for medical services or as commercial payors dedicate increased focus on dialysis services. Our negotiations with commercial payors may relate to commercial fee- for- service contracts, value- based care (VBC) contracts in which we share risk with commercial payors or other structures that allow the parties to share in cost savings upon the achievement of certain outcomes, as well as contracts to provide dialysis services to ~~Medicare Advantage (~~ MA ~~)~~ patients. If we fail to maintain contracts with payors and other healthcare providers with competitive or favorable terms, either with respect to commercial plans, commercial VBC contracts, MA plans or otherwise, including, without limitation, with respect to reimbursement rates, scope and duration of coverage and in- network benefits, contract term or termination rights, or if we fail to accurately estimate the price for and manage our medical costs in an effective manner, whether due to inflationary pressures or otherwise, such that the profitability of our commercial or other value- based products is negatively impacted, it could have a

material adverse effect on our business, results of operations, financial condition and cash flows. The ultimate result of our negotiations with payors cannot be predicted as they occur in a highly competitive environment and are influenced by **changes to payment rates set by CMS and other** marketplace dynamics such as those previously discussed. Among other things, these negotiations may result in termination or non- renewals of existing agreements, decreases in contracted rates, and reduction in the number of our patients that are covered by commercial plans, and we may not be able to enter into new agreements on competitive terms or at all. In the event that our ongoing negotiations with commercial payors result in overall rate reductions in excess of overall rate increases, the cumulative effect could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, to the extent that these negotiations result in a reduction in the number of our patients covered by plans with commercial payors, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. ~~A material portion of both our commercial revenue and MA revenue is concentrated with a limited number of commercial payors, and any changes impacting our highest paying commercial payors or our relationships with these payors will have a disproportionate impact on us.~~ Certain payors have been attempting to design and implement plans that restrict ~~access to~~ **or limit coverage for treatment needed by** ESRD **patients** ~~coverage both~~ in the commercial ~~and individual~~ market. Among other things, these restrictive plan designs seek to limit the duration and / or the breadth of ESRD benefits, limit ~~the number of~~ in- network providers, set arbitrary provider reimbursement rates, or otherwise restrict access to care, all of which may result in a decrease in the number of patients covered by commercial insurance or the reimbursement rate for ESRD services, among other things. Payors have also disputed the scope and duration of ESRD benefit coverage under their plans, and, among other things, have required patients to seek Medicare coverage for ESRD treatments. On June 21, 2022, the U. S. Supreme Court issued a decision in the matter of Marietta Memorial Hospital Employee Health Benefit Plan, et al. v. DaVita Inc., et al., a case evaluating the scope of the Medicare Secondary Payor Act (MSPA), deciding that a group health plan that ~~provides limited~~ **limits the** benefits for outpatient dialysis, but does so uniformly for all plan participants, does not violate the terms of the MSPA because the plan treats all patients uniformly, regardless of whether a participant has ESRD and regardless of whether the participant is eligible for Medicare. ~~For additional information, see Note 16 to the consolidated financial statements included in this report.~~ We cannot reasonably estimate the ultimate impact of the U. S. Supreme Court' s decision at this time, as there is significant uncertainty as to, among other things, whether and to what extent payors, including, among others employer group health plans, may seek to design and implement plans to restrict access to ESRD in light of the decision; ~~whether~~ **the results of proposed** and ~~how~~ **pending legislative and** ~~regulators~~ **regulatory** ~~and legislators will respond~~ **responses** to the decision ~~, including whether they will issue regulatory guidance or adopt new legislation~~ ; how courts will interpret other anti- discriminatory provisions **of the MSPA** that may apply; whether there could be other potential negative impacts of the decision and any resultant plan behavior on our commercial or government mix or the number of our patients covered by commercial insurance; and the timing of each of these items. If more commercial or employer group health plans seek to implement or utilize plan designs that discourage or prevent ESRD patients from retaining their commercial coverage **, during upcoming open enrollment periods or otherwise** , it may lead to a decrease in the number of patients with commercial plans, the duration of benefits for patients under commercial plans and / or a decrease in the payment rates we receive, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, some commercial payors are pursuing or have incorporated policies into their provider manuals limiting or refusing to accept charitable premium assistance from non- profit organizations, such as the **AKF** ~~American Kidney Fund~~ , which may impact the number of patients who are able to afford commercial plans. Paying for coverage is a significant financial burden for many patients, and ESRD disproportionately affects the low- income population. Charitable premium assistance supports continuity of coverage and access to care for patients, many of whom are unable to continue working full- time as a result of their severe health condition. Many patients with commercial and government insurance also rely on financial assistance from charitable organizations, such as the **AKF** ~~American Kidney Fund~~ . Certain payors have challenged our patients' and other providers' patients' ability to utilize assistance from charitable organizations for the payment of premiums, including, without limitation, through litigation and other legal proceedings. The use of charitable premium assistance for ESRD patients has also faced challenges and inquiries from legislators, regulators and other governmental authorities **, including California AB 290 as described in the risk factor under the heading," Changes in federal and state healthcare legislation or regulations..."** , and this may continue. In addition, CMS or another regulatory agency or legislative authority may issue a new rule or guidance that challenges or restricts charitable premium assistance. If any of these challenges to kidney patients' use of premium assistance is successful or restrictions are imposed on the use of financial assistance from such charitable organizations or if organizations providing such assistance are no longer available such that kidney patients are unable to obtain, or continue to receive or receive for a limited duration, such financial assistance, it may restrict the ability of dialysis patients to obtain and maintain optimal insurance coverage and could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, if our assumptions about how kidney patients will respond to any change in financial assistance from charitable organizations are incorrect, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. Our negotiations and relationships with payors may also be impacted by legislative or regulatory developments and associated legal rulings. For example, the final rules for the Cures Act, which are described in detail in Part I ~~,~~ Item 1. Business of this Form 10- K under the heading" Government Regulation — 21st Century Cures Act," broadened ESRD patient access to certain enhanced benefits offered by MA plans. While these rules increased our MA plan enrollment for ESRD benefits in their first year, the potential ultimate impact of this change in benefit eligibility remains subject to change as market participants continue to adjust to this new regulatory environment ~~. As an~~ **, including such changes as, for** example, the removal of objective time and distance standards **for** ~~relating to~~ network adequacy for outpatient dialysis centers ~~for MA plans that was included in the final rules may adversely impact the number of ESRD patients that select MA plans and also may result in the Company not being an in- network provider for significant MA plans in the event MA~~

~~plans attempt to use this revision to the rules to limit or restrict their networks. If kidney patients choose not to enroll in MA plans or choose to leave MA plans, whether due to network adequacy standards or otherwise, or if we fail to provide education to kidney patients in the manner specified by CMS, we could be subject to certain clinical, operational, financial and legal risks, which could have a material adverse effect on our business, results of operations, financial condition and cash flows~~ . In addition, recent price transparency regulations require most group health plans and health insurance issuers in the group and individual markets to make certain pricing and patient responsibility information publicly available. For ~~further~~ **additional** ~~detail~~ **details** ~~on~~ **regarding** these regulations **and potential legislative** ~~see the discussion in Part I, Item 1. Business of this Form 10- K under the heading" Government Regulation — Health Plan Price Transparency Rules." On July 1, 2022, enforcement began of the requirement that plans publish machine readable files that include negotiated rates for~~ **or** ~~all covered items and services~~ **regulatory changes, the specific risks we face in connection** with ~~all providers and out- of- network allowed amounts. To comply with these requirements, plans have begun to publish these files and make them available to the public. The information that has been made available to date is highly diverse and complex. While the ultimate impact of these requirements remains uncertain,~~ any ~~changes by group health plans, health insurance issuers in the group and individual markets, or consumer choices resulting from these requirements could have a material adverse impact on our business, results of operations, and financial condition, and our reputation could be materially harmed. We could also experience a further~~ decrease in ~~the~~ payments we receive for services **due** ~~if changes~~ to **,** ~~the marketplace or~~ **for example,** ~~the healthcare regulatory system result in~~ fewer patients **being** covered under commercial plans or an increase in patients covered under more restrictive commercial plans, or plans with lower reimbursement rates, ~~among other things. For additional details regarding potential legislative or regulatory changes, the specific risks we face in connection with any decrease in payments we receive for services due to, for example, fewer patients being covered under commercial plans or an increase of patients covered under more restrictive commercial plans, or plans with lower reimbursement rates,~~ please see Part I ~~,~~ Item 1. Business of this Form 10- K under the heading" Government Regulation" and the discussion in the risk factor under the heading" Changes in federal and state healthcare legislation or regulations..." In addition to the aforementioned pricing transparency rules, the government has also implemented certain additional pricing transparency requirements that apply to certain types of providers, including DaVita. Under the No Surprises Act, which went into effect January 1, 2022, certain providers, including DaVita, **are** ~~will be~~ required to develop and disclose a ~~“~~ **"** Good Faith Estimate ~~”~~ **"** (GFE) that details the expected charges for furnishing an item or service to an uninsured or self- pay patient. The GFE must include ~~certain~~ specific information ~~such as~~ **regarding the service provided and diagnostic codes** , among other things ~~, co- provider service cost estimates~~ , and is subject to ~~certain format~~ **formatting requirements, notice requirements** , availability and dispute resolution ~~requirements~~ **procedures** . Similar to the aforementioned pricing transparency rules, the impact of the GFE requirements on DaVita remains uncertain at this time, in part due to ongoing rulemaking around the No Surprises Act as well as **the delayed effective date of certain provisions of the GFE framework, and** uncertainty around operational timeframes, potential penalties and patient reaction, among other things. Patient dissatisfaction with the GFE process, whether with respect to the ~~level of~~ **GFE rate or** charges, how such charges are communicated or otherwise, may impact patient choices and over time could have a material adverse impact on our business, results of operations and financial condition, and could materially harm our reputation. As noted, the foregoing dynamics of our arrangements and negotiations with commercial payors each may have an impact on, among other things, our ability to enter into and maintain contracts with payors with competitive terms, including, without limitation, reimbursement rates, scope and duration of coverage and in- network benefits as well as the number or percentage of our patients with higher- paying commercial insurance. If, as a result of these or other dynamics, we experience a decline in the average rates that commercial payors pay us or a reduction in the number of patients with ESRD coverage under higher- paying commercial plans either in total or relative to the number of patients under government- based programs that pay at lower rates or an increase in the number of patients that are uninsured or underinsured, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. If we are not able to successfully implement our strategy with respect to our integrated kidney care and value- based care initiatives, including maintaining our existing business and further developing our capabilities in a complex and highly regulated environment, it could result in a loss of our investments and have a material adverse effect on our growth strategy, could adversely impact our business, results of operations, financial condition and cash flows, and could materially harm our reputation. Our integrated kidney care business manages patients and coordinates their care through value- based care arrangements with commercial payors and through government programs. We have continued to grow this portion of our business both with commercial payors, including as MA has expanded, and with government programs as CMS and CMMI implement new payment models focused on comprehensive and integrated kidney care. As part of our growth strategy, we have invested and expect to continue to invest substantial resources in the further development of our integrated care business and value- based care initiatives. There can be no assurances that we will be able to successfully implement our strategies with respect to integrated kidney care and value- based care in a complex, evolving and highly competitive and regulated environment, including, among other things, maintaining our existing business; recovering our investments; entering into agreements with payors, physicians, third party vendors and others on competitive terms, as appropriate, that prove actuarially sound; structuring these agreements and arrangements to comply with evolving rules and regulations, including, among other things, rules and regulations related to fraud and abuse and the use of protected health information. Implementing our expanded integrated kidney care strategies and value- based care initiatives at scale also increases certain execution and compliance risks associated with developing our operational, IT, billing and telehealth systems, including our ability to accurately capture relevant patient care data, among other things. For additional details on risks associated with information systems and new technology generally, see the risk factor under the heading" Failing to effectively maintain, operate or upgrade our information systems or those of third- party service providers upon which we rely..." New entrants are aggressively pursuing opportunities to participate in the new CMMI payment models ~~or otherwise establish value- based care programs~~ **as well as broader risk**

arrangements with other payors , and with increasing investment and funding, these new entrants may adopt strategies that increase our costs to participate in these payment models and / or adversely impact our ability to enter into competitive arrangements with payors, physicians and hospitals. For additional detail on our evolving competitive environment, see the risk factor under the heading" If we are unable to compete successfully..." If any of these or other of our integrated kidney care and value- based care initiatives are unsuccessful, it could result in a loss of our investments and have a material adverse effect on our growth strategy, could adversely impact our business, results of operations, financial condition and cash flows, and could materially harm our reputation. In addition, future legislative or regulatory action related to, among other things, **existing or future** integrated kidney care **initiatives** , including among others, CMMI **payment models** , and / or full capitation demonstration for ESRD may impact our ability to provide a competitive and successful integrated care program at scale. There can be no assurances that any other legislation or regulation that aligns with our strategy and investments will be **extended,** passed into law or enacted ~~, and the ongoing COVID- 19 pandemic may delay the progress of such initiatives~~ . Additionally, the ultimate terms and conditions of any potential legislative or regulatory action impacting integrated kidney care, full capitation demonstrations or the existing CMMI ~~program~~ **payment models** remain unclear. For example **, the CKCC program is a 5-year demonstration that launched in 2022. CMMI continues to monitor the performance of these and other kidney care payment models, and there is no assurance that this program will be extended or modified in the future and, among other things** , our costs of care could exceed our associated reimbursement rates under such legislation. Irrespective of whether such laws are passed or regulations enacted, there can be no assurances that we will be able to successfully execute on the required strategic initiatives that would allow us to ~~provide~~ **maintain** a competitive and successful integrated care program on a broad scale, and in the desired time frame. Any failure on our part to adequately implement strategic initiatives to adjust to any marketplace developments resulting from executive, legislative, regulatory or administrative changes could have a material adverse impact on our business. If we are not able to successfully implement our strategy with respect to home- based dialysis, including maintaining our existing business and further developing our capabilities in a complex and highly regulated environment, it could have a material adverse effect on our business, results of operations, financial condition and cash flows, and could materially harm our reputation. Our home- based dialysis services, which include home hemodialysis and peritoneal dialysis (PD), represented approximately 18 % of our U. S. dialysis patient ~~services~~ **service** revenues for the year ended December 31, ~~2022~~ **2023** , and have increasingly become an important part of our overall strategy. In addition, home- based dialysis recently has been the subject of increased political and industry focus. For example, in connection with the 2019 Executive Order, HHS set out specific goals related to home dialysis and CMMI' s ESRD Treatment Choices (ETC) mandatory payment model and voluntary payment models included new incentives to encourage dialysis at home. More recently, CMS finalized changes to the ETC model and other regulations to encourage dialysis facilities and healthcare providers to seek to decrease disparities in health equity across racial and socioeconomic status in rates of home dialysis and kidney transplants among ESRD patients. **CMS continues to propose modifications to the ETC model and evaluate the model against the agency' s stated goals for the program.** We are a leader in home- based dialysis and have made investments in processes and infrastructure to continue to grow this modality. There are, however, risks associated with this growth, including, among other things, financial, legal **, regulatory** and operational risks related to our ability to design and develop infrastructure and to plan for capacity in a modality that is part of an evolving marketplace **. For example, the OIG recently issued its 2024 work plan identifying its interest in auditing home dialysis programs** . We may also be subject to associated risks related to our ability to successfully manage related operational initiatives, find, train and retain appropriate staff, contract with payors for appropriate reimbursement, and maintain processes to adhere to the complex regulatory and legal requirements, including without limitation those associated with billing Medicare. For additional detail on risks associated with operating in a highly regulated environment, see the risk factor under the heading" Our business is subject to a complex set of governmental laws, regulations and other requirements..." In addition to the above risks, certain risks inherent to home- based dialysis will increase as we expand our home- based dialysis offerings, including risks related to managing transitions between in- center and home- based dialysis, billing and telehealth systems, among others. For additional detail on risks associated with information systems and new technology generally, see the risk factor under the heading" Failing to effectively maintain, operate or upgrade our information systems or those of third- party service providers upon which we rely..." An increased focus on home- based dialysis is also indicative of the generally evolving market for kidney care. This developing market may create additional opportunities for competition with relative ease of entry, and if we are unable to successfully adapt to these or other marketplace developments, which, among other things, may include regulatory changes with respect to conditions of coverage, in a timely and compliant manner, we may experience a material adverse impact on our growth in home- based dialysis or a reduction in our overall number of patients, among other things. ~~Our response to the COVID- 19 pandemic has also required us to impose certain operational restrictions that may adversely impact certain home- based dialysis initiatives, and the extent of this impact may depend on the severity or duration of the pandemic, among other things.~~ For additional detail on the competitive landscape in kidney care, see the risk factor under the heading" If we are unable to compete successfully..." ~~and for additional detail on the impact of COVID- 19 on our home- based dialysis business, see the risk factor under the heading" Macroeconomic conditions and global events..."~~ If we are not able to successfully implement our strategy with respect to home- based dialysis, including maintaining our existing business and further developing our capabilities in a complex and highly regulated environment, it could have a material adverse effect on our business, results of operations, financial condition and cash flows, and could materially harm our reputation. Changes in the structure of and payment rates under the Medicare ESRD **or Medicare Advantage** ~~program~~ **programs** or changes in state Medicaid or other non- Medicare government- based programs or payment rates could have a material adverse effect on our business, results of operations, financial condition and cash flows. A substantial portion of our dialysis revenues are generated from patients who have Medicare as their primary payor. For patients with Medicare coverage, all ESRD payments for dialysis treatments are currently made under a single bundled payment rate which

provides a fixed payment rate to encompass all goods and services provided during the dialysis treatment that are related to the treatment of dialysis, subject to certain adjustments as described below. Most lab services are also included in the bundled payment. Under the ESRD Prospective Payment System (PPS), bundled payments to a dialysis facility may be reduced by as much as 2 % based on the facility' s performance in specified quality measures set annually by CMS through the ESRD Quality Incentive Program, which was established by the Medicare Improvements for Patients and Providers Act of 2008. The bundled payment rate is also adjusted for certain patient characteristics, a geographic usage index and certain other factors. In addition, the ESRD PPS is subject to rebasing, which can have a positive financial effect, or a negative one if the government fails to rebase in a manner that adequately addresses the costs borne by dialysis facilities. Similarly, as new drugs, services or labs are added to the ESRD bundle, CMS' failure to adequately calculate or fund the costs associated with the drugs, services or labs could have a material adverse effect on our business, results of operations, financial condition and cash flows. In certain instances, new injectable, intravenous or oral products may be reimbursed separately from the bundled payment for a defined period of time through a transitional drug add- on payment adjustment (TDAPA). For a discussion of certain risks associated with this transitional pricing process, see the risk factor under the heading," Changes in clinical practices, payment rates or regulations impacting pharmaceuticals and / or devices..." The current bundled payment system presents certain operating, clinical and financial risks, which include, without limitation: • Risk that our **reimbursement** rates are reduced by CMS **or are otherwise inadequate** . CMS publishes a final rule for the ESRD PPS each year and uncertainty about future payment rates remains a material risk to our business. • Risk that CMS, on its own or through its contracted Medicare Administrative Contractors (MACs) or otherwise, implements Local Coverage Determinations (LCDs) or implements payment provisions, policy or regulatory mandates, including changes to the existing or future PPS, that limit our ability to either be paid for covered dialysis services or bill for treatments or other drugs and services or other rules that may impact reimbursement. Such payment rules and regulations and coverage determinations or related decisions could have an adverse impact on our operations and revenue. There is also risk that commercial insurers could seek to incorporate the requirements or limitations associated with such LCDs or CMS guidance into their contracted terms with dialysis providers, which could have an adverse impact on our revenue. • Risk that a MAC, or multiple MACs, change their interpretations of existing regulations, manual provisions and / or guidance, or seek to implement or enforce new interpretations that are inconsistent with how we have interpreted existing regulations, manual provisions and / or guidance. • Risk that CMS implements data and related reporting requirements that result in decreased reimbursement and / or increased technology and operational costs. • Risk that increases in our operating costs will outpace the Medicare rate increases we receive. We expect operating costs to continue to increase due to inflationary factors, such as increases in labor and supply costs, including, without limitation, increases in maintenance costs and capital expenditures to improve, renovate and maintain our facilities, equipment and information technology to meet changing regulatory requirements and business needs, regardless of whether there is a compensating inflation- based increase in Medicare payment rates or in payments under the bundled payment rate system. • Risk of continued federal budget sequestration cuts or other disruptions in federal government operations and funding. As a result of the Budget Control Act of 2011, the Bipartisan Budget Act (BBA) and **subsequent legislation** ~~the CARES Act~~ , an annual **reduction (currently** 2 % ~~reduction~~ **)** to Medicare payments took effect on April 1, 2013, and has been extended through ~~2030~~ **2032** . These across- the- board spending cuts have affected and will continue to adversely affect our business, results of operations, financial condition and cash flows. Any extended disruption in federal government operations and funding, including an extended government shutdown, U. S. government debt default and / or failure of the U. S. government to enact annual appropriations could have a material adverse effect on our business, results of operations, financial condition and cash flows. Additionally, disruptions in federal government operations may delay or negatively impact regulatory approvals and guidance that are important to our operations, and create uncertainty about the pace of upcoming regulatory developments. • Risk that failure to adequately develop and maintain our clinical or other operational systems or failure of our clinical or operational systems to operate effectively could have a material adverse effect on our business, results of operations, financial condition and cash flows. For example, in connection with claims for which at least part of the government' s payments to us is based on clinical performance or patient outcomes or co-morbidities, if our clinical systems fail to accurately capture the data we report to CMS or we otherwise have data integrity issues with respect to the reported information, we might be over- reimbursed by the government, which could, among other things, subject us to liability exclusion from participation in federal healthcare programs and penalties under the federal Civil Monetary Penalty statute, and could adversely impact our reputation **. • Risk of ensuring that we remain complaint with MA marketing requirements as well as our contractual terms with associated plans, as our initiatives associated with MA (including chronic condition special needs and dual eligible special needs plans) continue to evolve and progress. Failure to do so could resolve in termination of agreements with plans as well as enforcement by state and federal agencies for violation of insurance, consumer and fraud and abuse laws and regulations** . We are subject to similar risks for services billed separately from the ESRD bundled payment, including, without limitation, the risk that a MAC, or multiple MACs, change their interpretations of existing regulations, manual provisions and / or guidance; or seek to implement or enforce new interpretations that are inconsistent with how we have interpreted existing regulations, manual provisions and / or guidance. In addition to the above risks under the current Medicare ESRD program, changing legislation and other regulatory and executive developments have led and may continue to lead to the emergence of new models of care and other initiatives in both the government and private sector that, among other things, may impact the structure of, and payment rates under, the Medicare ESRD program. Moreover, the number of our patients with primary Medicare coverage may be subject to change, particularly with the effectiveness of the Cures Act, which allows Medicare- eligible individuals with ESRD to enroll in MA managed care plans. For additional details regarding the risks we face for failing to adhere to our Medicare and Medicaid regulatory compliance obligations or failing to adequately implement strategic initiatives to adjust to marketplace developments, see the risk factors above under the headings" Our business is subject to a complex set of governmental laws, regulations and other

requirements...;" and" Changes in federal and state healthcare legislation or regulations..." Primary coverage for a significant number of our patients also comes from state Medicaid programs partially funded by the federal government as well as other non- Medicare government- based programs, such as coverage through the Department of Veterans Affairs (VA). As state governments and other governmental organizations face increasing financial hardship and budgetary pressure, including as a result of the COVID- 19 pandemic or changes in the political environment, we may in turn face reductions in payment rates, delays in the receipt of payments, limitations on enrollee eligibility or other changes to the applicable programs. For example, certain state Medicaid programs and the VA have recently considered, proposed or implemented payment rate reductions, such as the VA' s adoption of Medicare' s bundled PPS pricing methodology for any veterans receiving treatment from non- VA providers under a national contracting initiative. Since we are a non- VA provider, these reimbursements are tied to a percentage of Medicare reimbursement, and we have exposure to any dialysis reimbursement changes made by CMS. Approximately 3 % of our U. S. dialysis patient ~~services~~ **service** revenues for the year ended December 31, ~~2022~~ **2023** were generated by the VA. In addition, in 2019, we entered into a Nationwide Dialysis Services contract with the VA that includes five separate one- year renewal periods throughout the term of the contract. The term structure is similar to our prior five- year agreement with the VA, and is consistent with VA practice for similar provider agreements. With this contract award, the VA has agreed to keep our percentage of Medicare reimbursement consistent with that under our prior agreement with the VA during the term of the contract. As with that prior agreement, this agreement provides the VA with the right to terminate the agreements without cause on short notice, among other things **. This contract expires at the end of 2024** . Should the VA renegotiate, not renew or cancel these agreements for any reason, we may cease accepting patients under this program and may be forced to close centers or experience lower reimbursement rates, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. State Medicaid programs are increasingly adopting Medicare- like bundled payment systems, but sometimes these payment systems are poorly defined and are implemented without any claims processing infrastructure, or patient or facility adjusters. If these payment systems are implemented without any adjusters and claims processing infrastructure, Medicaid payments will be substantially reduced and the costs to submit such claims may increase, which will have a negative impact on our business, results of operations, financial condition and cash flows. In addition, some state Medicaid program eligibility requirements mandate that citizen enrollees in such programs provide documented proof of citizenship. If our patients cannot meet these proof of citizenship documentation requirements, they may be denied coverage under these programs, resulting in decreased patient volumes and revenue. These Medicaid payment and enrollment changes, along with similar changes to other non- Medicare government programs, could reduce the rates paid by these programs for dialysis and related services, delay the receipt of payment for services provided and further limit eligibility for coverage which could have a material adverse effect on our business, results of operations, financial condition and cash flows. Our business is labor intensive and if our labor costs continue to rise, including due to shortages, changes in certification requirements and / or higher than normal turnover rates in skilled clinical personnel; or currently pending or future governmental laws, rules, regulations or initiatives impose additional requirements or limitations on our operations or profitability; or, if we are unable to attract and retain employees; or if union organizing activities or legislative or other changes result in significant increases in our operating costs or decreases in productivity, we may experience disruptions in our business operations and increases in operating expenses, among other things, any of which could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation. We face increasing labor costs generally, and in particular, we continue to face increased labor costs and difficulties in hiring nurses due to a nationwide shortage of skilled clinical personnel that has been exacerbated by **current macroeconomic conditions** ~~the ongoing COVID- 19 pandemic~~ and ~~recent~~ developments in the labor market. As referenced above, the current labor market is challenging and continues to experience volatility, uncertainty and labor supply shortages, particularly in healthcare. Our business is labor intensive, and our financial and operating results have been and continue to be sensitive to variations in labor- related costs, productivity and the number of pending or potential claims against us related to labor and employment practices. We have incurred and expect to continue to incur increased labor costs and experience staffing challenges, ~~including without limitation those related to COVID- 19,~~ the ultimate extent of which will depend on **current macroeconomic conditions** ~~the severity and duration of the pandemic~~ and ancillary impacts on the ~~economy and~~ labor market, among other things. For additional discussion of the risks facing us related to the current labor environment ~~and COVID- 19~~ , see the risk factor under the heading" Macroeconomic conditions and global events..." Additionally, to the extent that general inflationary pressures continue or further increase, this may in turn increase our labor and supply costs at a rate that outpaces the Medicare or any other rate increases we may receive. We compete for nurses with hospitals and other healthcare providers. The ongoing nursing shortage may limit our ability to expand our operations. Furthermore, changes in certification requirements can impact our ability to maintain sufficient staff levels, including to the extent our teammates are not able to meet new requirements, among other things. In addition, if we experience a higher than normal turnover rate for our skilled clinical personnel, our operations and treatment growth may be negatively impacted, which could adversely affect our business, results of operations, financial condition and cash flows. For example, in ~~2022~~ **2023** , we **again had significant** ~~did experience elevated rates of~~ teammate turnover, which led to increased training costs ~~and costs related to contract labor~~ , among other things. We also face competition in attracting and retaining talent for key leadership positions. If we are unable to attract and retain qualified individuals, we may experience disruptions in our business operations, including, without limitation, our ability to achieve strategic goals, which could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation. Political or other efforts at the national or local level could result in actions or proposals that increase the likelihood of success of union organizing activities at our facilities and ongoing union organizing activities at our facilities could continue or increase for other reasons. ~~We~~ **Recently, certain of our competitors have experienced union organizing activities, including the filing of petitions by unions at certain of their clinics, with a number of these clinics voting to unionize. While no such petitions have been filed at our dialysis clinics to date, there can be no assurance that**

such petitions may not be filed in the future or that such petitions, if filed, will not be successful. If a significant portion of our teammates were to become unionized, we could experience **, among other things,** an upward trend in wages and benefits and labor and employment claims, including, without limitation, the filing of class action suits, or adverse outcomes of such claims **;** ~~, or~~ face work stoppages **or other business disruptions; or experience negative impacts on our employee culture** . In addition, we are and may continue to be subject to targeted corporate campaigns by union organizers in response to which we have been and expect to continue to be required to expend substantial resources, both time and financial. Any of these events or circumstances **, including our responses to such events or circumstances,** could have a material adverse effect on our employee relations, treatment growth, productivity, business, results of operations, financial condition, cash flows and reputation. Privacy and information security laws are complex, and if we fail to comply with applicable laws, regulations and standards, including with respect to third- party service providers that utilize sensitive personal information on our behalf, or if we fail to properly maintain the integrity of our data, protect our proprietary rights to our systems or defend against cybersecurity attacks, we may be subject to government or private actions due to privacy and security breaches or suffer losses to our data and information technology assets, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows or materially harm our reputation. We must comply with numerous federal and state laws and regulations in both the U. S. and the foreign jurisdictions in which we operate governing the collection, dissemination, access, use, security and privacy of PHI, including, without limitation, HIPAA and its implementing privacy, security, and related regulations, as amended by the federal Health Information Technology for Economic and Clinical Health Act (HITECH) and collectively referred to as HIPAA. We are also required to report known breaches of PHI and other certain personal information consistent with applicable breach reporting requirements set forth in applicable laws and regulations. From time to time, we may be subject to both federal and state inquiries or audits related to HIPAA, HITECH and other state privacy laws associated with complaints, desk audits, and data breaches. Requirements under HIPAA also continue to evolve. If we fail to comply with applicable privacy and security laws, regulations and standards, including with respect to third- party service providers that utilize sensitive personal information, including PHI, or financial information or payroll data on our behalf **or with respect to the use of certain third- party digital advertising technologies** , **or if we fail to** properly maintain the integrity of our data, protect our proprietary rights, or defend against cybersecurity attacks, it could materially harm our reputation and / or have a material adverse effect on our business, results of operations, financial condition and cash flows. These risks may be intensified to the extent that the laws change or to the extent that we increase our use of third- party service providers that utilize sensitive personal information, including PHI, on our behalf. Data protection laws are evolving globally, and may continue to add additional compliance costs and legal risks to our international operations. For more details on certain international data protection laws and regulations affecting our business, see Part I ~~,~~ Item 1. Business of this Form 10- K under the heading" Government Regulation." The costs of compliance with, and other burdens imposed by these international data protection laws and regulations including, among others, the **EU** ~~General Data Protection Regulation (~~ GDPR ~~) in the EU~~ and **the** UK **GDPR** , and other new laws, regulations and policies implementing these regulations may impact our international operations and may limit the ways in which we can provide services or use personal data collected while providing services. Privacy and data protection laws are also evolving nationally, providing for enhanced state privacy rights that are broader than the current federal privacy rights, and may add additional compliance costs and legal risks to our U. S. operations. The costs of compliance with, and the burdens imposed by, these and other new federal and state laws, regulations or policies may impact our operations and / or limit the ways in which we can provide services or use personal data collected while providing services. If we fail to comply with the requirements of these and other new laws, regulations or policies, we could be subject to **damage awards in private litigation or** penalties that, in some cases, would have a material adverse impact on our business, results of operations, financial condition and cash flows. For more details on the privacy and other regulations affecting our business, see Part I ~~,~~ Item 1. Business of this Form 10- K under the heading" Government Regulation." Scrutiny over cybersecurity standards in the health sector is also increasing, and ongoing developments in this area may cause us to invest additional resources in technology, personnel and programmatic cybersecurity controls as the cybersecurity risks we face continue to evolve. Information security risks have significantly increased in recent years in part because of the proliferation of new technologies, the increasing use of the Internet and telecommunications technologies to conduct our operations, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including, among others, foreign state agents. Our business and operations rely on the secure and continuous processing, transmission and storage of confidential, proprietary and other information in our computer systems and networks, including sensitive personal information, such as PHI, social security numbers, and / or credit card information of our patients, teammates, physicians, business partners and others. Our business and operations also rely on certain critical IT vendors that support such processing, transmission and storage (which have become more relevant and important given the information security issues and risks that are intensified through remote work arrangements). We regularly review, monitor and implement multiple layers of security measures through technology, processes and our people. We utilize security technologies designed to protect and maintain the integrity of our information systems and data, and our defenses are monitored and routinely tested internally and by external parties. Despite these efforts, our facilities and systems and those of our third- party service providers may be vulnerable to privacy and security incidents; security attacks and breaches; acts of vandalism or theft; computer viruses and other malicious code; coordinated attacks by a variety of actors, including, among others, activist entities or state sponsored cyberattacks; emerging cybersecurity risks; cyber risk related to connected devices; misplaced or lost data; programming and / or human errors; or other similar events that could impact the security, reliability and availability of our systems. Internal or external parties have attempted to, and will continue to attempt to, circumvent our security systems, and we have in the past, and expect that we will in the future, defend against, experience, and respond to attacks on our network including, without limitation, reconnaissance probes, denial of service attempts, malicious software attacks including ransomware or other attacks intended to render our internal operating

systems or data unavailable, and phishing attacks or business email compromise. Cybersecurity requires ongoing investment and diligence against evolving threats. **For example, healthcare companies, including our Company and certain of our third-party service providers, strategic partners, consultants or contractors, are increasingly incorporating self- learning or" artificial intelligence" features into information technology capabilities. The use of this rapidly evolving technology may intensify the cybersecurity and reputational risks we face given its novel and untested nature, particularly to the extent such technology involves the use of protected health information (PHI) or personally identifiable information (PII).** Emerging and advanced security threats, including, without limitation, coordinated attacks, require additional layers of security which may disrupt or impact efficiency of operations. As with any security program, there always exists the risk that employees will violate our policies despite our compliance efforts or that certain attacks may be beyond the ability of our security and other systems to detect. There can be no assurance that investments, diligence and / or our internal controls will be sufficient to prevent or timely discover an attack. Any security breach involving the misappropriation, loss or other unauthorized disclosure or use of confidential information, including, among others, PHI, financial data, competitively sensitive information, or other proprietary data, whether by us or a third party, could have a material adverse effect on our business, results of operations, financial condition, and cash flows and materially harm our reputation. We may be required to expend significant additional resources to modify our protective measures, to investigate and remediate vulnerabilities or other exposures, or to make required notifications. The occurrence of any of these events could, among other things, result in interruptions, delays, the loss or corruption of data, cessations in the availability of systems and liability under privacy and security laws, all of which could have a material adverse effect on our business, results of operations, financial condition and cash flows, or materially harm our reputation and trigger regulatory actions and private party litigation. If we are unable to protect the physical and electronic security and privacy of our databases and transactions, we could be subject to potential liability and regulatory action, our reputation and relationships with our patients, physicians, vendors and other business partners would be harmed, and our business, results of operations, financial condition and cash flows could be materially and adversely affected. Failure to adequately protect and maintain the integrity of our information systems (including our networks) and data, or to defend against cybersecurity attacks, could subject us to monetary fines, civil suits, civil penalties or criminal sanctions and requirements to disclose the breach publicly, and could further result in a material adverse effect on our business, results of operations, financial condition and cash flows or harm our reputation. As malicious cyber activity escalates, including activity that originates outside of the U. S., and as we continue with certain remote work arrangements and a broadened technology footprint, the risks we face relating to transmission of data and our use of service providers outside of our network, as well as the storing or processing of data within our network, have intensified. There have been increased international, federal and state and other privacy, data protection and security enforcement efforts and we expect this trend to continue. While we plan to maintain cyber liability insurance, there can be no assurance that we will successfully be able to obtain such insurance on terms and conditions that are favorable to us or at all. Additionally, any cyber liability insurance may not cover us for all types of losses or harms and may not be sufficient to protect us against the amount of all losses. **For additional information about our assessment of our cybersecurity risks, see discussion in Part I Item 1C. Cybersecurity of this Form 10- K.** If certain of our suppliers do not meet our needs, if there are material price increases on supplies, if we are not reimbursed or adequately reimbursed for drugs we purchase or if we are unable to effectively access new technology or superior products, it could negatively impact our ability to effectively provide the services we offer and could have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation. We are also subject to the risk associated with our increased reliance on third party service providers. We have significant suppliers, with a substantial portion of our total vendor spend concentrated with a limited number of third party suppliers. These third party suppliers include, without limitation, suppliers of pharmaceuticals or clinical products that may be the primary source of products critical to the services we provide, or to which we have committed obligations to make purchases, sometimes at particular prices. We and other dialysis providers have experienced supply chain shortages with respect to certain of our equipment and clinical supplies, such as dialysate, which is the fluid solution used in hemodialysis to filter toxins and fluid from the blood, and in certain cases, we have had to make significant operational changes in response. Separately, **current macroeconomic conditions** ~~the ongoing COVID- 19 pandemic~~ also ~~has~~ **have** resulted in global supply chain challenges and has materially impacted global supply chain reliability, as further described in the risk factor under the heading," Macroeconomic conditions and global events..." If any of our suppliers do not meet our needs for the products they supply, including, without limitation, in the event of ~~COVID- 19 related global~~ supply chain ~~challenges~~ **disruptions due to global events** , a product recall, other shortage or dispute, and we are not able to find adequate alternative sources at competitive prices; if we experience material price increases from these suppliers or otherwise in connection with our actions to secure needed products that we are unable to mitigate; if some of the drugs that we purchase from our suppliers are not reimbursed or not adequately reimbursed by commercial or government payors; or if we are unable to secure products, including pharmaceuticals at competitive rates and within the desired time frame; it could negatively impact our ability to effectively provide the services we offer, have a material adverse impact on our business, results of operations, financial condition and cash flows, and could materially harm our reputation. In addition, the technology related to the products critical to the services we provide is subject to new developments which may result in superior products. If we are not able to access superior products on a cost- effective basis, either due to competitive conditions in the marketplace or otherwise, or if suppliers are not able to fulfill our requirements for such products, we could face patient attrition and other negative consequences which could have a material adverse effect on our business, results of operations, financial condition and cash flows. We also rely increasingly on third party service providers to perform certain functions, including, among others, finance and accounting and information technology functions. This reliance subjects us to risks arising from the loss of control over these services, changes in pricing that may affect our operating results, and potentially, termination of provisions of these services by our providers. There can be no assurance that our third party service providers will provide, or continue to provide,

the level of services we require. Any failure by our third party service providers to adequately perform their obligations could negatively impact our ability to effectively execute certain important corporate functions and have a material adverse effect on our business, results of operations, financial condition and cash flows. Changes in clinical practices, payment rates or regulations impacting pharmaceuticals and / or devices could have a material adverse effect on our business, results of operations, financial condition, and cash flows and negatively impact our ability to care for patients. Medicare bundles certain pharmaceuticals into the ESRD PPS payment rate at industry average doses and prices. Variations above the industry average may be subject to partial reimbursement through the PPS outlier reimbursement policy. Changes to industry averages, which can be caused by, among other things, changes in physician prescribing practices, including in response to the introduction of new drugs, treatments or technologies, changes in best and / or accepted clinical practice, changes in private or governmental payment criteria regarding pharmaceuticals and / or devices, or the introduction of administration policies may negatively impact our ability to obtain sufficient reimbursement levels for the care we provide, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. Physician practice patterns, including their independent determinations as to appropriate pharmaceuticals and dosing, are subject to change, including, for example, as a result of changes in labeling of pharmaceuticals or the introduction of new pharmaceuticals. Additionally, commercial payors have increasingly examined their administration policies for pharmaceuticals and, in some cases, have modified those policies. If such policy and practice trends or other changes to private and governmental payment criteria make it more difficult to preserve our margins per treatment, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. Further, increased utilization of certain pharmaceuticals whose costs are included in a bundled reimbursement rate, or decreases in reimbursement for pharmaceuticals whose costs are not included in a bundled reimbursement rate, could also have a material adverse effect on our business, results of operation, financial condition and cash flows. Regulations and processes impacting reimbursement for pharmaceuticals and / or devices and any changes thereto could similarly affect our operating results. Among other things, as new kidney care drugs, treatments or technologies are introduced over time, we expect that the use of transitional payment adjustments to incorporate certain of these new drugs, treatments or technologies as defined by the CMS policy into the bundled Medicare Part B ESRD payment may lead to fluctuations in associated levels of operating income and risk that the reimbursement levels of such drugs, treatments or technologies may not adequately cover our cost to obtain the drug or other associated costs. Drivers of these risks include, among other things, the risk that CMS may not provide adequate funding in the Medicare Part B ESRD payment in the **transitional or** post- transitional period or such items are not covered by transitional add on pricing, in which case there may be less clarity on the reimbursement, either of which may in turn materially adversely impact our business, results of operations, financial condition and cash flows. For example, in the event that **oral phosphate binders are** ~~a hypoxia- inducible factor (HIF) product is approved by the FDA we expect that HIF products will be subject to a TDAPA period prior to being~~ incorporated into the payment bundle **, there can be no assurance that CMS will calculate the bundled payment rate in a manner that correctly accounts for the inclusion of these oral medications and the additional costs associated with dialysis providers having to supply such drugs** . We are developing operational and clinical processes designed to provide the drug as may be required under the applicable regulations and as may be prescribed by physicians and also are working to contract with manufacturers of drug (s) to establish terms and access to the product, as well as payors, as applicable, for reimbursement and / or administration of the drug. ~~While~~ **If the government or** ~~the~~ **other** ~~timing~~ **payors implement new requirements or protocols for patients to receive the drug** and ~~details of a potential approval, including~~ **include pricing in** the **bundle** ~~contents of the applicable FDA label, remain uncertain, if HIF products are approved~~ , we could experience significant fluctuations in our associated levels of operating income and could be subject to material financial, operational and / or legal risk if we are not adequately reimbursed for the cost of the drug, if we are unable to implement effective and appropriate operational measures to distribute **or bill for** the drug, if we fail to implement appropriate storage and diversion controls or if we cannot obtain competitive pricing for the ~~HIF, the~~ **drug. The** aggregate impact of these risks could have a material adverse effect on our business, results of operation, financial condition and cash flows. Similar operating and clinical rigor and appropriate processes will be needed for other potential new drugs, treatments or technologies that are approved and come onto the market, as well as for drugs, treatments or technologies that we contract to receive from different suppliers ~~. In 2022, for example, a new medication that assists with uremic pruritus in dialysis patients was available to patients, and we began our transition to our new ESA contract. In both cases, we developed systems and processes for all facets of operationalizing the availability and reimbursement of each medication. We anticipate other drugs and / or biologies to continue to come onto the market in subsequent years~~ . Any failure to successfully contract with manufacturers for competitive pricing, failure to successfully contract with the government or other payors for appropriate reimbursement, or failure to prepare, develop and implement processes that provide for appropriate availability and use in our clinics in compliance with applicable laws, including those related to controlled substances, could have a material adverse impact on our business, results of operations, financial condition and cash flows. We may also be subject to increased inquiries or audits from a variety of governmental bodies or claims by third parties related to pharmaceuticals, which would require management' s attention and could result in significant legal expense. Any negative findings could result in, among other things, substantial financial penalties or repayment obligations, the imposition of certain obligations on and changes to our practices and procedures as well as the attendant financial burden on us to comply with the obligations, or exclusion from future participation in the Medicare and Medicaid programs, and could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation. For additional details, see the risk factor under the heading" Our business is subject to a complex set of governmental laws, regulations and other requirements..." If we are unable to compete successfully, including, without limitation, implementing our growth strategy and / or retaining patients and developing and maintaining relationships with physicians and hospitals, it could materially adversely affect our business, results of operations, financial condition and cash flows. We operate in a highly competitive and continuously evolving environment across the spectrum of kidney care, and

operating in this market requires us to successfully execute on strategic initiatives which, among other things, build or retain our patient population through acquisition or referrals, or that develop and maintain our relationships with physicians and hospitals in both the dialysis and pre- dialysis space. Competition for relationships with certain referral sources, including nephrologists and hospitals, in existing and expanding geographies or areas is intense, and we continue to face intense competition from large and medium- sized providers, among others, which compete directly with us for physicians qualified to serve as medical directors, for limited acquisition targets and for individual patients. In addition to these large and medium- sized competitors with substantial financial resources and other established participants in the dialysis space, we also compete with individual nephrologists who have opened their own dialysis units or facilities. Our largest competitor, Fresenius Medical ~~Group~~ **Care (FMC)** , manufactures a full line of dialysis supplies and equipment in addition to owning and operating dialysis centers ~~, which~~ **. This** may, among other things, give ~~it~~ **FMC** cost advantages over us because of its ability to manufacture its own products. We continuously compete for maintaining or developing relationships with physicians that can serve as medical directors at our centers. Physicians, including medical directors, choose where they refer their patients, and neither of our current or former medical directors have an obligation to refer their patients to our centers. Certain physicians prefer to have their patients treated at dialysis centers where they or other members of their practice supervise the overall care provided as medical director of the center. As a result, referral sources for many of our centers include the physician or physician group providing medical director services to the center. Moreover, because Medicare regulations require medical directors for each of our Medicare certified dialysis centers, our ability to operate our centers depends in part on our ability to secure medical director agreements with a sufficient number of nephrologists. Our medical director contracts are for fixed periods, generally ten years, and at any given time a large number of them could be up for renewal at the same time. Medical directors have no obligation to extend their agreements with us and, under certain circumstances, our former medical directors may choose to provide medical director services for competing providers or establish their own dialysis centers in competition with ours. If we are unable to contract with nephrologists to provide medical director services, then we may be unable to satisfy the federal Medicare requirements associated with medical directors and to operate our centers. The aging of the nephrologist population and opportunities presented by our competitors may negatively impact a medical director' s decision to enter into or extend his or her agreement with us **and potential declines in the overall number of nephrologists may negatively impact our ability to enter into medical director agreements in the future** . In addition, if the terms of any existing agreement are found to violate applicable laws, there can be no assurances that we would be successful in restructuring the relationship, which would lead to the early termination of the agreement. If we are unable to obtain qualified medical directors to provide supervision of the operations and care provided at our dialysis centers, it could affect not only our ability to operate the center ~~and for~~ **but also the degree to which** other physicians to feel confident in referring patients to our dialysis centers. If a significant number of physicians were to cease referring patients to our dialysis centers, whether due to law, rule or regulation, new competition, a perceived decrease in the quality of service levels at our centers or other reasons, it would have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, as we continue to expand our offerings across the kidney care continuum, our ability to enter into and maintain integrated kidney care relationships with payors, physicians and other providers may have an impact **our ability to participate in integrated kidney care** ~~on dialysis patient retention and the continued referrals of patients from referral sources such as hospitals and nephrologists~~ . This environment is highly competitive and has been evolving. For example, there have been a number of announcements, initiatives and capital raises by non-traditional dialysis providers and others, which relate to entry into the dialysis and pre- dialysis space, the development of innovative technologies, or the commencement of new business activities that could be transformative to the industry. Some of these new entrants have considerable financial resources. Although these and other potential competitors may face operational or financial challenges, the evolving nature of the dialysis and pre- dialysis marketplaces have presented some opportunities for relative ease of entry for these and other potential competitors. As a result, we may compete with these smaller or non-traditional providers or others in an asymmetrical environment with respect to data and regulatory requirements that we face as an ESRD service provider, thereby negatively impacting our ability to effectively compete. These and other factors have continued to drive change in the dialysis and pre- dialysis space, and if we are unable to successfully adapt to these dynamics, it could have a material adverse impact on our business, results of operations, financial condition and cash flows. As an example, new entrants are aggressively pursuing opportunities to participate in the new CMMI payment models or otherwise establish value- based care programs, and increasing investment in and availability of funding to new entrants in the dialysis and pre-dialysis marketplace that ~~are~~ **may** not **be as cautious in adhering to applicable laws and regulations and / or may not be** subject to the same regulatory restrictions as the Company, could adversely impact our ability to enter into competitive arrangements. Each of the aforementioned competitive pressures and related risks may be impacted by a continued decline in the rate of growth of the ESRD patient population, higher mortality rates for dialysis patients or other reductions in demand for dialysis treatments, whether due to the development of innovative technologies or otherwise. The recent ~~2022~~ **2023** annual data report from the ~~United States Renal Data System (~~USRDS ~~)~~ suggests that the rate of growth of the ESRD patient population is declining relative to long- term trends. **As the USRDS report presents data through December 31, 2021, it reflects the initial compounding impact of COVID- 19 on this patient base.** A number of factors may impact ~~ESRD~~ **ESKD** growth rates, including, ~~without limitation~~ **among others, mortality rates for dialysis patients or CKD patients** , the aging of the U. S. population **, transplant rates** , incidence rates for diseases that cause kidney failure such as diabetes and hypertension, ~~transplant rates, mortality rates for dialysis patients or CKD patients and~~ growth rates of minority populations with higher than average incidence rates of **ESKD or other changes in demand for dialysis treatments over time, including for example, as a result of the development and application of certain innovative technologies, drugs or other treatments such as the glucagon- like peptide 1 (GLP- 1) receptor agonist, SGLT2 inhibitors, and other classes of drugs or new classes of drugs or other treatments that may, among other things, slow the progression of CKD. Any decrease in growth rates for the**

ESRD **patient population** ~~. Certain of these factors~~ , **higher** ~~in particular the~~ mortality rates for dialysis patients **or other reductions in demand for dialysis treatments** , **if sustained or significant, could** have ~~been~~ **a material adverse effect on our business, results of operations, financial condition and cash flows. Any such** ~~impacted~~ -- **impact** ~~by~~ **would be magnified to** the ~~COVID~~ **extent it also resulted in a lower number of patients with commercial insurance or a lower percentage of patients under commercial insurance relative to government** - **based programs** ~~19 pandemic. The magnitude of these cumulative COVID- 19 related impacts on our patient census and treatment volumes has been material and depending on the ultimate severity and duration of the pandemic, could continue to be material~~ . While we have continued efforts to seek growth opportunities, such as by expanding our business into various international markets, we face ongoing competition from large and medium- sized providers, among others, for acquisition targets in those markets. Providers may reduce pricing in an attempt to capture more volume in the face of declining ESRD patient growth. Any failure on our part to appropriately adjust our business and operations in light of these complicated marketplace dynamics could have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation. If we are not able to effectively compete in the markets in which we operate, including by implementing our growth strategy, effectively adjusting our business and operations in light of evolving marketplace dynamics, building or retaining our patient population, maintaining and developing relationships with nephrologists and hospitals, particularly medical director relationships, or making acquisitions at the desired pace or at all; if we are not able to continue to maintain the expected or desired level of non- acquired growth; or if we experience significant patient attrition either as a result of new business activities in the dialysis or pre- dialysis space by our existing competitors, other market participants, new entrants, new technology or other forms of competition, or as a result of reductions in demand for dialysis treatments, including, without limitation, due to increased mortality rates for dialysis patients resulting from COVID- 19 or otherwise, reduced prevalence of ESRD, the development of innovative technologies **, drugs or other treatments** or an increase in the number of kidney transplants, it could materially adversely affect our business, results of operations, financial condition and cash flows. The U. S. integrated kidney care, U. S. other ancillary services and international operations that we operate or invest in now or in the future may generate losses and may ultimately be unsuccessful. In the event that one or more of these activities is unsuccessful, our business, results of operations, financial condition and cash flows may be negatively impacted and we may have to write off our investment and incur other exit costs. Our U. S. integrated kidney care and U. S. other ancillary services are subject to many of the same risks, regulations and laws, as described in the risk factors related to our dialysis business set forth in Part I ~~,~~ Item 1A. of this Form 10- K, and are also subject to additional risks, regulations and laws specific to the nature of the particular strategic initiative. We have added, and expect to continue to add additional service offerings to our business and pursue additional strategic initiatives in the future as circumstances warrant, which could include healthcare products or services not directly related to dialysis. Many of these initiatives require or would require investments of both management and financial resources and can generate significant losses for a substantial period of time and may not become profitable in the expected timeframe or at all. There can be no assurance that any such strategic initiative will ultimately be successful. Any significant change in market conditions or business performance, including, without limitation, as a result of the ~~COVID- 19 pandemic, or in the~~ political, legislative or regulatory environment, may impact the performance or economic viability of any of these strategic initiatives. If any of our U. S. integrated kidney care, U. S. **other** ancillary services or international operations are unsuccessful, it may have a negative impact on our business, results of operations, financial condition and cash flows, and if we determine to exit that line of business we may incur significant termination costs. For discussion of risks and potential impacts specific to our integrated kidney care business and related growth strategy, see the risk factor under the heading" If we are not able to successfully implement our strategy with respect to our integrated kidney care and value- based care initiatives..." In addition, we may incur material write- offs or impairments of our investments, including, without limitation, goodwill or other assets, in one or more of our U. S. integrated kidney care, U. S. **other** ancillary services or international operations. In that regard, we have taken, and may in the future take, impairment and restructuring charges in addition to those described above related to our U. S. integrated kidney care, U. S. **other** ancillary services and international operations ~~, including, without limitation, in our prior pharmacy businesses~~ . Expansion of our operations to and offering our services in markets outside of the U. S., and utilizing third- party suppliers and service providers operating outside of the U. S., subjects us to political, economic, legal, operational and other risks that could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation. We are continuing to expand our operations by offering our services and entering new lines of business in certain markets outside of the U. S., and we have increased our utilization of third- party suppliers and service providers operating outside of the U. S., which increases our exposure to the inherent risks of doing business in international markets. Depending on the market, these risks include those relating to: • changes in the local economic environment including, among other things, labor cost increases and other general inflationary pressures; • political instability, armed conflicts or terrorism; • public health crises, such as pandemics or epidemics ~~, including the COVID- 19 pandemic~~ ; • social changes; • intellectual property legal protections and remedies; • trade regulations; • procedures and actions affecting approval, production, pricing, reimbursement and marketing of products and services; • foreign currency **and applicable exchange rates** ; • additional U. S. and foreign taxes; • export controls; • lack of reliable legal systems which may affect our ability to enforce contractual rights; • changes in local laws or regulations, or interpretation or enforcement thereof; • potentially longer ramp- up times for starting up new operations and for payment and collection cycles; • financial and operational, and information technology systems integration; • failure to comply with U. S. laws, such as the FCPA, or local laws that prohibit us, our partners, or our partners' or our agents or intermediaries from making improper payments to foreign officials or any third party for the purpose of obtaining or retaining business **; • laws, regulations or other guidance that require enhanced disclosures and due diligence surrounding the impacts of our Company and value chain on, and the financial risks and opportunities for our Company from, ESG or other similar sustainability or corporate responsibility matters, as well as enhanced policies, processes and controls designed to appropriately monitor**

and track such information and enhanced actions to address our Company' s impact on these matters ; and • data and privacy restrictions, among other things. Issues relating to the failure to comply with applicable non- U. S. laws, requirements or restrictions may also impact our domestic business and / or raise scrutiny on our domestic practices. Additionally, some factors that will be critical to the success of our international business and operations will be different than those affecting our domestic business and operations. For example, conducting international operations requires us to devote significant management resources to implement our controls and systems in new markets, to comply with local laws and regulations, including to fulfill financial reporting and records retention requirements among other things, and to overcome the numerous new challenges inherent in managing international operations, including, without limitation, challenges based on differing languages and cultures, challenges related to establishing clinical operations in differing regulatory and compliance environments, and challenges related to the timely hiring, integration and retention of a sufficient number of skilled personnel to carry out operations in an environment with which we are not familiar. Any expansion of our international operations through acquisitions or through organic growth could increase these risks. Additionally, while we may invest material amounts of capital and incur significant costs in connection with the growth and development of our international operations, including to start up or acquire new operations, we may not be able to operate them profitably on the anticipated timeline, or at all. These risks could have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation. Failing to effectively maintain, operate or upgrade our information systems or those of third- party service providers upon which we rely, including, without limitation, our clinical, billing and collections systems, or failure to adhere to federal and state data sharing and access requirements and regulations could materially adversely affect our business, results of operations, financial condition, cash flows and reputation. Our business depends significantly on effective information systems. Our information systems require an ongoing commitment of significant resources to maintain, upgrade and enhance existing systems and develop or contract for new systems in order to keep pace with continuing changes in information processing technology, emerging cybersecurity risks and threats, evolving industry, legal and regulatory standards and requirements, new models of care, and other changes in our business, among other things. For example, the provisions related to data interoperability, information blocking, and patient access in the Cures Act and No Surprises Act include, among other things, changes to the Office of the National Coordinator for Health Information Technology' s (ONC' s) Health IT Certification Program and requirements that CMS- regulated payors make relevant claims / care data and provider directory information available through standardized patient access and provider directory application programming interfaces (APIs) that connect to provider electronic health records. We have made and expect to continue to make significant investments in updating and integrating our clinical IT systems and continuing to build our data interoperability capabilities. Any failure to adequately comply with these and other provisions related to data interoperability, information blocking, and patient access may, among other things, result in fines and sanctions, adversely impact our Medicare business, our ability to scale our integrated care business and our ability to compete with certain smaller and / or non- traditional providers taking advantage of an asymmetrical environment with respect to data and / or regulatory requirements given our status as an ESRD service provider; or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows. Rulemaking in these areas is ongoing, and there can be no assurances that the implementation of planned enhancements to our systems, such as our implementation of these data interoperability provisions or our other ongoing efforts to upgrade and better integrate our clinical systems, will be successful once the regulatory environment settles or that we will ultimately realize anticipated benefits from investments in new or existing information systems. In addition, we may from time to time obtain significant portions of our systems- related support, technology or other services from independent third parties, which may make our operations vulnerable if such third parties fail to perform adequately. Failure to successfully implement, operate and maintain effective and efficient information systems with adequate technological capabilities, deficiencies or defects in the systems and related technology, or our failure to efficiently and effectively implement ongoing system upgrades or consolidate our information systems to eliminate redundant or obsolete applications, could result in increased legal and compliance risks and competitive disadvantages, among other things, which could have a material adverse effect on our business, financial condition, results of operations and reputation. For additional information on the risks we face in a highly competitive market, see the risk factor under the heading," If we are unable to compete successfully..." If the information we rely upon to run our business was found to be inaccurate or unreliable or if we or third parties on which we rely fail to adequately maintain information systems and data integrity effectively, whether due to software deficiencies, human coding or implementation error or otherwise, we could experience difficulty meeting clinical outcome goals, face regulatory problems, including sanctions and penalties, incur increases in operating expenses or suffer other adverse consequences, any of which could be material. Moreover, failure to adequately protect and maintain the integrity of our information systems (including our networks) and data, or information systems and data hosted by third parties upon which we rely, could subject us to severe consequences as described in the risk factor under the heading" Privacy and information security laws are complex..." Our billing systems, among others, are critical to our billing operations. This includes our systems for our dialysis clinics as well as our systems for our **hospital services and our** ancillary businesses **,** including ~~hospital services~~ **our International business** . If there are defects in our billing systems, or billing systems or services of third parties upon which we rely, we may experience difficulties in our ability to successfully bill and collect for services rendered, including, without limitation, a delay in collections, a reduction in the amounts collected, increased risk of retractions from and refunds to commercial and government payors, an increase in our provision for uncollectible accounts receivable and noncompliance with reimbursement laws and related requirements, any or all of which could materially adversely affect our results of operations. In the clinical environment, a failure of our clinical systems, or the systems of our third- party service providers, to operate effectively could have a material adverse effect on our business, the clinical care provided to patients, results of operations, financial condition and cash flows. For example, in connection with claims for which at least part of the government' s payments to us is based on clinical performance or patient outcomes or co-

morbidities, if relevant clinical systems fail to accurately capture the data we report to CMS or we otherwise have data integrity issues with respect to the reported information, this could impact our payments from government payors. Additionally, we expect the highly competitive environment in which we operate to become increasingly more competitive as the market evolves and new technologies are introduced. This dynamic environment requires continuous investment in new technologies and clinical applications. Machine learning and artificial intelligence are increasingly driving innovations in technology, and parts of our operations may employ robotics. If these **rapidly evolving** technologies or applications fail to operate as anticipated or do not perform as specified, including due to potential design defects and defects in the development of algorithms or other technologies, human error or otherwise, our clinical operations, business and reputation may be harmed. If we are unable to successfully maintain, enhance or operate our information systems, including through the implementation of such technologies or applications in our clinical operations and laboratory, we may be, among other things, unable to efficiently adapt to evolving laws and requirements, unable to remain competitive with others who successfully implement and advance this technology, subject to increased risk under existing laws, regulations and requirements that apply to our business, and our patients' safety may be adversely impacted, any of which could have a material adverse impact on our business, results of operations and financial condition and could materially harm our reputation. For additional detail, see the discussion in the risk factor under the heading" Our business is subject to a complex set of governmental laws, regulations and other requirements..." We may engage in acquisitions, mergers, joint ventures, noncontrolling interest investments, or dispositions, which may materially affect our results of operations, debt- to- capital ratio, capital expenditures or other aspects of our business, and, under certain circumstances, could have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation. Our business strategy includes growth through acquisitions of dialysis centers and other businesses, as well as through entry into joint ventures. We may engage in acquisitions, mergers, joint ventures or dispositions or expand into new business lines or models, which may affect our results of operations, debt- to- capital ratio, capital expenditures or other aspects of our business. For example, in ~~2022~~ **2023** we **closed a transaction** ~~entered into an agreement~~ with Medtronic, Inc. and one of its subsidiaries (collectively, Medtronic) to form a new, independent kidney care- focused medical device company (~~NewCo~~ **Mozarc**). The transaction is expected to ~~close in 2023, subject to customary closing conditions and regulatory approvals, and is expected to~~ require us to ~~make significant cash investments to help fund the business and~~ fund additional consideration to Medtronic in certain circumstances. See the discussion under" Off- balance sheet arrangements and aggregate contractual obligations" in Part II ~~,~~ Item 7." Management' s Discussion and Analysis of Financial Condition and Results of Operations." There can be no assurance that we will be able to identify suitable acquisition or joint venture targets or merger partners or buyers for dispositions or that, if identified, we will be able to agree to acceptable terms or on the desired timetable. There can also be no assurance that we will be successful in completing any acquisitions, joint ventures, mergers or dispositions that we announce, executing new business lines or models or integrating any acquired business into our overall operations. There is no guarantee that we will be able to operate acquired businesses successfully as stand- alone businesses, or that any such acquired business will operate profitably or will not otherwise have a material adverse effect on our business, results of operations, financial condition and cash flows or materially harm our reputation. In addition, acquisition, merger or joint venture activity conducted as part of our overall growth strategy is subject to antitrust and competition laws, and antitrust regulators can investigate future (or pending) and consummated transactions. These laws could impact our ability to pursue these transactions ~~,~~ **or our ability to consummate them on a timely basis; could require us to devote additional resources to potential transactions;** and under certain circumstances, could result in mandated divestitures, among other things. If a proposed transaction or series of transactions is subject to challenge under antitrust or competition laws, we may incur substantial legal costs, management' s attention and resources may be diverted, and if we are found to have violated these or other related laws, regulations or requirements, we could suffer severe consequences that could have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation and stock price. For additional detail, see the risk factor under the heading" Our business is subject to a complex set of governmental laws, regulations and other requirements..." Further, we cannot be certain that key talented individuals at the business being acquired will continue to work for us after the acquisition or that they will be able to continue to successfully manage or have adequate resources to successfully operate any acquired business. In addition, certain of our acquired dialysis centers and facilities have been in service for many years, which may result in a higher level of maintenance costs. Further, our facilities, equipment and information technology may need to be improved or renovated to maintain or increase operational efficiency, compete for patients and medical directors, or meet changing regulatory requirements. Increases in maintenance costs and / or capital expenditures could have, under certain circumstances, a material adverse effect on our business, results of operations, financial condition and cash flows. Businesses we acquire may have unknown or contingent liabilities or liabilities that are in excess of the amounts that we originally estimated, and may have other issues, including, without limitation, those related to internal control over financial reporting or issues that could affect our ability to comply with healthcare laws and regulations and other laws applicable to our expanded business, which could harm our reputation. As a result, we cannot make any assurances that the acquisitions we consummate will be successful. Although we generally seek indemnification from the sellers of businesses we acquire for matters that are not properly disclosed to us, we are not always successful. In addition, even in cases where we are able to obtain indemnification, we may discover liabilities greater than the contractual limits, the amounts held in escrow for our benefit (if any), or the financial resources of the indemnifying party. In the event that we are responsible for liabilities substantially in excess of any amounts recovered through rights to indemnification or alternative remedies that might be available to us, or any applicable insurance, we could suffer severe consequences that would have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation. In addition, under the terms of the equity purchase agreement for the DMG sale (the DMG sale agreement), we agreed to certain indemnification obligations, including with respect to claims for breaches of our representations and warranties regarding

compliance with law, litigation, absence of undisclosed liabilities, employee benefit matters, labor matters, or taxes, among others, and other claims for which we provided the buyer with a special indemnity. As a result, we may become obligated to make payments to the buyer relating to our previous ownership and operation of the DMG business. Any such post- closing liabilities and required payments under the DMG sale agreement, or otherwise, or in connection with any other past or future disposition of material assets or businesses could individually or in the aggregate have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation. Additionally, joint ventures or noncontrolling interest investments, including, without limitation, our Asia Pacific joint venture, inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational and / or compliance risks associated with the joint venture or noncontrolling interest investment. In addition, we may be dependent on joint venture partners, controlling shareholders or management who may have business interests, strategies or goals that are inconsistent with ours. Business decisions or other actions or omissions of the joint venture partner, controlling shareholders or management may require us to make capital contributions or necessitate other payments, result in litigation or regulatory action against us, result in reputational harm to us or adversely affect the value of our investment or partnership, among other things. In addition, we have potential obligations to purchase the interests held by third parties in many of our joint ventures as a result of put provisions that are exercisable at the third party' s discretion within specified time periods, pursuant to the applicable agreement. If these put provisions were exercised, we would be required to purchase the third party owner' s equity interest, generally at the appraised market value. There can be no assurances that these joint ventures and / or noncontrolling interest investments, including, without limitation, our Asia Pacific joint venture, ultimately will be successful. If our joint ventures were found to violate the law, we could suffer severe consequences that would have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation. As of December 31, ~~2022~~ **2023**, we owned a controlling interest in numerous dialysis- related joint ventures, which represented approximately ~~28~~ **29** % of our U. S. dialysis revenues for the year ended December 31, ~~2022~~ **2023**. In addition, we also owned noncontrolling equity investments in several other dialysis ~~-~~ related joint ventures. We expect to continue to increase the number of our joint ventures. Many of our joint ventures with physicians or physician groups also have certain physician owners providing medical director services to centers we own and operate. Because our relationships with physicians are governed by the federal and state anti- kickback statutes, we have sought to structure our joint venture arrangements to satisfy as many federal safe harbor requirements as we believe are commercially reasonable. Our joint venture arrangements do not satisfy all of the elements of any safe harbor under the federal Anti- Kickback Statute, however, and therefore are susceptible to government scrutiny. Additionally, our joint ventures and minority investments inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational and / or compliance risks associated with the joint venture or minority investment. If our joint ventures are found to violate applicable laws or regulations, we could suffer severe consequences that would have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation. For additional information on these risks, see the risk factors under the headings" Our business is subject to a complex set of governmental laws, regulations and other requirements...;" and" We may engage in acquisitions, mergers, joint ventures, noncontrolling interest investments, or dispositions..." Our aspirations, goals and disclosures related to ~~environmental, social and governance (~~ ESG ~~)~~ matters expose us to numerous risks, including without limitation risks to our reputation and stock price. We have a longstanding ESG program and have engaged with key stakeholders to develop ESG focus areas and to set ESG- related goals, many of which are aspirational. We have set and disclosed these focus areas, goals and related objectives as part of our continued commitment to ESG matters, but our goals and objectives reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our efforts to accomplish and accurately report on these goals and objectives present numerous operational, reputational, financial, legal and other risks, certain of which are outside of our control, and could have, under certain circumstances, a material adverse impact on us, including on our reputation and stock price. Examples of such risks include, among others: the availability and cost of low- or non- carbon- based energy sources and technologies for us and our vendors, evolving regulatory requirements affecting ESG standards, frameworks and disclosures, including evolving standards for measuring and reporting on related metrics, the availability of suppliers that can meet our sustainability and other standards, our ability to recruit, develop and retain diverse talent in our labor markets, and our ability to grow our home based dialysis business. If our ESG practices do not meet evolving investor or other stakeholder expectations and standards, then our reputation, our ability to attract or retain employees and our attractiveness as an investment, business partner or acquirer could be negatively impacted. Similarly, our failure or perceived failure to adequately pursue or fulfill our goals and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could also have similar negative impacts and expose us to other risks, which under certain circumstances could be material. If we are not able to adequately recognize and respond to the rapid and ongoing developments and governmental and social expectations relating to ESG matters, this failure could result in missed corporate opportunities, additional regulatory, social or other scrutiny of us, the imposition of unexpected costs, or damage to our reputation with governments, patients, teammates, third parties and the communities in which we operate, which in turn could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common stock to decline. There are significant risks associated with estimating the amount of dialysis revenues and related refund liabilities that we recognize, and if our estimates of revenues and related refund liabilities are materially inaccurate, it could impact the timing and the amount of our revenues recognition or have a material adverse effect on our business, results of operations, financial condition and cash flows. There are significant risks associated with estimating the amount of U. S. dialysis ~~net~~ patient ~~services~~ ~~-~~ **service** revenues and related refund liabilities that we recognize in a reporting period. The billing and collection process is complex due to ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage and other payor issues, such as ensuring appropriate documentation. Determining applicable primary and secondary coverage for approximately ~~199~~ **200**, ~~400~~

800 U. S. patients at any point in time, together with the changes in patient coverage that occur each month, requires complex, resource- intensive processes. Errors in determining the correct coordination of benefits may result in refunds to payors. Revenues associated with Medicare and Medicaid programs are also subject to estimating risk related to the amounts not paid by the primary government payor that will ultimately be collectible from other government programs paying secondary coverage, the patient' s commercial health plan secondary coverage or the patient. Collections, refunds and payor retractions typically continue to occur for up to three years and longer after services are provided. We generally expect our range of U. S. dialysis patient ~~services~~ **service** revenues estimating risk to be within 1 % of revenues for the segment. If our estimates of U. S. dialysis patient ~~services~~ **service** revenues and related refund liabilities are materially inaccurate, it could impact the timing and the amount of our revenues recognition and have a material adverse impact on our business, results of operations, financial condition and cash flows. General Risk Factors The level of our current and future debt could have an adverse impact on our business, and our ability to generate cash to service our indebtedness and for other intended purposes and our ability to maintain compliance with debt covenants depends on many factors beyond our control. We have a substantial amount of indebtedness outstanding and we may incur substantial additional indebtedness in the future, including indebtedness incurred to finance repurchases of our common stock pursuant to our share repurchase authorization discussed under" Stock Repurchases" in Part II ~~,~~ Item 7." Management' s Discussion and Analysis of Financial Condition and Results of Operations." As described in Note ~~13~~ **12** to the consolidated financial statements included in this report, we are party to a senior secured credit agreement (**as amended,** the Credit Agreement), which consists of an up to $ 1 **. 5** billion secured revolving line of credit, a secured term loan A **- 1** facility and a secured term loan B- 1 facility. Our long- term indebtedness also includes $ 4. 250 billion aggregate principal amount of senior notes. Our senior secured credit facilities bear, and other indebtedness we may incur in the future may bear, interest at a variable rate. As a result, at any given time interest rates on the senior secured credit facilities and any other variable rate debt could be higher or lower than current levels. If interest rates increase, our debt service obligations on our variable rate indebtedness will increase even though the amount borrowed remains the same, and therefore net income and associated cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. ~~Our indebtedness levels and the required payments on such indebtedness may also be impacted by developments related to LIBOR replacement.~~ The variable interest rates payable under our senior secured credit facilities have historically been linked to LIBOR as the benchmark for establishing such rates. **The** ~~We expect that the~~ LIBOR **rate used in our** ~~benchmark will cease to exist after June 30, 2023. Our~~ senior secured credit facilities **ceased** ~~include mechanics~~ to **be available starting June 30, 2023. Prior to that date, we transitioned all the debt from our senior secured credit** ~~facilitate~~ **facilities from** ~~the adoption by us and our lenders of an alternative benchmark rate for use in place of~~ LIBOR ~~and through this mechanism or other amendments or agreements with our lenders we expect~~ to ~~reference a replacement index that measures the cost of borrowing cash overnight, backed by U. S. Treasury securities (~~ Secured Overnight Financing Rate ~~or (~~ SOFR) ~~or~~ **. SOFR is** a **broad measure** ~~variation thereof; however, no assurance can be made that we and our lenders, or any lenders in a subsequent refinancing~~ of **the cost of borrowing cash overnight collateralized by U. S. Treasury securities. The SOFR** ~~our credit facilities, will agree on such an alternative rate and, even if agreed upon, such alternative~~ rate may not perform in a manner similar to LIBOR and may result in interest rates that are higher or lower than those that would have resulted had LIBOR remained in effect, which could impact our cost of capital. Our ability to make payments on our indebtedness, to fund planned capital expenditures and expansion efforts, including, without limitation, any strategic acquisitions or investments we may make in the future, to repurchase our stock at the levels intended or announced and to meet our other liquidity needs such as for working capital or capital expenditures, will depend on our ability to generate cash. This depends not only on the success of our business but is also subject to economic, financial, competitive, regulatory and other factors that are beyond our control. We cannot provide assurances that our business will generate sufficient cash flows from operations in the future or that future borrowings will be available to us in amounts sufficient to enable us to service our indebtedness or to fund our working capital and other liquidity needs, including those described above. If we are unable to generate sufficient funds to service our outstanding indebtedness or to meet our working capital or other liquidity needs, including those described above, we would be required to refinance, restructure, or otherwise amend some or all of such indebtedness, sell assets, change or reduce our intended or announced uses or strategy for capital deployment, including, without limitation, for stock repurchases, reduce capital expenditures, planned expansions or other strategic initiatives, or raise additional cash through the sale of our equity or equity- related securities. We cannot make any assurances that any such refinancing, restructurings, amendments, sales of assets, or issuances of equity or equity- related securities can be accomplished or, if accomplished, will be on favorable terms or would raise sufficient funds to meet these obligations or our other liquidity needs. In addition, we may continue to incur indebtedness in the future, and the amount of that additional indebtedness may be substantial. Although the Credit Agreement includes covenants that could limit our indebtedness, we currently have, and expect to continue to have, the ability to incur substantial additional debt. The risks described in this risk factor could intensify as new debt is added to current debt levels or if we incur any new debt obligations that subject us to restrictive covenants that limit our financial and operational flexibility. Any breach or failure to comply with any of these covenants could result in a default under our indebtedness. Other risks related to our ability to generate sufficient cash to service our indebtedness and for other intended purposes, include, for example: • increase our vulnerability to general adverse economic and industry conditions; • limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate; • expose us to interest rate volatility that could adversely affect our business, results of operations, financial condition and cash flows, and our ability to service our indebtedness; • place us at a competitive disadvantage compared to our competitors that have less debt; and • limit our ability to borrow additional funds, or to refinance existing debt on favorable terms when otherwise available or at all. Any failure to pay any of our indebtedness when due or any other default under our credit facilities or our other indebtedness could have a material adverse effect on our business, results of operations, financial condition and cash flows, and could trigger cross default or cross acceleration provisions in our other debt instruments,

thereby permitting the holders of that other indebtedness to demand immediate repayment or cease to make future extensions of credit, and, in the case of secured indebtedness, to take possession of and sell the collateral securing such indebtedness to satisfy our obligations. The borrowings under our senior secured credit facilities and senior indentures are guaranteed by certain of our domestic subsidiaries, and borrowings under our senior secured credit facilities are secured by substantially all of our and certain of our domestic subsidiaries' assets. Such guarantees and the fact that we have pledged such assets may make it more difficult and expensive for us to make, or under certain circumstances could effectively prevent us from making, additional secured and unsecured borrowings. We could be subject to adverse changes in tax laws, regulations and interpretations or challenges to our tax positions. We are subject to tax laws and regulations of the U. S. federal, state and local governments as well as various foreign jurisdictions. We compute our income tax provision based on enacted tax rates in the jurisdictions in which we operate. As the tax rates vary among jurisdictions, a change in earnings attributable to the various jurisdictions in which we operate could result in a change in our overall tax provision. Changes in tax laws or regulations may be proposed or enacted that could adversely affect our overall tax liability. There can be no assurance that changes in tax laws or regulations, both within the domestic and foreign jurisdictions in which we operate, will not materially and adversely affect our effective tax rate, tax payments, results of operations, financial condition and cash flows. Similarly, changes in tax laws and regulations that impact our patients, business partners and counterparties or the economy may also impact our results of operations, financial condition and cash flows. In addition, tax laws and regulations are complex and subject to varying interpretations, and any significant failure to comply with applicable tax laws and regulations in all relevant jurisdictions could give rise to material penalties and liabilities. We are regularly subject to audits by various tax authorities. **It** ~~For example, our current audits include an audit by the Internal Revenue Service for the years 2016 – 2017, and it~~ is possible that the final determination of ~~this and~~ any ~~other~~ **such** tax audits and any related litigation could be materially different from our historical income tax provisions and accruals. Any changes in enacted tax laws, rules or regulatory or judicial interpretations; any adverse development or outcome in connection with tax audits in any jurisdiction; or any change in the pronouncements relating to accounting for income taxes could materially and adversely impact our effective tax rate, tax payments, results of operations, financial condition and cash flows. The effects of natural or other disasters, political instability, public health crises or adverse weather events such as hurricanes, earthquakes, fires or flooding could have a material adverse effect on our business, results of operations, financial condition and cash flows. Some of our operations, including our clinical laboratory, dialysis centers and other facilities, may be adversely impacted by the effects of natural or other disasters, political instability, public health crises such as global pandemics or epidemics ~~, including the COVID- 19 pandemic~~ , or adverse weather events such as hurricanes, earthquakes, fires or flooding. Each of these effects and risks may be further intensified by the increasing impact of climate change on a global scale. In addition, these risks are particularly heightened for our patients in part because individuals with chronic illness may be more susceptible to the adverse effects of epidemics or other public health crises and also because any natural or other disaster, political instability or adverse weather event that disrupts or limits the operation of any of our centers or other facilities or services may delay or otherwise impact the critical services we provide to dialysis patients. Further, any such event or other occurrence that results in a failure of the fitness of our clinical laboratory, dialysis centers and related operations and / or other facilities or otherwise adversely impacts the safety of our teammates or patients at any of those locations could lead us to face adverse consequences, including, without limitation, the potential loss of data, including PHI or PII, compliance or regulatory investigations, any of which could materially impact our business, results of operations and financial condition, and could materially harm our reputation. For example, our clinical laboratory is located in Florida, a state that has in the past experienced and may in the future experience hurricanes. Natural or other disasters or adverse weather events could significantly damage or destroy our facilities, disrupt operations, increase our costs to maintain operations and require substantial expenditures and recovery time to fully resume operations. In addition, as the effects of climate change progressively surface, such as through potential increases in the frequency and intensity of natural or other disasters or adverse weather events or through laws or regulations adopted in response, we may face increased costs associated with operating our clinics, including, without limitation, with respect to supplies of water or energy costs. Our presence in markets outside the U. S. may increase our exposure to these and similar risks related to natural disasters, public health crises, political instability, climate change or other catastrophic events outside our control. For additional information regarding the risks related to our international business, see the discussion in the risk factor under the heading" Expansion of our operations to and offering our services in markets outside of the U. S...." Any or all of these factors, as well as other consequences of these events, none of which we can currently predict, could have a material adverse effect on our business, results of operations, financial condition and cash flows or materially harm our reputation. We may be subject to liability claims for damages and other expenses that are not covered by insurance or exceed our existing insurance coverage that could have a material adverse effect on our business, results of operations, financial condition and cash flows and could materially harm our reputation. Our operations and how we manage our business may subject us, as well as our officers and directors to whom we owe certain defense and indemnity obligations, to litigation and liability. Our business, profitability and growth prospects could suffer if we face negative publicity or we pay damages or defense costs in connection with a claim that is outside the scope or limits of coverage of any applicable insurance coverage, including, without limitation, claims related to adverse patient events, cybersecurity incidents, contractual disputes, antitrust and competition laws and regulations, professional and general liability and directors' and officers' duties. In addition, we have received notices of claims from commercial payors and other third parties, as well as subpoenas and civil investigative demands from the federal government, related to our business practices, including, without limitation, our historical billing practices and the historical billing practices of acquired businesses. Although the ultimate outcome of these claims cannot be predicted, an adverse result with respect to one or more of these claims could have a material adverse effect on our business, results of operations, financial condition and cash flows, and could materially harm our reputation. We maintain insurance coverage for those risks we deem are appropriate to insure against and make determinations about whether to self- insure as to other risks or layers of coverage.

However, a successful claim, including, without limitation, a professional liability, malpractice or negligence claim or a claim related to antitrust and competition laws or a cybersecurity incident, which is in excess of any applicable insurance coverage, that is outside the scope or limits of any applicable insurance coverage, or that is subject to our self- insurance retentions, could have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation. In addition, if our costs of insurance and claims increase, then our earnings could decline. Market rates for insurance premiums and deductibles have been steadily increasing. Our business, results of operations, financial condition and cash flows could be materially and adversely affected by any of the following: • the collapse or insolvency of our insurance carriers; • further increases in premiums and deductibles; • increases in the number of liability claims against us or the cost of settling or trying cases related to those claims; • obtaining insurance with exclusions for things such as communicable diseases; or • an inability to obtain one or more types of insurance on acceptable terms, if at all. If we fail to successfully maintain an effective internal control over financial reporting, the integrity of our financial reporting could be compromised, which could have a material adverse effect on our ability to accurately report our financial results, the market' s perception of our business and our stock price. The integration of acquisitions and addition of new business lines into our internal control over financial reporting has required and will continue to require significant time and resources from our management and other personnel and has increased, and is expected to continue to increase, our compliance costs. Failure to maintain an effective internal control environment could have a material adverse effect on our ability to accurately report our financial results, the market' s perception of our business and our stock price. In addition, we could be required to restate our financial results in the event of a significant failure of our internal control over financial reporting or in the event of inappropriate application of accounting principles. Provisions in our organizational documents, our compensation programs and policies and certain requirements under Delaware law may deter changes of control and may make it more difficult for our stockholders to change the composition of our Board of Directors and take other corporate actions that our stockholders would otherwise determine to be in their best interests. Our organizational documents include provisions that may deter hostile takeovers, delay or prevent changes of control or changes in our management, or limit the ability of our stockholders to approve transactions that they may otherwise determine to be in their best interests. These include provisions prohibiting our stockholders from acting by written consent, advance notice requirements for director nominations and stockholder proposals and granting our Board of Directors the authority to issue preferred stock and to determine the rights and preferences of the preferred stock without the need for further stockholder approval. Most of our outstanding employee stock- based compensation awards include a provision accelerating the vesting of the awards in the event of a change of control. These and any other change of control provisions may affect the price an acquirer would be willing to pay for our Company. We are also subject to Section 203 of the Delaware General Corporation Law that, subject to exceptions, prohibits us from engaging in any business combinations with any interested stockholder, as defined in that section, for a period of three years following the date on which that stockholder became an interested stockholder. The provisions described above may discourage, delay or prevent an acquisition of our Company at a price that our stockholders may find attractive. These provisions could also make it more difficult for our stockholders to elect directors and take other corporate actions and could limit the price that investors might be willing to pay for shares of our common stock.