Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name: Option Care Health, Inc. (f/k/a Bioscrip, Inc.)			2 Issuer's employer identification number (EIN): 05-0489664
3 Name of contact for additional information: Nicolas Sassali	4 Telephone No. of contact: 312-940-2500		5 Email address of contact: investor.relations@optioncare.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact: 3000 Lakeside Drive, Suite 300N			7 City, town, or post office, state, and ZIP code of contact: Bannockburn, IL 60015
8 Date of action: August 6, 2019	9 Classification and description: Preferred Stock		
10 CUSIP number: 09069N207	11 Serial number(s): N/A	12 Ticker symbol: BIOS	13 Account number(s): N/A

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attached statement

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attached statement

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attached statement

Part II **Organizational Action** *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached statement

18 Can any resulting loss be recognized? ▶ See attached statement

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached statement

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Date ▶ 9/6/19

Print your name ▶ Michael Shapiro Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Option Care Health, Inc. (f/k/a BioScrip, Inc.)
FEIN: 05-0489664
Attachment to U.S. Form 8937
Date of Organizational Action: August 6, 2019
Merger of Option Care Health, Inc. (f/k/a BioScrip, Inc.) and HC Group Holdings II, Inc.

Please be advised that the information contained herein does not constitute tax advice and does not purport to take into account any security holder's specific circumstances. Each applicable shareholder is advised to consult his or her tax advisor regarding the tax treatment of this transaction.

U.S. Form 8937, Part II, Line 14 – Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:

On August 6, 2019, HC Group Holdings II, Inc., a Delaware corporation ("HC II" or "Omega"), which wholly owns the group of operating subsidiaries known as Option Care ("Option Care"), first merged (the "First Merger") with and into Beta Sub, Inc. ("Beta Sub, Inc." or "Merger Sub Inc."), a Delaware corporation and a wholly owned subsidiary of BioScrip, Inc., a Delaware corporation ("BioScrip" or the "Company") with HC II as the surviving corporation (the "Surviving Corporation"). Immediately following the First Merger, the Surviving Corporation was merged with and into Beta Sub, LLC, (the "Second Merger"), a Delaware limited liability company and a wholly owned subsidiary of BioScrip ("Beta Sub, LLC" or "Merger Sub LLC") (the First Merger and such subsequent merger referred to as the "Mergers"). Upon completion of the Mergers, the Surviving Corporation operates as a wholly owned subsidiary of BioScrip under the name HC Group Holdings II, LLC. The Mergers were effectuated pursuant to an Agreement and Plan of Merger (the "Merger Agreement") by and among the Company, HC II, HC Group Holdings I, LLC, a Delaware limited liability company ("Omega Parent"), HC Group Holdings III, Inc. (solely for limited purposes set forth therein), Beta Sub, Inc. and Beta Sub, LLC, dated as of March 14, 2019. As a result of the Mergers, Omega Parent owns approximately 80% of the issued and outstanding shares of the combined company immediately following the completion of the First Merger.

On March 14, 2019, BioScrip also entered into a Preferred Stock Repurchase Agreement with certain funds and accounts managed by Coliseum Capital Management, LLC, pursuant to which BioScrip will repurchase 100% of its outstanding Series C Convertible Preferred Stock ("Series C Preferred Stock") from the current holders for (i) an amount in cash equal to 120% of the liquidation preference payable in respect of such shares and (ii) 2.5226 shares of BioScrip common stock per preferred share. The BioScrip Board of Directors has also approved an amendment to BioScrip's Series A Convertible Preferred Stock ("Series A Preferred Stock") Certificate of Designations pursuant to which, following the closing of the Mergers (i) ninety-six one hundredths (96/100) of each share of Series A Preferred Stock will be redeemed for an amount in cash equal to 120% of the liquidation preference then-applicable to such share of Series A Preferred Stock as of the date of such redemption (including any dividends accrued through such date) and (ii) (A) four one-hundredths (4/100) of each share of Series A Preferred Stock issued by BioScrip on March 9, 2015 then issued and outstanding will automatically be converted into 2.5226 shares of BioScrip common stock and (B) four one-hundredths (4/100) of each share of Series A Preferred Stock issued by BioScrip on July 29, 2015 then issued and outstanding will automatically be converted into 2.4138 shares of BioScrip common stock, totaling approximately 1,602,711 shares of BioScrip common stock in the aggregate.

Each former BioScrip preferred shareholder who would have otherwise been entitled to receive a fractional share of BioScrip common stock instead received cash in lieu of such fractional share in an amount equal to such fractional share multiplied by the price of a share of BioScrip common stock. No other consideration was received by the shareholders in the conversion.

The Merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

U.S. Form 8937, Part II, Line 15 – Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:

As a result of the organizational action, each former BioScrip preferred shareholder may recognize gain, but not loss. The gain, if any, recognized by a former BioScrip preferred shareholder will equal the lesser of (a) the excess, if any, of (i) the amount of cash plus the fair market value of the common stock (including any fractional share) received in the transaction over (ii) the aggregate adjusted tax basis in the shares of stock surrendered, and (b) the amount of cash consideration received. A former BioScrip preferred shareholder must calculate gain separately for each identifiable block of BioScrip preferred shares surrendered by such shareholder in the transaction.

The aggregate tax basis of the common shares received by the former BioScrip preferred shareholders (including any fractional share interest deemed received and redeemed for cash) will be the same as the aggregate tax basis of the preferred shares surrendered in exchange therefor, reduced by the amount of cash received on the exchange (excluding cash received in lieu of fractional shares) and increased by the amount of any gain recognized upon the exchange (excluding any gain resulting from the deemed receipt and redemption of fractional shares).

A former BioScrip preferred shareholder must allocate the tax basis across the total number of the shareholder's common shares received in the transaction. The actual tax basis will differ with respect to each separate former BioScrip preferred shareholder and, additionally, tax basis may differ with respect to separate and distinct blocks of preferred shares owned by a former BioScrip preferred shareholder.

To the extent that a former BioScrip preferred shareholder received cash in lieu of a fractional common share, the former BioScrip preferred shareholder will be treated as having received a fractional share of BioScrip common stock and then having exchanged the fractional share of BioScrip stock for cash. As a result, the former BioScrip preferred shareholder generally will recognize gain or loss equal to the difference between the cash received and the shareholder's basis in the fractional share of BioScrip common stock as determined above.

U.S. Form 8937, Part II, Line 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates

See the description in Part II, Line 15 above. Additionally, one method of calculating the fair market value of one share of BioScrip common would be to utilize the "Determination Date VWAP." Other reasonable methods may exist, however, and applicable shareholders should consult their tax advisors.

U.S. Form 8937, Part II, Line 17 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based

The Merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code. In general, the tax treatment of the applicable shareholders is determined under the IRS Code sections 354, 356, 358, and 1221.

U.S. Form 8937, Part II, Line 18 – Can any resulting loss be recognized?

Applicable BioScrip shareholders generally will not recognize loss for income tax purposes by reason of the transaction, except with respect to cash received in lieu of a fractional share of BioScrip common stock. If an applicable shareholder receives cash in lieu of a fractional share of BioScrip common stock, the shareholder will be treated as having received a fractional share of BioScrip common stock and then having exchanged the fractional share of common stock for cash. As a result, the applicable shareholder generally will recognize gain or loss equal to the difference between the cash received and the shareholder's basis in the fractional share of common stock as determined above.

U.S. Form 8937, Part II, Line 19 – Provide any other information necessary to implement the adjustment, such as the reportable tax year

The reportable tax year is the tax year of the shareholder during which exchange occurred (e.g., 2019 for calendar year taxpayers).