

## Return of Organization Exempt from Income Tax

OMB No 1545-0047

2001

Department of the Treasury  
Internal Revenue ServiceUnder Section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)Open to Public  
Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2001 calendar year, or tax year beginning , 2001, and ending , 20

## B Check if applicable

- ☐ Address change  
☐ Name change  
☐ Initial return  
☐ Final return  
☐ Amended return  
☐ Application pending

Please use  
IRS label  
or print  
or type  
See  
specific  
instruc-  
tionsKAISER FOUNDATION HEALTH PLAN OF  
COLORADO  
ONE KAISER PLAZA, 1550 ORDWAY  
OAKLAND, CA 94612

## D Employer Identification Number

84-0591617

## E Telephone number

510 271-6385

## F Accounting method

☐ Cash ☒ Accrual☐ Other (specify) ▶Section 501(c)(3) organizations and 4947(a)(1) nonexempt  
charitable trusts must attach a completed Schedule A  
(Form 990 or 990-EZ)

H and I are not applicable to Section 527 organizations

H (a) Is this a group return for affiliates? ☐ Yes ☒ No

H (b) If yes, enter number of affiliates ▶

H (c) Are all affiliates included? ☐ Yes ☐ No

(If 'no' attach a list. See instructions.)

H (d) Is this a separate return filed by an  
organization covered by a group ruling? ☐ Yes ☒ No

I Enter 4-digit group GEN ▶

M Check ☐ if the organization is not required  
to attach Schedule B (Form 990, 990-EZ, or 990-PF)

## G Web site ▶ N/A

J Organization type  
(check only one)☒ 501(c) 3 (insert no) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization's gross receipts are normally not more than  
\$25,000. The organization need not file a return with the IRS, but if the organization  
received a Form 990 Package in the mail, it should file a return without financial data.  
Some states require a complete return.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12▶ 1,053,919,616

## Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see instructions)

## 1 Contributions, gifts, grants, and similar amounts received

a Direct public support

1a 1,188,565

b Indirect public support

1b 335,426

c Government contributions (grants)

1c 21,515

d Total (add lines 1a through 1c) (cash \$ 1,545,506 noncash \$ )

1d 1,545,506

## 2 Program service revenue including government fees and contracts (from Part VII, line 93)

2 1,041,914,219

## 3 Membership dues and assessments

3

## 4 Interest on savings and temporary cash investments

4 5,831,506

## 5 Dividends and interest from securities

5

## 6a Gross rents

6a

b Less rental expenses

6b

c Net rental income or (loss) (subtract line 6b from line 6a)

6c

## 7 Other investment income (describe) ▶

STMT 16A

7 358,442

8a Gross amount from sales of assets other  
than inventory

(A) Securities

(B) Other

8a 4,269,943

b Less cost or other basis and sales expenses

8b 3,834,316

c Gain or (loss) (attach schedule)

STMT 17

8c 435,627

d Net gain or (loss) (combine line 8c, columns (A) and (B))

8d 435,627

## 9 Special events and activities (attach schedule)

a Gross revenue (not including \$ of contributions  
reported on line 1a)

9a

b Less direct expenses other than fundraising expenses

9b

c Net income or (loss) from special events (subtract line 9b from line 9a)

9c

## 10a Gross sales of inventory, less returns and allowances

10a

b Less cost of goods sold

10b

c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)

10c

## 11 Other revenue (from Part VII, line 103)

11

## 12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)

12 1,050,085,300

## 13 Program services (from line 44, column (B))

13 896,140,113

## 14 Management and general (from line 44, column (C))

14 115,113,244

## 15 Fundraising (from line 44, column (D))

15

## 16 Payments to affiliates (attach schedule)

16

## 17 Total expenses (add lines 16 and 44, column (A))

17 1,011,253,357

## 18 Excess or (deficit) for the year (subtract line 17 from line 12)

18 38,831,943

## 19 Net assets or fund balances at beginning of year (from line 73, column (A))

19 271,919,295

## 20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 1

20 1,373,232

## 21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)

21 312,124,470

**Part I Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22</b> Grants and allocations (att sch) (cash \$ _____) non cash \$ _____)	<b>22</b>				
<b>23</b> Specific assistance to individuals (att sch)	<b>23</b>				
<b>24</b> Benefits paid to or for members (att sch)	<b>24</b>				
<b>25</b> Compensation of officers, directors, etc	<b>25</b>	830,761		830,761	
<b>26</b> Other salaries and wages	<b>26</b>	144,936,004	112,415,979	32,520,025	
<b>27</b> Pension plan contributions	<b>27</b>	3,690,707	2,090,935	1,599,772	
<b>28</b> Other employee benefits	<b>28</b>	33,036,943	20,524,861	12,512,082	
<b>29</b> Payroll taxes	<b>29</b>	11,082,536	8,546,901	2,535,635	
<b>30</b> Professional fundraising fees	<b>30</b>				
<b>31</b> Accounting fees	<b>31</b>	294,436	1,000	293,436	
<b>32</b> Legal fees	<b>32</b>	385,897		385,897	
<b>33</b> Supplies	<b>33</b>	101,746,186	100,922,516	823,670	
<b>34</b> Telephone	<b>34</b>	273,314	141,370	131,944	
<b>35</b> Postage and shipping	<b>35</b>	1,463,794	427,715	1,036,079	
<b>36</b> Occupancy	<b>36</b>	6,214,543	4,902,432	1,312,111	
<b>37</b> Equipment rental and maintenance	<b>37</b>	3,569,207	2,627,486	941,721	
<b>38</b> Printing and publications	<b>38</b>	3,411,708	1,002,182	2,409,526	
<b>39</b> Travel	<b>39</b>	1,757,802	775,111	982,691	
<b>40</b> Conferences, conventions, and meetings	<b>40</b>				
<b>41</b> Interest	<b>41</b>				
<b>42</b> Depreciation, depletion, etc (attach schedule)	<b>42</b>	23,623,213	23,607,768	15,445	STMT 18
<b>43</b> Other expenses not covered above (itemize)					
a SEE STATEMENT 2	<b>43a</b>	674,936,306	618,153,857	56,782,449	
b	<b>43b</b>				
c	<b>43c</b>				
d	<b>43d</b>				
e	<b>43e</b>				
<b>44</b> Total functional expenses (add lines 22-43) Organizations completing columns (B) (D), carry these totals to lines 13-15	<b>44</b>	1011253357	896,140,113	115,113,244	0

Joint Costs Check ☐ if you are following SOP 98.2Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to program services \$ \_\_\_\_\_, (iii) the amount allocated to management and general \$ \_\_\_\_\_, and (iv) the amount allocated to fundraising \$ \_\_\_\_\_

**Part II Statement of Program Service Accomplishments**What is the organization's primary exempt purpose? ☒ SEE STATEMENT 3

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) &amp; (4) organizations &amp; section 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants &amp; allocations to others.)

Program Service Expenses  
(Required for 501(c)(3) and  
(4) organizations and  
4947(a)(1) trusts but  
optional for others.)

a SEE STATEMENT 3		
(Grants and allocations \$ _____)		896,140,113
b		
(Grants and allocations \$ _____)		
c		
(Grants and allocations \$ _____)		
d		
(Grants and allocations \$ _____)		
e Other program services (Grants and allocations \$ _____)		
f Total of Program Service Expenses (should equal line 44, column (B), program services.)		896,140,113

**Part IV** Balance Sheets (See instructions)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
<b>ASSETS</b>	<b>45</b> Cash — non-interest bearing	1,954,044	<b>45</b>	5,267,000
	<b>46</b> Savings and temporary cash investments	92,219,557	<b>46</b>	97,245,270
	<b>47a</b> Accounts receivable	31,352,722		
	<b>b</b> Less allowance for doubtful accounts	5,223,558	<b>47c</b>	26,129,164
	<b>48a</b> Pledges receivable			
	<b>b</b> Less allowance for doubtful accounts		<b>48c</b>	
	<b>49</b> Grants receivable		<b>49</b>	
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule)		<b>50</b>	
	<b>51a</b> Other notes & loans receivable (attach sch.)			
	<b>b</b> Less allowance for doubtful accounts		<b>51c</b>	
	<b>52</b> Inventories for sale or use	23,347,478	<b>52</b>	26,110,671
	<b>53</b> Prepaid expenses and deferred charges	13,443,137	<b>53</b>	7,074,398
	<b>54</b> Investments — securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		<b>54</b>	
	<b>55a</b> Investments — land, buildings, & equipment basis			
	<b>b</b> Less accumulated depreciation (attach schedule)		<b>55c</b>	
<b>56</b> Investments — other (attach schedule)	SEE STMT 4	10,383	<b>56</b>	1,001,940
<b>57a</b> Land, buildings, and equipment basis	452,646,134			
<b>b</b> Less accumulated depreciation (attach schedule) <b>STMT 18 STATEMENT 5</b>	228,502,044	<b>57c</b>	224,144,090	
<b>58</b> Other assets (describe <b>SEE STATEMENT 6</b> )	243,000	<b>58</b>	112,406,467	
<b>59 Total assets</b> (add lines 45 through 58) (must equal line 74)	483,264,718	<b>59</b>	499,379,000	
<b>LIABILITIES</b>	<b>60</b> Accounts payable and accrued expenses	68,224,234	<b>60</b>	69,405,736
	<b>61</b> Grants payable		<b>61</b>	
	<b>62</b> Deferred revenue		<b>62</b>	
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule)		<b>63</b>	
	<b>64a</b> Tax-exempt bond liabilities (attach schedule)		<b>64a</b>	
	<b>b</b> Mortgages and other notes payable (attach schedule)	44,359,673	<b>64b</b>	
	<b>65</b> Other liabilities (describe <b>SEE STATEMENT 7</b> )	98,761,516	<b>65</b>	117,848,794
	<b>66 Total liabilities</b> (add lines 60 through 65)	211,345,423	<b>66</b>	187,254,530
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	<b>67</b> Unrestricted		<b>67</b>	
	<b>68</b> Temporarily restricted		<b>68</b>	
	<b>69</b> Permanently restricted		<b>69</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 70 through 74			
	<b>70</b> Capital stock, trust principal, or current funds	271,919,295	<b>70</b>	312,124,470
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund		<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds		<b>72</b>	
	<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19 and column (B) must equal line 21)	271,919,295	<b>73</b>	312,124,470
	<b>74 Total liabilities and net assets/fund balances</b> (add lines 66 and 73)	483,264,718	<b>74</b>	499,379,000

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

**Part IV-A** **Reconciliation of Revenue per Audited  
Financial Statements with Revenue  
per Return (See instructions )**

<b>Part IV-B</b>	<b>Reconciliation of Expenses per Audited Financial Statements with Expenses per Return</b>
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<b>a</b>	Total revenue, gains, and other support per audited financial statements	<b>a</b>	1037320000	<b>a</b>	Total expenses and losses per audited financial statements	<b>a</b>	998,488,000
<b>b</b>	Amounts included on line a but not on line 12, Form 990			<b>b</b>	Amounts included on line a but not on line 17, Form 990		
(1)	Net unrealized gains on investments	\$		(1)	Donated services and use of facilities	\$	
(2)	Donated services and use of facilities	\$		(2)	Prior year adjustments reported on line 20, Form 990	\$	
(3)	Recoveries of prior year grants	\$		(3)	Losses reported on line 20, Form 990	\$	
(4)	Other (specify)			(4)	Other (specify)		
	-----				-----		
	\$				\$		
	Add amounts on lines (1) through (4)	<b>b</b>			Add amounts on lines (1) through (4)	<b>b</b>	
<b>c</b>	Line a minus line b	<b>c</b>	1037320000	<b>c</b>	Line a minus line b	<b>c</b>	998,488,000
<b>d</b>	Amounts included on line 12, Form 990 but not on line a.			<b>d</b>	Amounts included on line 17, Form 990 but not on line a.		
(1)	Investment expenses not included on line 6b, Form 990	\$		(1)	Investment expenses not included on line 6b, Form 990	\$	
(2)	Other (specify)			(2)	Other (specify)		
	SEE STM 8	\$	12,765,300		SEE STMT 9	\$	12,765,357
	Add amounts on lines (1) and (2)	<b>d</b>	12,765,300		Add amounts on lines (1) and (2)	<b>d</b>	12,765,357
<b>e</b>	Total revenue per line 12, Form 990 (line c plus line d)	<b>e</b>	1050085300	<b>e</b>	Total expenses per line 17, Form 990 (line c plus line d)	<b>e</b>	1,011,253,357

<b>Part V</b> <b>List of Officers, Directors, Trustees, and Key Employees</b> (List each one even if not compensated, see instructions )	
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[illegible]

**75** Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? **SEE STATEMENT**

SEE STATEMENTS 11 AND 23 ☒ Yes

☐ No

If 'Yes,' attach schedule – see instructions

**Part VI Other Information** (See specific instructions)

	Yes	No
<b>76</b> Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
<b>77</b> Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes	X	
<b>78a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
<b>78b</b> If 'Yes,' has it filed a tax return on Form 990-T for this year?	X	
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
<b>80a</b> Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	X	
<b>b</b> If 'Yes,' enter the name of the organization ▶ SEE STATEMENT 12 and check whether it is <input checked="" type="checkbox"/> exempt or <input checked="" type="checkbox"/> nonexempt		
<b>81a</b> Enter direct or indirect political expenditures. See line 81 instructions	81a	0
<b>b</b> Did the organization file Form 1120-POL for this year?		X
<b>82a</b> Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
<b>b</b> If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
<b>83a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	N/A	
<b>84a</b> Did the organization solicit any contributions or gifts that were not tax deductible?	N/A	
<b>b</b> If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
<b>85 501(c)(4), (5), or (6) organizations</b> <b>a</b> Were substantially all dues nondeductible by members?	85a	N/A
<b>b</b> Did the organization make only in house lobbying expenditures of \$2,000 or less?	85b	N/A
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
<b>c</b> Dues, assessments, and similar amounts from members	85c	N/A
<b>d</b> Section 162(e) lobbying and political expenditures	85d	N/A
<b>e</b> Aggregate nondeductible amount of Section 6033(e)(1)(A) dues notices	85e	N/A
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
<b>g</b> Does the organization elect to pay the Section 6033(e) tax on the amount on line 85f?	85g	N/A
<b>h</b> If Section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
<b>86 501(c)(7) organizations</b> Enter <b>a</b> Initiation fees and capital contributions included on line 12	86a	N/A
<b>b</b> Gross receipts, included on line 12, for public use of club facilities	86b	N/A
<b>87 501(c)(12) organizations</b> Enter <b>a</b> Gross income from members or shareholders	87a	N/A
<b>b</b> Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
<b>88</b> At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations Sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88	X
<b>89a 501(c)(3) organizations</b> Enter Amount of tax imposed on the organization during the year under Section 4911 ▶ 0, Section 4912 ▶ 0, Section 4955 ▶ 0		
<b>b 501(c)(3) and 501(c)(4) organizations</b> Did the organization engage in any Section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89b	X
<b>c</b> Enter Amount of tax imposed on the organization managers or disqualified persons during the year under Sections 4912, 4955, and 4958		0
<b>d</b> Enter Amount of tax on line 89c, above, reimbursed by the organization		0
<b>90a</b> List the states with which a copy of this return is filed ▶ COLORADO		
<b>b</b> Number of employees employed in the pay period that includes March 12, 2001 (see instructions)	90b	3,422
<b>91</b> The books are in care of ▶ NATIONAL TAX DIRECTOR Telephone number ▶ 510 271-6385 Located at ▶ ONE KAISER PLAZA, OAKLAND, CA ZIP + 4 ▶ 94612		
<b>92</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

**Part VII Analysis of Income-Producing Activities** (See instructions)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a INTERREGIONAL REV					3,204,317
b MEMBERS' DUES	621400	1,104,793			658,837,696
c MISCELLANEOUS REVENUE	621400	181,969	1	7,163,571	
d NON-PLAN/INDUSTRIAL	524292	1,621,544			2,245,555
e SUPPLEMENTAL CHARGES					53,662,284
f Medicare/Medicaid payments					313,892,490
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	5,831,506	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income <b>STMT 16A</b>			14	358,442	
100 Gain or (loss) from sales of assets other than inventory			18	435,627	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		2,908,306		13,789,146	1,031,842,342
105 Total (add line 104, columns (B), (D), and (E))					1,048,539,794

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
1	SEE STATEMENT 13

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See instructions)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

☐ Yes ☒ No

Note If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

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 based on all information of which preparer has any knowledge

MOV 11 2002

Date

**Schedule A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under  
Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1)  
Nonexempt Charitable Trust Supplementary Information — (See separate instructions.)

Supplementary Information — (see separate instructions)

► Must be completed by the above organizations and attached to their Form 990 or 990-EZ.

OMB No. 1545-0047

**2001**

Name of the Organization

**KAISER FOUNDATION HEALTH PLAN OF  
COLORADO**

Employer Identification Number

**84-0591617**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See instructions. List each one. If there are none, enter 'None'.)

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
KATHY M ODOWD 1 KAISER PLAZA, OAKLAND CA	ACCOUNT REPRESE 40	214,998.	12,386.	0.
MICHAEL G GALLAGHER 1 KAISER PLAZA, OAKLAND, CA	SALES MANAGER 40	198,165.	2,598.	0.
DENNIS K HELLING 1 KAISER PLAZA, OAKLAND CA	PHARMACY DIRECT 40	186,915.	14,119.	0.
HOWARD W JAIDINGER 1 KAISER PLAZA, OAKLAND, CA	ACCOUNT EXECUTI 40	164,058.	12,378.	0.
LYNETTE M BENSON 1 KAISER PLAZA, OAKLAND, CA	ACCOUNT REP 40	151,623.	13,974.	0.
Total number of other employees paid over \$50,000	966			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None'.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
COLORADO PERMANENTE MEDICAL GROUP PC 10350 E DAKOTA AVE DENVER CO 80231	PHYSICIANS SERVICES	145533340.
BOULDER COMMUNITY HOSPITAL PO BOX 9049 BOULDER CO 80301	MEDICAL SERVICES	20,399,971.
COLUMBIA SWEDISH MEDICAL CENTER DEPT 21 DENVER CO 80281	MEDICAL SERVICES	9,787,048.
AMERICAN MEDICAL PATHWAY 2821 S PARKER RD 11TH FL AURORA CO 80014	MEDICAL SERVICES	21,231,313.
CARE PARTNERS DENVER CO 80281	MEDICAL SERVICES	3,315,200.
Total number of others receiving over \$50,000 for professional services	185	

BAA For Paperwork Reduction Act Notice, see the instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2001

**Part III** Statements About Activities (See instructions)

Yes No

- 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities **\$ 26,500**

(Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes,' must complete Part VI-B and attach a statement giving a detailed description of the lobbying activities

- 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)

SEE STATEMENT 14

a Sale, exchange, or leasing of property?

b Lending of money or other extension of credit?

c Furnishing of goods, services, or facilities?

SEE FORM 990, PART V

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

e Transfer of any part of its income or assets?

SEE STATEMENT 15

- 3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)

- 4 Do you have a section 403(b) annuity plan for your employees?

**Note.** Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments

**Part IV** Reason for Non-Private Foundation Status (See instructions)The organization is not a private foundation because it is (please check only **One** applicable box)

- 5 ☐ A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 ☐ A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 ☐ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 ☐ A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 ☐ A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state **\_\_\_\_\_**
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 ☒ An organization that normally receives (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions — subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See instructions)



**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting.***Note.** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28)	1,936,149	2,253,968	1,014,205	8,575	5,212,897
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	891,942,980	788,727,385	723,855,058	64,383,347	304,835,894
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	8,086,462	7,038,693	6,761,397	3,416,831	25,303,383
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	901,965,591	798,020,046	731,630,660	64,725,887	307,887,514
24 Line 23 minus line 17	10,022,611	9,292,661	7,775,602	3,425,406	30,516,280
25 Enter 1% of line 23	9,019,656	7,980,200	7,316,307	6,472,589	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24 <b>NOT APPLICABLE</b>				26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c
d Add Amounts from column (e) for lines	18	19			26d
	22	26b			26e
e Public support (line 26c minus line 26d total)					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f %
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year.				
	(2000)	(1999)	NONE (1998)	NONE (1997)	NONE
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.	(2000)	(1999)	NONE (1998)	NONE (1997)	NONE
c Add Amounts from column (e) for lines	15	5,212,897	16		
	17	3,048,358,894	20		
d Add Line 27a total	NONE		and line 27b total	NONE	
e Public support (line 27c total minus line 27d total)					27e 3,053,571,791
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					27f 3,078,875,174
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 99.1782 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 0.8218 %
28 Unusual Grants. For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

**Part V Private School Questionnaire** (See instructions )  
(To be completed Only by schools that checked the box on line 6 in Part IV)

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?			
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement )			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement )			
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement )			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered 'Yes' to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation	35		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions )  
(To be completed **Only** by an eligible organization that filed Form 5768)Check ☐ **a** if the organization belongs to an affiliated group Check ☐ **b** if you checked 'a' and 'limited control' provisions apply**Limits on Lobbying Expenditures**

(The term 'expenditures' means amounts paid or incurred )

	(a) Affiliated group totals	(b) To be completed for all electing organizations
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>	
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>	
<b>38</b> Total lobbying expenditures (add lines 36 and 37)	<b>38</b>	
<b>39</b> Other exempt purpose expenditures	<b>39</b>	
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>	
<b>41</b> Lobbying nontaxable amount Enter the amount from the following table — <div style="display: flex; justify-content: space-between;"> <div> <b>If the amount on line 40 is —</b>            Not over \$500,000            Over \$500,000 but not over \$1,000,000            Over \$1,000,000 but not over \$1,500,000            Over \$1,500,000 but not over \$17,000,000            Over \$17,000,000         </div> <div> <b>The lobbying nontaxable amount is —</b>            20% of the amount on line 40            \$100,000 plus 15% of the excess over \$500,000            \$175,000 plus 10% of the excess over \$1,000,000            \$225,000 plus 5% of the excess over \$1,500,000            \$1,000,000         </div> </div>	<b>41</b>	
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>	
<b>43</b> Subtract line 42 from line 36 Enter 0- if line 42 is more than line 36	<b>43</b>	
<b>44</b> Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>	

**Caution** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
See the instructions for lines 45 through 50 )**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in) ▶	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots non-taxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See instructions )

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

**a** Volunteers**b** Paid staff or management (include compensation in expenses reported on lines c through h )**c** Media advertisements**d** Mailings to members, legislators, or the public**e** Publications, or published or broadcast statements**f** Grants to other organizations for lobbying purposes**g** Direct contact with legislators, their staffs, government officials, or a legislative body**h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means**i** Total lobbying expenditures (add lines c through h )

Yes	No	Amount
	X	
X		
	X	
X		1,500
	X	
	X	
X		25,000
	X	
		26,500

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities **SEE STATEMENT 16**

**Part VII** Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See instructions)

**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary information for  
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No. 1545-0047

**2001**

Name of Organization **KAISER FOUNDATION HEALTH PLAN OF  
COLORADO**

Employer Identification Number  
**84-0591617**

**Organization type** (check one)

**Filers of**

Form 990 or 990-EZ

**Section:**

- ☒ 501(c)( 3 ) (enter number) organization  
☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation  
☐ 527 political organization

Form 990-PF

- ☐ 501(c)(3) exempt private foundation  
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation  
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **general rule** or a **special rule** (Note Only a Section 501(c)(7), (8), or (10) organization can check box(es) for both the general rule and a special rule — see instructions )

**General Rule —**

- ☒ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II )

**Special Rules —**

- ☐ For a Section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II )
- ☐ For a Section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III )
- ☐ For a Section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose Do not complete any of the Parts unless the general rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year ) ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the general rule and/or the special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

**BAA**

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of Organization

Employer Identification Number

KAISER FOUNDATION HEALTH PLAN OF

84-0591617

**Part I** Contributors (see instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>		\$ <u>137,500</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>2</u>		\$ <u>8,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>3</u>		\$ <u>25,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>4</u>		\$ <u>33,333</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>5</u>		\$ <u>130,040</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
(a) Number		(c) Aggregate contributions	(d) Type of contribution
<u>6</u>		\$ <u>10,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )

Name of Organization

Employer identification number

KAISER FOUNDATION HEALTH PLAN OF

84-0591617

**Part I** Contributors (see instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		\$ 37,374	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
8		\$ 14,833	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
9		\$ 125,467	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
10		\$ 208,861	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
11		\$ 14,787	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
12		\$ 51,215	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )

Name of Organization

Employer Identification Number

KAISER FOUNDATION HEALTH PLAN OF

84-0591617

**Part I** Contributors (see instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13		\$ 21,500	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
14		\$ 14,700	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
15		\$ 5,600	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
16		\$ 55,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
17		\$ 82,076	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )
18		\$ 24,126	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution )



Name of Organization

Employer identification number

KAISER FOUNDATION HEALTH PLAN OF

84-0591617

**Part I** Contributors (see instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19		\$ 11,170	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
20		\$ 51,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
21		\$ 25,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
22		\$ 58,279	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
23		\$ 11,440	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)
24	OTHER CONTRIBUTIONS LESS THAN \$5,000 EACH	\$ 11,365	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is noncash contribution)

Name of Organization

Employer Identification Number

## KAISER FOUNDATION HEALTH PLAN OF

84-0591617

**Part I Contributors** (see instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
25		\$ 20,900	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is noncash contribution )</small>
26		\$ 13,544	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is noncash contribution )</small>
27		\$ 7,970	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is noncash contribution )</small>
28		\$ 325,548	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is noncash contribution )</small>
29		\$ 9,878	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is noncash contribution )</small>
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is noncash contribution )</small>

2001

**FEDERAL STATEMENTS**  
**KAISER FOUNDATION HEALTH PLAN OF**  
**COLORADO**

PAGE 1

CLIENT 905

84-0591617

11/06/02

02 37PM

**STATEMENT 1**  
**FORM 990, PART I, LINE 20**  
**OTHER CHANGES IN NET ASSETS OR FUND BALANCES**

UNREALIZED GAIN ON MKT SEC

TOTAL \$ 1,373,232  
\$ 1,373,232

**STATEMENT 2**  
**FORM 990, PART II, LINE 43**  
**OTHER EXPENSES**

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING & MARKETING	749,304	116,266	633,038.	
AMORTIZATION OF DEFERRED COSTS	62,000	62,000		
BASIC CONTRACT PAY	380026862	380026862.		
BROKERS COMMISSION	7,274,641	1,513,630	5,761,011	
DUES & MEMBERSHIP	260,503	38,671	221,832	
EMPLOYMENT DEVELOPMENT	2,897,383	2,897,383		
INSURANCE	9,579,705	9,535,224.	44,481	
KPIT CHARGES	41899875	8,379,975	33519900	
MISCELLANEOUS EXPENSE	3,646,650	2,842,763	803,887	
NET SERVICE/FACILITIES RECHARG	12121901	2,765,232	9,356,669	
NON-MEDICAL PURCHASE	30192501.	24006845	6,185,656	
PROVISION FOR DOUBTFUL ACCOUNT	12900757	12900757		
PUBLIC/COMMUNITY RELATIONS	329,723	83,029.	246,694	
PURCHASED MEDICAL SVC	170004545	170004545		
STATE & LOCAL TAXES	2,642,474	2,648,757	-6,283	
SUBSCRIPTION	347,482	331,918	15,564	
TOTAL	<u>\$ 674936306</u>	<u>\$ 618153857</u>	<u>\$ 56782449</u>	<u>\$ 0</u>

**STATEMENT 3**  
**FORM 990, PART III**  
**ORGANIZATION'S PRIMARY EXEMPT PURPOSE**

THE PRIMARY EXEMPT PURPOSE OF KAISER FOUNDATION HEALTH PLAN OF COLORADO ("HEALTH PLAN"), A COLORADO NOT-FOR-PROFIT CORPORATION, ORGANIZED FOR THE PUBLIC BENEFIT AND GENERALLY EXEMPT FROM INCOME TAX UNDER THE PROVISIONS OF INTERNAL REVENUE CODE SECTION 501(C)(3), IS TO PROVIDE A PROGRAM OF HEALTH CARE SERVICES TO ITS MEMBERS AS A FEDERALLY QUALIFIED PREPAID DIRECT CARE GROUP PRACTICE HEALTH MAINTENANCE ORGANIZATION

HEALTH PLAN IS A SUBSIDIARY OF KAISER FOUNDATION HEALTH PLAN, INC., AN ORGANIZATION ALSO EXEMPT FROM TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3). HEALTH PLAN CONTRACTS WITH KAISER FOUNDATION HOSPITALS AND THE COLORADO PERMANENTE MEDICAL GROUP, P C TO PROVIDE OR ARRANGE HOSPITAL AND MEDICAL SERVICES TO MEMBERS. CONTRACT PAYMENTS TO THE MEDICAL GROUP AND HOSPITALS REPRESENT A SUBSTANTIAL PORTION OF THE EXPENSES FOR MEDICAL AND HOSPITAL SERVICES REPORTED IN THIS TAX RETURN.

PLEASE SEE THE ATTACHMENT, "KAISER PERMANENTE COMMUNITY BENEFIT REPORT FOR KAISER FOUNDATION HEALTH PLAN OF COLORADO FOR 2001." THIS REPORT WILL PROVIDE A DESCRIPTION OF THE ACTIVITIES CONDUCTED BY THE HEALTH PLAN ORGANIZATION IN THE ACCOMPLISHMENT OF ITS EXEMPT PURPOSES AND FOR THE BENEFIT OF THE COMMUNITY IN WHICH THE ORGANIZATION CONDUCTS ITS ACTIVITIES

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**STATEMENT 4**  
**FORM 990, PART IV, LINE 56**  
**INVESTMENTS - OTHER**

DESCRIPTION OF INVESTMENT	VALUATION METHOD	BOOK VALUE
INVESTMENT IN KAIVEST I LLC	MARKET VALUE	\$ 1,001,940
	TOTAL	<u>\$ 1,001,940</u>

**STATEMENT 5**  
**FORM 990, PART IV, LINE 57**  
**LAND, BUILDINGS, AND EQUIPMENT**

CATEGORY	BASIS	ACCUM DEPREC.	BOOK VALUE
MACHINERY AND EQUIPMENT	\$ 114012644	\$ 101325403	\$ 12687241
BUILDINGS	223288785	87082512	136206273
IMPROVEMENTS	5,711,897	4,017,459	1,694,438
LAND	31313048		31313048
MISCELLANEOUS	78319760	36076670	42243090
TOTAL	<u>\$ 452646134</u>	<u>\$ 228502044</u>	<u>\$ 224144090</u>

**STATEMENT 6**  
**FORM 990, PART IV, LINE 58**  
**OTHER ASSETS**

DUE FROM AFFILIATED ORGANIZATIONS	\$ 9,958,000
DUE FROM HOSPITALS	102,423,000
OTHER ASSETS	25,467
TOTAL	<u>\$ 112,406,467</u>

**STATEMENT 7**  
**FORM 990, PART IV, LINE 65**  
**OTHER LIABILITIES**

MEDICARE RECEIVED IN ADVANCE	\$ 28,666,357
OTHER LIABILITIES	3,110,268
PENSION DEFINED PLAN	2,066,187
POST RETIREMENT LIABILITY	31,706,105
PREMIUMS COLLECTED IN ADVANCE	18,813,786
SELF INSURED - OTHER RISKS	6,480,609
SELF INSURED-PPL	25,922,436
SELF INSURED-WORKERS COMP	1,083,046
TOTAL	<u>\$ 117,848,794</u>

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**STATEMENT 8**  
**FORM 990, PART IV-A, LINE D(2)**  
**OTHER AMOUNTS**

DEBITS TO REV ACCTS RECLASSIFIED TO EXP	\$ 12,900,757
RECLASS LOSS ON SALE OF FIXED ASSETS	-135,176
ROUNDING TO THE FINANCIAL STATEMENTS	-281
<b>TOTAL</b>	<b>\$ 12,765,300</b>

**STATEMENT 9**  
**FORM 990, PART IV-B, LINE D(2)**  
**OTHER AMOUNTS**

DEBITS TO REV ACCTS RECLASSIFIED TO EXP	\$ 12,900,757
RECLASS LOSS ON SALE OF FIXED ASSETS	-135,176
ROUNDING TO THE FINANCIAL STATEMENTS	-224
<b>TOTAL</b>	<b>\$ 12,765,357</b>

**STATEMENT 10**  
**FORM 990, PART V**  
**LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES**

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
SEE STATEMENT 23		\$ 830,761	\$ 53,048	\$ 2,532
<b>TOTAL</b>		<b>\$ 830,761</b>	<b>\$ 53,048</b>	<b>\$ 2,532</b>

**STATEMENT 11**  
**FORM 990, PART V, LINE 75**  
**LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES**

NAME AND  
RELATED ORGANIZATION

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SEE STATEMENT 23

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**STATEMENT 12**  
**FORM 990, PART VI, LINE 80B**  
**RELATED ORGANIZATIONS**

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
SEE STATEMENTS 19 & 20		X
SEE STATEMENTS 19 & 20	X	

**STATEMENT 13**  
**FORM 990, PART VIII**  
**RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES**

LINE #	EXPLANATION OF ACTIVITIES
93A	INTER-REGIONAL REVENUE - REPRESENTS REVENUE RECEIVED FOR PROVIDING HEALTH CARE SERVICES TO MEMBERS OF RELATED KAISER FOUNDATION HEALTH PLAN ENTITIES AS PART OF THE KAISER PERMANENTE MEDICAL CARE PROGRAM REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE REGULATION 1 501(C) (3) -1
93B	MEMBERS DUES REVENUE - REPRESENTS REVENUE RECEIVED FROM OR ON BEHALF OF MEMBERS FOR PREPAID HEALTH CARE COVERAGE UNDER THE PLAN REFERRED TO IN PART III OF THIS RETURN REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE RULING 68-27
93D	NON-PLAN AND INDUSTRIAL REVENUE - REPRESENTS REVENUE RECEIVED FROM NON-MEMBERS FOR HEALTH CARE SERVICES AND FROM OUTSIDE INSURERS FOR REIMBURSEMENT FOR HEALTH CARE SERVICES PROVIDED TO MEMBERS FOR WORK RELATED INJURIES REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE REGULATION 1 501(C) (3) -1
94E	SUPPLEMENTAL CHARGES REVENUE - REPRESENTS REVENUE FROM CO-PAYMENTS RECEIVED FROM OR ON BEHALF OF MEMBERS FOR HEALTH CARE COVERAGE UNDER THE PLAN REFERRED TO IN PART III ABOVE REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE REGULATION 1 501(C) (3) -1
94F	MEDICARE/MEDICAID REVENUE - REPRESENTS REVENUE RECEIVED FROM THE SOCIAL SECURITY ADMINISTRATION FOR MEDICAL CARE SERVICES PROVIDED TO PLAN MEMBERS COVERED UNDER PART B OF MEDICARE REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE REGULATION 1 501(C) (3) -1

**STATEMENT 14**  
**SCHEDULE A, PART III, LINE 2**  
**TRANSACTIONS WITH TRUSTEES, DIRECTORS, ETC.**

IN THE ORDINARY COURSE OF CARRYING OUT THE EXEMPT PURPOSE OF THE ORGANIZATION, THE EMPLOYEES, OFFICERS AND DIRECTORS OF HEALTH PLAN ENGAGE IN NUMEROUS COMMERCIAL TRANSACTIONS WITH OTHER ORGANIZATIONS WHOSE DIRECTORS AND/OR OFFICERS MAY ALSO BE DIRECTORS OR OFFICERS OF THIS ORGANIZATION. ALL OF THESE COMMERCIAL RELATIONSHIPS ARE ENTERED INTO IN THE ORDINARY COURSE OF BUSINESS AND MAY INVOLVE TRANSACTIONS OF THE KIND REFERRED TO IN (A) THROUGH (D) OF QUESTION 2, PART III, SCHEDULE A, FORM 990, AT RATES GENERALLY PREVAILING IN THE AREA AT THE TIME FOR EQUIVALENT GOODS, SERVICES AND FACILITIES

**STATEMENT 14 (CONTINUED)**  
**SCHEDULE A, PART III, LINE 2**  
**TRANSACTIONS WITH TRUSTEES, DIRECTORS, ETC.**

THE ORGANIZATION ALSO PAYS COMPENSATION TO ITS EMPLOYEES, OFFICERS AND DIRECTORS AND EITHER PAYS FOR OR REIMBURSES THEM FOR CERTAIN EXPENSES INCURRED IN CONNECTION WITH THEIR DUTIES TO HEALTH PLAN SEE PART V, FORM 990 FOR SCHEDULE OF COMPENSATION, BENEFITS AND EXPENSE REIMBURSEMENTS PROVIDED TO OFFICERS AND DIRECTORS FOR THEIR SERVICES TO THE ORGANIZATION

SEE STATEMENT 21

**STATEMENT 15**  
**SCHEDULE A, PART III, LINE 3**  
**QUALIFICATIONS OF RECIPIENTS RECEIVING GRANTS OR LOANS**

HEALTH PLAN GENERALLY IS NOT A GRANT MAKING ORGANIZATION MOST OF HEALTH PLAN'S EXPENDITURES RELATED TO PROVIDING HEALTH CARE SERVICES TO ITS MEMBERS INCLUDING OPERATING EXPENSES AND CAPITAL EXPENDITURES INCURRED IN FURTHERANCE OF THIS ACTIVITY

HEALTH PLAN PROVIDES ITS SERVICES DIRECTLY TO THE MEMBERS OF THE COMMUNITY THROUGH ITS MOSTLY PREPAID HEALTH CARE PROGRAMS FOR AN EXPLANATION OF THESE PROGRAMS THAT BENEFIT THE COMMUNITY, PLEASE REFER TO THE "KAISER PERMANENTE COMMUNITY BENEFIT REPORT FOR KAISER FOUNDATION HEALTH PLAN OF COLORADO FOR 2001" WHICH IS INCLUDED AS A PART OF THIS RETURN

**STATEMENT 16**  
**SCHEDULE A, PART VI-B, LINE I**  
**DESCRIPTIONS OF THE LOBBYING ACTIVITIES**

HEALTH PLAN IS A MEMBER OF THE KAISER PERMANENTE MEDICAL CARE PROGRAM AND PARTICIPATES AND BENEFITS FROM LOBBYING ACTIVITIES CONDUCTED AT THE NATIONAL LEVEL BY THE PARENT ORGANIZATION FOR THE BENEFIT OF ITS MEMBERS AND THE HEALTH CARE INDUSTRY AS A WHOLE AS AN ORGANIZATION EXEMPT FROM INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3), HEALTH PLAN DOES NOT PARTICIPATE IN OR CONDUCT POLITICAL CAMPAIGNS NOR DOES IT ENGAGE IN GRASS ROOTS LOBBYING ACTIVITIES OF THE TYPE CONTEMPLATED IN THIS QUESTION HEALTH PLAN HAS SEVERAL EMPLOYEES WHO FROM TIME -TO-TIME KEEP INFORMED OF FEDERAL AND STATE LEGISLATION HAVING AN IMPACT ON THE ORGANIZATION'S ACTIVITIES AS AN EXEMPT HEALTH MAINTENANCE ORGANIZATION THESE INDIVIDUALS ATTEMPT TO ENSURE THAT PROPOSED LEGISLATION IS COMPATIBLE WITH THE INTERESTS OF THE ORGANIZATION AND ITS MEMBERS BY PERFORMING THE FOLLOWING ACTIVITIES

- COLLECTING, ANALYZING AND DISTRIBUTING WITHIN THE ORGANIZATION, PUBLIC AND PRIVATE POLICY RECOMMENDATIONS, PROPOSED LEGISLATION AND ENACTED LAWS THAT AFFECT THE OPERATION OF THE ORGANIZATION AND ITS ABILITY TO PROVIDE QUALITY HEALTH CARE SERVICES TO ITS MEMBERS AT AN AFFORDABLE COST

- MAILING APPROPRIATE INFORMATIONAL MATERIALS TO LEGISLATORS AND TO THEIR STAFFS THAT PERTAIN TO MATTERS OF COMMON INTEREST IN THE HEALTH CARE COMMUNITY AND IN THE NOT-FOR-PROFIT COMMUNITY

- THEY ALSO PREPARE WRITTEN AND ORAL TESTIMONY THEY APPEAR AT LEGISLATIVE HEARINGS, MONITORING LEGISLATIVE PROCEEDINGS AND MEETING WITH LEGISLATORS AND/OR THEIR STAFFS REGARDING ISSUES PERTINENT TO THE MISSION OF THE ORGANIZATION THOSE

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STATEMENT 16 (CONTINUED)  
SCHEDULE A, PART VI-B, LINE I  
DESCRIPTIONS OF THE LOBBYING ACTIVITIES

INDIVIDUALS APPEARING AT SUCH HEARINGS AND MEETINGS ON BEHALF OF THE ORGANIZATION  
OFTEN ARE REPRESENTING THE INTERESTS OF COMMON INTEREST GROUPS AS WELL AS THE  
INTERESTS OF THE MEMBERS OF THE ORGANIZATION



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**FEDERAL SUPPLEMENTAL INFORMATION**

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**OTHER INCOME PRODUCING ACTIVITIES**  
**OTHER INVESTMENT INCOME [O]**

INVESTMENT INCOME FROM SALE OF SECURITIES  
INVESTMENT INCOME FROM KAISVEST LLC

\$	312,116
	46,326
TOTAL	<u>\$ 358,442</u>

**FORM 990 PART I, LINE 8.C, COLUMN (B)**  
**GAIN OR (LOSS) FROM SALES OF ASSETS OTHER THAN INVENTORY**

DESCRIPTION	DATE & HOW ACQUIRED (NOTE #1)	DATE SOLD	SALES PRICE	EXPENSE OF SALE	COST	ACCUM DEPREC	GAIN OR LOSS
<b><u>SALES OF LAND</u></b>							
Sale of Wheat Ridge Land	Various	03/01/01	1,420,165	129,538	1,238,795	-	51,832
Sale of Arapahoe Land	Various	04/01/01	2,395,602	313,071	1,592,861	-	489,670
Sale of Lakewood Land	Various	11/01/01	450,000	59,083	469,334	-	(78,417)
<b>Subtotal</b>			<b>4,265,767</b>	<b>501,692</b>	<b>3,300,990</b>	<b>-</b>	<b>463,085</b>
<b><u>DISPOSAL OF EQUIPMENT</u></b>							
Disposal - Misc Equipment	Various	01/01/01	-	-	125,117	123,686	(1,431)
Sale - Misc Equipment	Various	Various	444	-	15,264	15,264	444
Item returned	Various	02/01/01	(48)	-	-	-	(48)
Disposal - Misc Equipment	Various	02/01/01	-	-	207,815	172,253	(35,562)
Sale - Misc Equipment	Various	04/01/01	530	-	4,406	4,406	530
Disposal - Misc Equipment	Various	05/01/01	-	-	389,131	389,131	-
Adj 11/99 entry	Various	05/01/01	-	-	(3,913)	-	3,913
Disposal - Misc Equipment	Various	05/01/01	-	-	161,778	161,778	-
Disposal - software obsolete	Various	06/01/01	-	-	573,890	573,890	-
Sale/Donation - Equip/Furn	Various	06/01/01	715	-	9,585	9,585	715
Sale/Disposal - Equip/Furn	Various	Various	495	-	8,300	10,546	2,741
Disposal - Misc Equipment	Various	11/01/01	-	-	105,079	105,079	-
Sale/Disposal - Equip/Furn	Various	12/01/01	2,040	-	669,314	668,514	1,240
Reverse 10/00 entry	Various	12/01/01	-	-	(3,064,732)	(3,064,732)	-
<b>Subtotal</b>			<b>4,176</b>	<b>-</b>	<b>(798,966)</b>	<b>(830,600)</b>	<b>(27,458)</b>
<b>TOTALS/NET GAIN (LOSS)</b>			<b>4,269,943</b>	<b>501,692</b>	<b>2,502,024</b>	<b>(830,600)</b>	<b>435,627</b>

**RECAP OF NET GAIN/(LOSS)**

ORIGINAL COST AND EXPENSE OF SALE	3,003,716
DEPRECIATION	<u>(830,600)</u>
NET COST OR OTHER BASIS	3,834,316
LESS GROSS SALES PROCEEDS	<u>4,269,943</u>
<b>NET GAIN/(LOSS)</b>	<b><u>435,627</u></b>

Note#1 All of the foregoing fixed assets and equipment were acquired by purchase by the organization for use in its tax-exempt purpose of providing health care to its enrolled members of the community

STATEMENT OF FIXED ASSETS AND DEPRECIATION

FORM 990 PART IV, LINE 57 - LAND, BUILDING AND EQUIPMENT,  
LESS ACCUMULATED DEPRECIATION AND AMORTIZATION, AND  
PART II, LINE 42, COLUMN (B) - DEPRECIATION AND AMORTIZATION EXPENSE.

	COST		ACCUMULATED DEPREC/AMORT		2001 DEP/AMORT EXPENSE
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR	
LAND	34,614,038	31,313,048	0	0	0
LAND IMPROVEMENTS	5,652,052	5,679,862	4,441,324	4,472,680	104,385
BUILDINGS	217,941,462	223,288,785	77,803,623	87,082,512	9,205,860
LEASEHOLD IMPROVEMENTS	5,456,735	5,711,897	3,341,755	4,017,459	679,000
EQUIPMENT	108,664,786	114,012,644	92,747,592	101,325,403	7,267,457
CAPITALIZED SOFTWARE	71,833,982	70,721,669	22,093,019	31,603,990	6,366,513
CAPITALIZED LEASES	0	0	0	0	0
CONSTRUCTION IN PROGRESS	3,697,735	1,918,229	0	0	0
OTHER AMORTIZATION - START UP AND DEFERRED COSTS -					0
TOTALS TO					
PART IV, LINE 57(A)	<u>447,860,790</u>	<u>452,646,134</u>			
PART IV, LINE 57(B)			<u>200,427,313</u>	<u>228,502,044</u>	
PART IV, LINE 57(C)	<u>247,433,477</u>	<u>224,144,090</u>			
PART II, LINE 42(A) DEPRECIATION, AMORTIZATION, ETC					<u>23,623,213</u>

ATTACHMENT FOR:  
**FORM 990 PART VI, QUESTION 80 - RELATED AND AFFILIATED ENTITIES**  
AND/OR  
**FORM 1120, SCHEDULE K, QUESTIONS 3, 4 AND 5**

KAISER FOUNDATION HEALTH PLAN, INC., A CALIFORNIA NOT-FOR PROFIT CORPORATION, EXEMPT FROM INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3), HAS A CONTROLLING OR AFFILIATED INTEREST IN THE FOLLOWING CORPORATIONS AS OF DECEMBER 31, 2001

EMPLOYER ID #	ENTITY NAME	DIRECT & INDIRECT % CONTROLLED BY KFHP, INC.
<b>SUBSIDIARY ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION HEALTH PLAN, INC. THAT ARE ALSO EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3)</b>		
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST	100%
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	100%
48-0924402	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC	100%
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC	100%
56-1421313	KAISER FOUNDATION HEALTH PLAN OF NORTH CAROLINA	100%
52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC	100%
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO	100%
23-7425486	COMMUNITY HEALTH PLAN	100%
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC	100%
93-0954562	KAISER HEALTH ALTERNATIVES	100%
94-3299123	CAMP BOWIE SERVICE CENTER	100%
93-0480268	OHP	100%
91-2171891	LOKAHI ASSURANCE, LTD	100%

**SUBSIDIARY ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION HEALTH PLAN, INC. THAT ARE TAXABLE FOR FEDERAL AND STATE INCOME TAX PURPOSES**

03-0329760	OAK TREE ASSURANCE, LTD	100%
95-4237200	KAISER FOUNDATION ADDED CHOICE HEALTH PLAN, INC	100%
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES, INC	100%
94-3259432	KAISER PROPERTIES SERVICES, INC	100%
91-1814507	CHP COMPANIES, INC	100%
22-2751724	HUDSON VALLEY COMMUNITY SERVICES CORP	100%
22-2973489	UPSTATE COMMUNITY SERVICES, INC	100%

**KAISER FOUNDATION HEALTH PLAN, INC. IS AFFILIATED WITH THE FOLLOWING ENTITIES EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3)**

94-1105628	KAISER FOUNDATION HOSPITALS	*(1)	N/A
94-3299125	KAISER HOSPITALS ASSET MANAGEMENT, INC	*(2)	N/A

**KAISER FOUNDATION HEALTH PLAN OF COLORADO  
FORM 990 TAX YEAR 2001**

**84-0591617**

**KAISER FOUNDATION HEALTH PLAN, INC IS AFFILIATED WITH THE FOLLOWING  
ENTITIES THAT ARE NOT EXEMPT FROM FEDERAL INCOME TAX**

94-3245176	KAISER PERMANENTE INTERNATIONAL	*(2)	N/A
94-3292262	KAISER PERMANENTE VENTURES	*(2)	N/A
68-0444615	CARETOUCH, INC (LLC)	*(2)	N/A
94-3289704	KAIVEST I, LLC	*(2)	N/A
91-2166347	KP ONCALL, LLC	*(2)	N/A
94-3203402	KAISER PERMANENTE INSURANCE COMPANY	*(3)	50%

NOTE \*(1) **KAISER FOUNDATION HOSPITALS, A CALIFORNIA NOT-FOR-PROFIT CORPORATION, EXEMPT FROM INCOME TAX UNDER THE PROVISIONS OF INTERNAL REVENUE CODE SECTION 501(C)(3), SHARES A COMMON BOARD OF DIRECTORS WITH KAISER FOUNDATION HEALTH PLAN, INC**

NOTE \*(2) **THESE ENTITIES ARE SUBSIDIARIES OF KAISER FOUNDATION HOSPITALS**

NOTE \*(3) **KAISER PERMANENTE INSURANCE COMPANY IS A NON-EXEMPT PROPERTY AND CASUALTY INSURANCE COMPANY OF WHICH 100% OF THE PREFERRED STOCK AND 50% OF THE COMMON STOCK IS OWNED BY KAISER FOUNDATION HEALTH PLAN, INC THE REMAINING 50% OF COMMON STOCK IS OWNED BY NON-AFFILIATED PHYSICIANS PRACTICE GROUPS**

**THE COMMON ADDRESS FOR ALL ENTITIES LISTED ABOVE IS**

**C/O KAISER FOUNDATION HEALTH PLAN, INC  
PROGRAM OFFICE CONTROLLER'S DEPARTMENT - TAX  
ONE KAISER PLAZA, 1550 ORDWAY  
OAKLAND, CA 94612**

**CONSENT TO APPORTIONMENT PLAN FOR TAXABLE INCOME BRACKETS  
BY CONTROLLED GROUP MEMBERS**

PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(1), WITH RESPECT TO THE TAXABLE INCOME BRACKETS AS ENUMERATED IN THE TAX TABLES AT IRC SECTION, 11(b), THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 2001

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF TAX BRACKETS		
			FIRST \$50,000	NEXT \$25,000	NEXT \$9,925,000
<b>KAISER FOUNDATION HEALTH PLAN GROUP.</b>					
94-1340523	KAISER FOUNDATION HEALTH PLAN, INC	990-T	\$50,000	\$25,000	\$9,925,000
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST	990-T	NONE	NONE	NONE
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	990-T	NONE	NONE	NONE
48-0924402	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC	990-T	NONE	NONE	NONE
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC	990-T	NONE	NONE	NONE
56-1421313	KAISER FOUNDATION HEALTH PLAN OF NORTH CAROLINA	990-T	NONE	NONE	NONE
52-0954463	KAISER FOUNDATION HP OF THE MID-ATLANTIC STATES, INC	990-T	NONE	NONE	NONE
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO	990-T	NONE	NONE	NONE
23-7425486	COMMUNITY HEALTH PLAN	990-T	NONE	NONE	NONE
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC	990-T	NONE	NONE	NONE
93-0954562	KAISER HEALTH ALTERNATIVES	990-T	NONE	NONE	NONE
94-3299123	CAMP BOWIE SERVICE CENTER	990-T	NONE	NONE	NONE
93-0480268	OHP	990-T	NONE	NONE	NONE
91-2171891	LOKAHI ASSURANCE, LTD	990-T	NONE	NONE	NONE
03-0329760	OAK TREE ASSURANCE LTD	1120-PC	NONE	NONE	NONE
95-4237200	KAISER FOUNDATION ADDED CHOICE HEALTH PLAN, INC	1120	NONE	NONE	NONE
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES	1120	NONE	NONE	NONE
94-3259432	KAISER PROPERTIES SERVICES, INC	1120	NONE	NONE	NONE
91-1814507	CHP COMPANIES, INC	1120	NONE	NONE	NONE
22-2751724	HUDSON VALLEY COMMUNITY SERVICES CORP	1120	NONE	NONE	NONE
22-2973489	UPSTATE COMMUNITY SERVICES, INC	1120	NONE	NONE	NONE
<b>KAISER FOUNDATION HOSPITALS GROUP.</b>					
94-1105628	KAISER FOUNDATION HOSPITALS	990-T	NONE	NONE	NONE
94-3299125	KAISER HOSPITALS ASSET MANAGEMENT, INC	990-T	NONE	NONE	NONE
94-3245176	KAISER PERMANENTE INTERNATIONAL	1120	NONE	NONE	NONE
94-3292262	KAISER PERMANENTE VENTURES	1120	NONE	NONE	NONE
68-0444615	CARETOUCH, INC	1120	NONE	NONE	NONE
94-3289704	KAIVEST I LLC	1065	NONE	NONE	NONE
91-2166347	KP ONCALL, LLC	1065	NONE	NONE	NONE
<b>TOTAL OF EACH BRACKET ALLOCATED</b>			<b>\$50,000</b>	<b>\$25,000</b>	<b>\$9,925,000</b>

THE COMMON ADDRESS OF ALL ENTITIES JOINING IN THIS ELECTION OF APPORTIONMENT AS LISTED ABOVE IS

C/O KAISER FOUNDATION HEALTH PLAN, INC.  
PROGRAM OFFICE CONTROLLER'S DEPARTMENT - TAX  
ONE KAISER PLAZA, 1550 ORDWAY  
OAKLAND, CA 94612

AUTHORIZATION CONSENT FOR ALLOCATION ON BEHALF OF ALL MEMBER COMPANIES



DEBORAH STOKES VICE PRESIDENT AND CONTROLLER OF  
KAISER FOUNDATION HEALTH PLAN, INC AND OF KAISER FOUNDATION HOSPITALS  
THE ULTIMATE PARENT CORPORATION AND/OR SOLE MEMBER OF EACH OF THE ABOVE  
ENTITIES JOINING IN THIS ELECTION OF APPORTIONMENT

**CONSENT TO APPORTIONMENT PLAN FOR ALTERNATIVE MINIMUM TAX EXEMPTION  
BY CONTROLLED GROUP MEMBERS**

PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(3), THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 2001

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF \$40,000 EXEMPTION
<b><u>KAISER FOUNDATION HEALTH PLAN GROUP:</u></b>			
94-1340523	KAISER FOUNDATION HEALTH PLAN, INC	990-T	\$40,000
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST	990-T	NONE
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	990-T	NONE
48-0924402	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC	990-T	NONE
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC	990-T	NONE
56-1421313	KAISER FOUNDATION HEALTH PLAN OF NORTH CAROLINA	990-T	NONE
52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES IN	990-T	NONE
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO	990-T	NONE
23-7425486	COMMUNITY HEALTH PLAN	990-T	NONE
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC	990-T	NONE
93-0954562	KAISER HEALTH ALTERNATIVES	990-T	NONE
94-3299123	CAMP BOWIE SERVICE CENTER	990-T	NONE
93-0480268	OHP	990-T	NONE
91-2171891	LOKAHI ASSURANCE, LTD	990-T	NONE
03-0329760	OAK TREE ASSURANCE, LTD	1120-PC	NONE
95-4237200	KAISER FOUNDATION ADDED CHOICE HEALTH PLAN, INC	1120	NONE
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES	1120	NONE
94-3259432	KAISER PROPERTIES SERVICES, INC	1120	NONE
91-1814507	CHP COMPANIES, INC	1120	NONE
22-2751724	HUDSON VALLEY COMMUNITY SERVICES CORP	1120	NONE
22-2973489	UPSTATE COMMUNITY SERVICES, INC	1120	NONE
<b><u>KAISER FOUNDATION HOSPITALS GROUP:</u></b>			
94-1105628	KAISER FOUNDATION HOSPITALS	990-T	NONE
94-3299125	KAISER HOSPITALS ASSET MANAGEMENT, INC	990-T	NONE
94-3245176	KAISER PERMANENTE INTERNATIONAL	1120	NONE
94-3292262	KAISER PERMANENTE VENTURES	1120	NONE
68-0444615	CARETOUCH, INC (LLC)	1120	NONE
94-3289704	KAIVEST I, LLC	1065	NONE
91-2166347	KP ONCALL, LLC	1065	NONE

THE COMMON ADDRESS OF ALL ENTITIES JOINING IN THIS ELECTION OF APPORTIONMENT AS LISTED ABOVE IS.

c/o KAISER FOUNDATION HEALTH PLAN, INC  
PROGRAM OFFICE CONTROLLER'S DEPARTMENT-TAX  
ONE KAISER PLAZA, 1550 ORDWAY  
OAKLAND, CA 94612

CONSENT AND AUTHORIZATION FOR ALLOCATION ON BEHALF OF ALL MEMBER COMPANIES



DEBORAH STOKES, VICE PRESIDENT AND CONTROLLER OF  
KAISER FOUNDATION HEALTH PLAN, INC AND OF KAISER FOUNDATION HOSPITALS  
THE ULTIMATE PARENT CORPORATION AND/OR SOLE MEMBER OF EACH OF THE ABOVE  
ENTITIES JOINING IN THIS ELECTION OF APPORTIONMENT

COMPENSATION, BENEFITS AND EXPENSES OF DIRECTORS AND OFFICERS

FORM 990, PART V. LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES

(A) NAME	(B) TITLE	(C) COMPENSATION		(D) BENEFITS		(E) REIMBURSEMENT OF EXPENSES	
		TOTAL	ALLOCATE TO KFHP CO	TOTAL	ALLOCATE TO KFHP CO	TOTAL	ALLOCATE TO KFHP CO
<b>DIRECTORS.</b>							
JAMES A VOHS	CHAIRMAN EMERITUS	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
DAVID M LAWRENCE MD	CHAIRMAN AND CEO	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
L DALE CRANDALL	DIRECTOR	87 489	1 837	5,222	142	1 109	30
DAVID R ANDREWS	DIRECTOR	64 452	1 754	5,222	142	3 107	85
THOMAS W CHAPMAN	DIRECTOR	53 889	1 487	5,222	142	0	0
HENRY M KAISER	DIRECTOR	29 889	814	5,222	142	0	0
CHANG-LIN TIEN	DIRECTOR	48 800	1 323	114	4	1 874	51
BARBARA D BLUM	DIRECTOR	45 850	1 248	114	3	113	3
DOROTHY H MANN PHD MPH	DIRECTOR	49 330	1 343	5 371	146	0	0
MARY E RERES EDD	DIRECTOR	64 213	1 748	9 804	286	845	18
ROBERT L RIDGLEY	DIRECTOR	82 080	1 690	5 371	146	2 865	73
DANIEL P GARCIA	DIRECTOR	52 889	1 434	5,222	142	0	0
DEAN O MORTON	DIRECTOR	40 500	1 102	114	3	0	0
EDWARD E. PENHOET	DIRECTOR	40 066	1,115	3,945	107	0	0
BARRY L WILLIAMS	DIRECTOR						
SUBTOTAL DIRECTORS		619,947	16,875	50,943	1,385	9,513	260
<b>OFFICERS &amp; KEY EMPLOYEES.</b>							
DAVID M LAWRENCE MD	CHIEF EXECUTIVE OFFICER	1 493 482	61 794	25 864	1 070	0	0
BERNARD J TYSON	GROUP PRESIDENT	708 874	24 777	25 011	873	0	0
CHRISTOPHER L BINKLEY	REGIONAL PRESIDENT	526 345	380 021	24 502	17 890	0	0
L DALE CRANDALL	EXECUTIVE VICE PRESIDENT	1 397,022	41 318	34 612	994	2,100	34
WILLIAM A GILLESPIE MD	EXECUTIVE VICE PRESIDENT	1 149 373	42,955	28 953	1 082	800	30
RICHARD R PETTINGILL	EXECUTIVE VICE PRESIDENT	630 581	23 585	28 953	1 082	1 140	43
ARTHUR SOUTHAM MD	EXECUTIVE VICE PRESIDENT	389 491	14 558	18 580	694	3 300	123
ROBERT BRIGGS	SENIOR VICE PRESIDENT	0	0	0	0	0	0
KIRK E MILLER	SENIOR VICE PRESIDENT	775 917	23 275	27 273	818	2 100	63
STEVEN R ZATKIN	SENIOR VICE PRESIDENT	382 293	13 540	27 270	1 019	2 093	78
THOMAS R MEIER	VICE PRESIDENT & TREASURER	225 808	8 773	21 541	645	2 100	63
DEBORAH STOKES	VICE PRESIDENT & CONTROLLER	241 304	9 018	23 751	888	2 100	78
VICTORIA B ZATKIN	ASSISTANT SECRETARY	138 028	3 801	23 811	656	1 805	50
MITCHELL COHEN	ASSISTANT SECRETARY	177,380	168 492	25 421	24,150	1,800	1,710
SUBTOTAL OFFICERS AND KEY EMPLOYEES		8,216,638	813,886	335,532	51,663	19,338	2,272
TOTAL DIRECTORS, OFFICERS AND KEY EMPLOYEES		8,836,586	830,761	386,475	53,048	28,851	2,532

NOTE 1 THIS ORGANIZATION IS ONE OF THE CORPORATE ENTITIES LISTED ON THE STATEMENT "RELATED AND CONTROLLED ENTITIES" INCLUDED AS A PART OF THIS RETURN THIS ORGANIZATION IS A PARTICIPATING MEMBER OF THE DIRECT SERVICE PREPAID HEALTH CARE PROGRAM COMMONLY REFERRED TO AS "THE KAISER PERMANENTE MEDICAL CARE PROGRAM" (MEDICAL CARE PROGRAM)

NOTE 2 COMPENSATION BENEFIT CONTRIBUTIONS AND REIMBURSEMENT FOR CERTAIN EXPENSES OF DIRECTORS OFFICERS AND KEY EMPLOYEES ARE PAID BY KAISER FOUNDATION HEALTH PLAN INC (HEALTH PLAN) AS COMMON DISBURSEMENT AGENT FOR PARTICIPATING MEMBER ORGANIZATIONS CERTAIN DIRECTORS OFFICERS AND KEY EMPLOYEES PERFORM SERVICES FOR SEVERAL OF THE MEDICAL CARE PROGRAM MEMBER ORGANIZATIONS

BASED ON MANAGEMENT ANALYSIS AND CONSISTENT WITH THE ALLOCATION OF OTHER COMMON EXPENSES A COMPOSITE ALLOCATION OF COMPENSATION BENEFIT CONTRIBUTIONS AND REIMBURSEMENT OF EXPENSES ARE ALLOCATED TO KAISER FOUNDATION HOSPITALS SPECIFIC ALLOCATIONS ARE THEN MADE TO CERTAIN OTHER PARTICIPATING ORGANIZATIONS BASED ON REASONABLE CONSIDERATIONS THE BALANCE OF COMPENSATION ETC IS THEN ALLOCATED TO KAISER FOUNDATION HEALTH PLAN INC AND ITS SUBSIDIARY REGIONAL HEALTH PLANS BASED ON THE PERCENTAGE OF REGIONAL HEALTH PLAN MEMBERSHIP TO THE TOTAL MEMBERSHIP OF ALL HEALTH PLAN ENTITIES COMPRISING THE MEDICAL CARE PROGRAM

FOR THOSE INDIVIDUALS ASSIGNED TO A SPECIFIC ENTITY OR SUB-GROUP OF ENTITIES THEIR COMPENSATION BENEFIT CONTRIBUTIONS AND REIMBURSEMENT OF EXPENSE ARE ALLOCATED DIRECTLY TO THE ENTITY AND/OR BASED ON A RATIO OF THE MEMBERSHIP OF THE ENTITY TO TOTAL MEMBERSHIP OF THE SUB-GROUP OF ENTITIES FOR WHICH THE INDIVIDUAL HAS ASSIGNED RESPONSIBILITIES

NOTE 3 THE AMOUNTS REPORTED ABOVE FOR REIMBURSEMENT OF EXPENSE DO NOT INCLUDE SUCH ORDINARY AND NECESSARY EXPENSES AS TRAVEL TRANSPORTATION LODGING MEALS BUSINESS MEETINGS CONFERENCES AND OTHER ROUTINE EXPENDITURES FOR WHICH THE INDIVIDUAL ACCOUNTS TO THE EMPLOYER ORGANIZATION THESE ITEMS ARE REIMBURSED ON A SPECIFIC EXPENDITURE BASIS CONSISTENT WITH ADOPTED POLICIES AND PROCEDURES BASED ON PRUDENT FIDUCIARY RESPONSIBILITIES AND STANDARDS THE POLICIES UNDER WHICH THESE INDIVIDUALS ACCOUNT TO THE EMPLOYER MEET THE REQUIREMENTS OF INTERNAL REVENUE CODE SECTION 274 SUBSTANTIATION REQUIREMENTS

NOTE 4 THE ABOVE LISTED INDIVIDUALS ARE SCHEDULED TO WORK A MINIMUM OF 40 HOURS PER WEEK IN THEIR RESPECTIVE POSITIONS

NOTE 5 THE ABOVE LISTED INDIVIDUALS CAN BE CONTACTED CAO  
KAISER FOUNDATION HEALTH PLAN INC  
ONE KAISER PLAZA, 1550 ORDWAY  
OAKLAND CA 94612



**KAISER FOUNDATION HEALTH PLAN OF COLORADO  
FORM 990 TAX YEAR 2001**

**84-0591617**

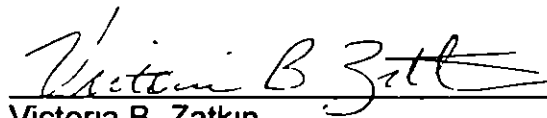
THE REVISED BYLAWS WERE APPROVED AT A MEETING OF THE BOARD OF DIRECTORS  
ON OCTOBER 23, 2001 AND ARE ATTACHED

# **KAISER FOUNDATION HEALTH PLAN OF COLORADO**

## **BYLAWS CERTIFICATE**

I, the undersigned, Victoria B. Zatkín, hereby certify that I am the duly elected Assistant Secretary of Kaiser Foundation Health Plan of Colorado, a Colorado nonprofit corporation. I further certify that attached hereto is a true and correct copy of the Bylaws of Kaiser Foundation Health Plan of Colorado, and I do further certify that the attached Bylaws have not been altered, amended or revoked, and are, at the date of this certificate, in full force and effect.

IN WITNESS WHEREOF, the undersigned has hereunto signed her name this 25<sup>th</sup> day of June, 2002.

A handwritten signature in cursive script, reading "Victoria B. Zatkín", is written over a horizontal line.

Victoria B. Zatkín  
Assistant Secretary

**BYLAWS OF  
KAISER FOUNDATION HEALTH PLAN OF COLORADO**

**ARTICLE A  
PURPOSES**

**Section A-1      Principal Purpose**

This corporation exists for the principal purpose of establishing and maintaining a nonprofit comprehensive, predominantly prepaid, direct service health care plan at reasonable cost for members of the public, without regard to sex, race, religion or national origin

**Section A-2      Related Purposes**

This corporation's related purposes are to promote and encourage the advancement and improvement of the nation's health care delivery system, with special emphasis on organizing and providing health care services on a cost-effective basis, to participate in activities designed and carried on to promote the community's general health, and, subject to Sections A-3 and A-4, to support such other charitable, scientific, educational and hospital endeavors as the corporation may deem advisable

**Section A-3      Nonprofit Character**

This corporation is a nonprofit corporation and is not organized for the private gain of any person. This corporation is organized for, and its assets are irrevocably dedicated to, public and charitable purposes. The corporation does not and shall not have the power to distribute

gains, profits or dividends to its Directors or officers, and no part of its net earnings shall inure to the benefit of any *Director or officer of the corporation or to any other individual*, but the corporation may compensate Directors and officers for the reasonable value of goods or services that they furnish to the corporation

#### Section A-4      Disposition of Assets on Liquidation or Dissolution

Upon the corporation's liquidation or dissolution, the Board of Directors shall, after paying or adequately providing for the corporation's liabilities, distribute the corporation's assets to one or more organizations exempt from tax under §501(c)(3) of the Internal Revenue Code of 1986 or any amendment or successor thereto. The corporation's assets may not be distributed so as to inure directly or indirectly to the benefit of any Director or officer of the *corporation, or to any other individual, or to any corporation, trust or organization whose net earnings inure to the benefit of any individual*

#### Section A-5      Non-discrimination

This corporation, in the operation of its nonprofit comprehensive health care plan and related activities, shall conduct its activities and shall offer the services and benefits of its plan and other activities to all persons equally, without discrimination because of race, color, religion, sex, or national origin, and shall take affirmative action to maintain equality in such matters

## ARTICLE B

### OFFICES

#### Section B-1.   Principal Office

The principal place of business and home office of this corporation shall be located at the Ordway Building, One Kaiser Plaza, Oakland, Alameda County, California. The Board of Directors may change the location of the principal office at any time.

#### Section B-2    Other Offices

This corporation may at any time establish other offices at such place or places as the Board of Directors may designate.

## ARTICLE C

### MEMBERS

#### Section C-1      Status of Membership

Kaiser Foundation Health Plan, Inc , a California nonprofit corporation, is the sole member of this corporation

#### Section C-2      Changes in Membership

Changes in membership may be effected in such manner as the Board of Directors of this corporation, acting with the approval of a majority of the members of this corporation, shall determine

#### Section C-3      Termination

All rights and powers incident to membership shall cease upon termination of membership.

#### Section C-4      Dues, Assessments and Liabilities

No member of this corporation shall be subject to any charge for dues or assessments, nor shall any member be in any way liable for any debt, liability or obligation of the corporation

#### Section C-5      Meetings.

There shall be an annual meeting of members at the time of the first regular meeting of the Board of Directors each year. Meetings of members shall be governed by Section D-5,

relating to meetings of Directors, except that meetings of members shall be held upon at least ten days' notice by first class mail.

Section C-6      Other Action by Members

The members may, by written consent, take any action which the members of a Colorado nonprofit corporation are permitted to take without a meeting, and any action so taken shall have the same effect as, and be in all respects as valid as, action taken at a meeting duly held.

Section C-7      Power and Authority of Members

Members shall have the maximum power and authority provided or permitted to members of Colorado nonprofit corporations under the laws of the State of Colorado except that all such powers shall be exercised consistently with, and in furtherance of, the irrevocable dedication of the assets of this corporation to the purposes specified in Article A of these Bylaws

ARTICLE D  
DIRECTORS

Section D-1      Power and Authority of Directors

All corporate powers shall be exercised by or under the authority of the Board of Directors, and the Board shall control the business and affairs of the corporation. The Board shall have the maximum power and authority now or hereafter provided or permitted under Colorado law to directors of Colorado nonprofit corporations, acting as a board, except that all such powers shall be exercised consistently with, and in furtherance of, the irrevocable dedication to the assets of this corporation to the purposes specified in the Articles of Incorporation and in these Bylaws.

The following powers of the corporation are illustrative only, and shall not be construed as constituting or implying any limitation upon powers exercisable by the Board or the corporation. The corporation shall have power to

- (a) Commence, conduct and defend legal proceedings,
- (b) Adopt, use and alter a corporate seal, but failure to affix a seal shall not affect the validity of any act or instrument of the corporation,
- (c) Adopt, amend or repeal Bylaws, subject to the power of the members to change or repeal the Bylaws, except that no change may be made by the Directors in the *authorized number of Directors*,
- (d) Select, remove and prescribe powers, duties and compensation of officers, agents and employees, and require security for faithful service,
- (e) Qualify to conduct, and conduct activities anywhere in the world,



(f) Acquire, hold, lease, encumber, convey, exchange, transfer upon trust, or otherwise dispose of real and personal property anywhere in the world, and receive and accept inter vivos or testamentary gifts of real or personal property, or both,

(g) Borrow money, contract debts and issue bonds, debentures, notes or other evidences of indebtedness therefor, and secure the performance of obligations by mortgage or otherwise;

(h) Acquire, subscribe for, hold, own, pledge and otherwise dispose of and represent shares of stock, bonds and securities of any other corporation, domestic or foreign,

(i) Purchase or acquire its own bonds, debentures or other evidences of its indebtedness or obligations,

(j) Make donations for charitable purposes,

(k) Act as trustee under any trust incidental to the principal objects of the corporation, and receive, hold, administer and expend funds and property subject to such trust,

(l) Participate with others in any partnership, joint venture or other association, transaction or arrangement of any kind, whether or not such participation involves sharing or delegation of control with or to others;

(m) Enter into any contracts, assume any obligations or do any other acts incidental to the conduct of corporate affairs or the attainment of corporate purposes,

(n) Do all other acts necessary or expedient for administration of the affairs and attainment of the purposes of the corporation

Section D-2.     Number.

The number of Directors may be changed at any time by amendment of these Bylaws by the member. Until changed by the member, there shall be 14 Directors, one of whom shall be the Chairman of the Board of this corporation who shall serve ex officio and only so long as he or she holds such office, and one of whom shall be a senior officer of this corporation designated by the Chairman of the Board. Each Director, including the ex officio Director and the designated Director, shall be counted for purposes of determining the presence of a quorum and shall have one vote.

Section D-3     Vacancies.

A vacancy shall exist whenever a Director resigns, for any reason becomes unable to serve, is not re-elected as provided in Section D-4, is removed in accord with law, or is removed by the member at a meeting of the member's Board of Directors provided that the notice of the meeting of the member's Board of Directors indicates the purpose of the meeting. Additional vacancies shall arise whenever and to the extent that the number of Directors is increased as provided in Section D-2.

Section D-4     Election and Term of Office

The twelve Directors other than the Chairman of the Board and the Director designated by the Chairman of the Board shall be divided into three classes of four Directors each. At the first regularly scheduled meeting of the member's Board of Directors each year, upon the expiration of the term of a class of Directors, Directors of that class shall be elected for a term which shall end at the later of the first regularly scheduled meeting of the member's Board of

Directors in the third year following their election or when their successors are elected except that in any event the term of a Director shall end on December 31 of the year in which he or she attains age 70, and the Chairman of the Board, upon his or her retirement or resignation as Chairman of the Board, shall be precluded from continuing to serve as a Director. Any vacancy may be filled by the member, acting through its Board of Directors or its Executive Committee. Each Director shall hold office until the end of his or her term, or until he or she shall resign, become unable to serve as a Director, or be removed in accord with Section D-3.

Section D-5      Meetings

(a) Place of Meetings Meetings shall be held at such place as the Board of Directors shall designate by resolution or written consent, but unless another place shall be so designated, all meetings shall be held at the principal office.

(b) Call of Meetings Meetings of the Board of Directors may be called at any time by the Chairman of the Board, or by any two Directors.

(c) Notice Notice of meetings shall be mailed, telegraphed, or personally delivered to each Director, at his or her usual business address. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the *meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.*

(d) Proof of Notice. A statement showing service of any notice pursuant to Section D-5(c) may be entered in the minutes of the meeting, and such entry shall be conclusive evidence that notice was duly given. Any waivers, consents and approvals given in

lieu of regular notice shall be entered in the minutes of the meeting

(e) Quorum A majority of the Directors then in office shall constitute a quorum for the transaction of business. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

(f) Meetings Without Notice If all Directors are present at any meeting, or if a quorum is present and all Directors not present either (1) sign a waiver of notice of such meeting, or a consent to the holding thereof, whether prior to or after the meeting, or (2) approve the minutes thereof, the transactions of such meeting shall be as valid as if conducted at a meeting regularly noticed.

(g) Adjourned Meetings A majority of the Directors present at any meeting, although less than a quorum, may adjourn the meeting from time to time, without further notice, until a quorum shall attend.

#### Section D-6      Action Without a Meeting

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board individually or collectively consent in writing to such action. Such action by written consent shall have the same force and effect as a unanimous vote of the Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

## ARTICLE E

### OFFICERS

#### Section E-1      Officers

The officers of the corporation shall be a Chairman of the Board, a President, one or more Executive or Senior Vice Presidents, a Secretary, a Chief Financial Officer, a Controller, a Treasurer and one or more Assistant Secretaries. These shall be the only officers of the corporation. The Chairman of the Board or the President of Kaiser Foundation Health Plan, Inc. may assign such other titles as may be appropriate to other individuals, including the title of Vice President, but such other individuals shall not be corporate officers. Only the Chairman of the Board must be a Director. One person may hold two or more offices, except that the same person may not be both President and Secretary.

#### Section E-2      Election or Appointment and Term of Office

Each officer shall be elected by the Board of Directors at the first regular Board meeting each year or at any other meeting of the Board for a term of office which shall end at the first Board meeting the following year, or for such other term as the Board of Directors may specify, or until he or she shall resign or is not re-elected as provided in this section.

#### Section E-3      Subordinate Officials

The Chairman of the Board or President may appoint or delegate authority to appoint such other officials as the needs of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as the appointing officer,

pursuant to authority conferred by the Board of Directors, may from time to time determine  
These officials shall not be officers of the corporation. Such officials holding the title of Vice President shall have authority to sign contracts and other documents on behalf of the corporation.

#### Section E-4      Removal and Resignation

Any officer may be removed, at any time, either with or without cause, by the Board of Directors. Except for officers chosen directly by the Board of Directors, any officer may be removed, either with or without cause, by any officer authorized to appoint such officer, or by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or to the President or to the Secretary. Any such resignation shall take effect upon receipt of such notice, or at any later time specified therein, unless otherwise specified therein, a resignation shall be effective without express acceptance.

#### Section E-5      Vacancies

A vacancy in any office because of death, resignation, removal, inability or disqualification to serve, or otherwise, shall be filled in the manner provided in the Bylaws for regular election or appointment to such office.

#### Section E-6      Chairman of the Board

The Chairman of the Board shall be the Chief Executive Officer of the corporation and shall preside at all meetings of the Board of Directors and shall have such other powers and

duties as the Board of Directors shall designate or the Bylaws may provide

Section E-7      President

Subject to the direction of the Board of Directors and the Chairman of the Board, the President shall have the general powers and duties of management usually vested in the office of President of a corporation as well as such other powers and duties as the Board of Directors shall designate or as the Bylaws may provide. If there is not a Chairman of the Board of Directors in office and then acting, or if the Chairman of the Board is absent or disabled, the President shall perform all of the duties of the Chairman of the Board, and when so acting shall have the powers of, and be subject to the restrictions upon, the Chairman of the Board, as prescribed in the Bylaws or by the Board of Directors.

The President shall have such other powers and perform such other duties as the Board of Directors shall designate or as the Bylaws may provide.

Section E-8      Executive or Senior Vice President

Each Executive or Senior Vice President shall assist the President in the performance of his or her duties. In the absence or disability of the President, the Executive Vice President, if one is designated by the Board, or in the absence of such designation, the Senior Vice Presidents in order of their rank as fixed by the Board of Directors, shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to all restrictions upon, the President. Each Executive or Senior Vice President shall have such other powers and duties as the Board of Directors shall designate or as the Bylaws may provide.

Section E-9. Secretary.

The Secretary shall be responsible for keeping a book of minutes at One Kaiser Plaza, Oakland, California or at such other place as the Board of Directors shall designate, of all meetings and all formal actions of the Board of Directors. Minutes of meetings shall reflect the time and place of the meetings, whether they were held pursuant to notice, waiver, or consent, if they were held pursuant to notice, the notice given, the names of persons present, the business transacted, and such other matters as the Board of Directors shall designate.

The Secretary shall be responsible for giving notice of meetings as required by the Bylaws. He or she shall maintain safe custody of the seal, shall make certificates and authenticate documents reflecting actions of the corporation as may be required or desirable, and shall have such other powers and perform such other duties as the Board of Directors shall designate or as the Bylaws may provide. Subject to the supervision of the Secretary, any Assistant Secretary may perform all or any part of the duties of the Secretary.

Section E-10 Chief Financial Officer

The Chief Financial Officer shall supervise banking relations, including the handling, depositing and disbursing of all funds. The Chief Financial Officer shall render to the President and to the Board of Directors, on request, an account of his or her transactions as Chief Financial Officer and of the financial condition of the corporation. The Chief Financial Officer shall have such other powers and perform such other duties as the Board of Directors shall designate or as the Bylaws may provide. Subject to the supervision of the Chief Financial Officer, any other official may perform all or any part of the duties of the Chief Financial Officer.



ARTICLE F  
COMMITTEES

Section F-1      Provision for Committees

The corporation shall have an Executive Committee and such other committees as the Board of Directors may appoint to advise and assist the Board of Directors in managing the corporation's affairs

Section F-2      Action Without a Meeting

(a) By Unanimous Consent Any action required or permitted to be taken by a committee of the Board of Directors may be taken without a meeting if all members of the committee individually or collectively consent in writing to such action. Such action by written consent shall have the same force and effect as a unanimous vote of the committee. Such written consent or consents shall be filed with the minutes of the proceedings of the committee.

(b) By Telephone Meetings of committees may be held by telephone with committee members either individually or collectively.

Section F-3      Executive Committee

(a) Composition The Executive Committee shall consist of six (6) Directors, who shall be selected by the Board of Directors, and who shall continue as members of the Executive Committee at the pleasure of the Board.

(b) Authority and Duties The Executive Committee shall have authority to act for the

Board of Directors between Board meetings Unless otherwise provided by law, the Board of Directors, the Articles of Incorporation, or the Bylaws, any action taken by the Executive Committee shall have the same force and effect as though taken by a majority of Directors present at a meeting of the Board duly called and held pursuant to the Bylaws, except that the Executive Committee shall have no authority to (1) Fill vacancies on the Board or the Executive Committee, (2) Fix the compensation of Directors for serving on the Board or any committee, (3) Adopt, amend or repeal Bylaws, (4) Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable, (5) Appoint committees of the Board or appoint the members thereof, (6) Change roles, titles or employment status of corporate officers; or (7) Approve any aspect of a transaction involving the corporation when a Director has a material financial interest in that transaction, except as expressly provided by the law

(c) Conduct of Business A quorum of the Executive Committee shall consist of three (3) committee members The Executive Committee shall report to the Board of Directors regarding its actions and decisions

#### Section F-4      Other Committees

The Board of Directors may establish such other committees, of such composition and with such duties, authority and manner of conducting business, as the Board may from time to time deem advisable Each such committee shall consist of two or more Directors, who shall be selected by the Board of Directors

ARTICLE G  
MISCELLANEOUS

Section G-1      Inspection of Corporate Records

The books of account, minute book and records of committee actions and proceedings shall be open to inspection upon written demand by any Director or member at any reasonable time and for any purpose reasonably related to his or her interests as a Director or member. Such inspection may be made in person, or by any agent or attorney designated by the Director or member, and shall include the right to make extracts and copies. Demands for inspection may be presented to the Board of Directors at any meeting, or to the President or Secretary, or if such demand relates to the books of account, to the Controller. Each such demand may be granted by the officer to whom it is presented, but unless so granted, shall be referred by such officer to the Board of Directors.

Section G-2      Execution or Endorsement of Checks

All checks, drafts or other orders for payment of money, and notes or other evidences of indebtedness issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons, and in such manner, as the Board of Directors shall from time to time by resolution determine.

Section G-3      Execution of Contracts

The Board of Directors may authorize any officer or officers and any agent or agents to enter into any contract or execute any instrument in the name of, and on behalf of, the

corporation, and such authority may be general or limited to specified instances. No officer, agent or employee shall have any power or authority to bind or obligate the corporation by any commitment, contract or engagement, or to pledge its credit or render it liable for any purpose or in any amount unless duly authorized by the Board of Directors.

#### Section G-4      Bylaws, Minutes and Membership Records

The original or a certified copy of the Bylaws, together with all amendments thereto, and the minute book shall be kept at the principal office of the corporation and shall be subject to inspection as provided in Section G-1.

#### Section G-5      Representation of Shares of Other Corporations

The President or any Vice President, acting together with the Secretary or any Assistant Secretary of this corporation, are authorized to vote, represent and exercise on behalf of this corporation all rights incident to any and all shares of stock of any other corporation or corporations which may be owned by or stand in the name of this corporation, and such authority may be exercised by such officers in person or by any person authorized by proxy or power of attorney duly executed by such officers.

Section G-6      Fiscal Year.

The fiscal year of this corporation shall be the calendar year

Section G-7      Indemnification of Directors, Members, Officers and Employees

Every person heretofore, now, or hereafter serving as a Director, officer or employee of the corporation, and every person heretofore, now or hereafter serving at the written request of the corporation (or at its oral request subsequently confirmed in writing), as director, trustee, member, officer, or employee of another corporation or other business association which the corporation controls or in which the corporation owns shares of capital stock or other proprietary interest or of which the corporation is a creditor shall be indemnified and held harmless by the corporation from and against any and all loss, cost, liability and expense that may be imposed upon or incurred by him or her in connection with or resulting from any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, in which he or she may become involved as a party or otherwise by reason of his or her being or having been a director, trustee, member, officer, or employee of the corporation, or of another corporation or other business association which the corporation controls or in which the corporation owns shares of capital stock or other proprietary interest or of which the corporation is a creditor, whether or not he or she continues to be such at the time such loss, cost, liability or expense shall have been imposed or incurred. As used herein, the term "loss, cost, liability and expense" shall include all expenses incurred in the defense of such claim, action, suit or proceeding and the amounts of judgments, fines, or penalties levied or rendered against any such person, provided, however, that no such person shall be entitled to indemnity hereunder unless the Board of Directors of the corporation determines in good

faith that such person (a) was acting in good faith, and (b) reasonably believed, in the case of conduct in an official capacity with the corporation, that the conduct was in the corporation's best interest, and in all other cases that the conduct was at least not opposed to the corporation's best interest. In addition, in the case of a criminal proceeding, no person shall be entitled to indemnification hereunder unless such person had no reasonable cause to believe that the conduct was unlawful. The termination of any claim, action, suit or proceeding by judgement, order, settlement or conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that a person did not meet the standard of conduct described in this Section G-7. Payments authorized hereunder include amounts paid and expenses incurred in settling any such claim, action, suit, or proceeding whether actually commenced or threatened. Expenses incurred with respect to any such claim, action, suit or proceeding may be advanced by the corporation prior to the final disposition thereof upon receipt by the corporation of (a) an undertaking satisfactory in form and amount to the Board of Directors by or on behalf of the recipient to repay such amount unless it is ultimately determined that he or she is entitled to indemnification and (b) a written affirmation of the recipient's good faith belief that such recipient has met the standard of conduct described in this Section G-7. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any person may be otherwise entitled by contract or as a matter of law.

#### Section G-8      Indemnification to Full Extent of Law

Notwithstanding the above provisions, the corporation shall indemnify Directors, officers, and employees to the fullest extent permitted by law.

Section G-9     Insurance

This corporation shall have the power to purchase and maintain insurance on behalf of any Director, officer or employee of the corporation against any liability asserted against and incurred by such person in his or her official capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify that person under the provisions of Section G-7

Section G-10    Annual Report

No annual report shall be required in connection with the activities of the corporation except as required by the laws of Colorado

ARTICLE H  
AMENDMENT AND EFFECT OF BYLAWS

Section H-1      Previous Bylaws Superseded

These amended Bylaws supersede the previous Bylaws of this corporation and all amendments thereto

Section H-2      Effect of Bylaws

These Bylaws are in all respects subordinate to, and shall be controlled by, applicable provisions of the laws of the State of Colorado, other applicable laws, and the Articles of Incorporation of this corporation. Except as these Bylaws may be inconsistent with said laws and Articles, they shall regulate the conduct of the business and affairs of this corporation with respect to all matters to which they relate

Section H-3      Manner of Amendment

(a) In any Legal Way. These Bylaws may be amended in any manner now or hereafter provided by the applicable provisions of the laws of the State of Colorado, except as provided in Section H-3(b) of this Article

(b) By Directors These Bylaws may be amended by majority vote of the Board of Directors at any meeting, provided a quorum of the Board is present and voting, except that those portions of Article D, Section D-4 of these Bylaws regarding election of Directors may be amended only by the member, acting through its Board of Directors





**KAISER PERMANENTE**

**COMMUNITY BENEFIT REPORT  
For  
KAISER FOUNDATION HEALTH PLAN OF COLORADO  
FY 2001**

*For Attachment to the  
Internal Revenue Service Form 990  
Return of Organization Exempt from Income Tax  
(rev 10/01/2002)*



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## INTRODUCTION

Kaiser Foundation Health Plan of Colorado (“Health Plan”) is a nonprofit, federally qualified HMO that is a subsidiary of Kaiser Foundation Health Plan, Inc. Kaiser Foundation Health Plan, Inc., its five principal operating tax exempt subsidiary health plans (Kaiser Foundation Health Plan of Ohio, Kaiser Foundation Health Plan of Colorado, Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., Kaiser Foundation Health Plan of Georgia, Inc., and Kaiser Foundation Health Plan of the Northwest), and Kaiser Foundation Hospitals (“Hospitals”) are nonprofit corporations that are part of the integrated health care delivery system known as the Kaiser Permanente Medical Care Program (“Kaiser Permanente”). Additionally, Kaiser Foundation Health Plan, Inc. has five subsidiary health plans that are no longer operating and will be dissolved because Kaiser Permanente has divested its Northeast, North Carolina and Kansas City Regions (Kaiser Foundation Health Plan of Connecticut, Inc., Kaiser Foundation Health Plan of Kansas City, Inc., Kaiser Foundation Health Plan of North Carolina, CHP Companies, Inc. and Community Health Plan).

Kaiser Permanente is an integrated health care delivery system that in 2001 served over 8 million people in 11 states (California, Colorado, Georgia, Hawaii, Kansas, Maryland, Missouri, Ohio, Oregon, Virginia and Washington) and the District of Columbia. It is the largest private non-profit health care program in the United States with over 120,000 employees and over 11,000 full-time equivalent physicians. In Colorado, Health Plan serves more than 417,000 people, with 3,900 employees, 576 full-time equivalent Permanente physicians, and 515 affiliated physicians in Colorado Springs.

In December 1996, the Boards of Directors of Kaiser Foundation Health Plan, Inc. and of Hospitals approved the Direct Community Benefit Investment (DCBI) Policy to assist Kaiser Foundation Health Plan, Inc., its tax-exempt subsidiaries, and Hospitals to achieve our collective social purpose to improve the health of our members and the communities we serve. The Direct Community Benefit Investment Policy is as follows:

*“Each year, we will devote 3% of revenue, but no more than 50% of net income based on a rolling multi-year average, as our national goal for direct community benefit investments. The “50% of net income” standard will be implemented subject to management discretion.*

*Based upon the needs of the communities we serve and our ability to impact these needs, we will focus our investments on three overlapping areas of priority:*

- *Improving the health of children*
- *Improving the health of the uninsured through subsidized coverage or care*
- *Advancing medical knowledge through clinical and health services research*

This report describes the structure of Kaiser Permanente and documents the community benefit provided by Health Plan in Colorado, as well as the national community benefit activities of Kaiser Foundation Health Plan, Inc. and its other subsidiary health plans and Hospitals.

## **KAISER PERMANENTE**

Kaiser Permanente is not just a financial arrangement. It is an integrated health care delivery system that combines the provision, coverage and financing of health care services. People who elect to enroll in Kaiser Permanente receive a full range of prepaid health care services, including hospital care, professional care in hospitals and physicians' offices, X-ray and laboratory services, physical therapy, emergency ambulance service, preventive services, health education and prescribed drugs.

In Colorado, Kaiser Permanente is conducted by three separate legal organizations: Health Plan, a Colorado nonprofit corporation, which is a federally qualified health maintenance organization ("HMO") exempt from federal income tax under Internal Revenue Code §501(c)(3), Hospitals, a California nonprofit public benefit corporation exempt from federal income tax under Internal Revenue Code §501(c)(3), and the Colorado Permanente Medical Group ("Permanente Medical Group"), an independent multi-specialty group of physicians organized as a professional corporation.

Persons enroll in Kaiser Permanente through a group or individual contract with Health Plan under which Health Plan undertakes to arrange comprehensive health care services for members on a predominantly prepaid basis. Health Plan fulfills its contractual obligations to members by contracting with Hospitals and the Permanente Medical Group to provide the required health care services.

Members receive physician services primarily from the Permanente Medical Group. In Colorado Springs, physician groups contracted by the Permanente Medical Group provide physician services. The Permanente Medical Group accepts responsibility for professional care of Health Plan members, is responsible for their own physician recruitment, selection and staffing, contracts with affiliated physicians, and is independent from Health Plan and Hospitals. The Permanente Medical Group treats members in facilities owned or leased by Health Plan. In Colorado, Hospitals accept responsibility to arrange necessary hospital services and facilities for Health Plan members by contracting with community hospitals.

Membership in Health Plan is available without regard to sex, race, religion, ethnic background, sexual orientation, occupational status or income level. Health Plan members are broadly representative of the various age, social and income groups within the areas it serves.

## **COMMUNITY BENEFIT PROVIDED BY HEALTH PLAN**

Health Plan's primary social mission is the organization and provision of comprehensive health care services on a prepaid basis through an integrated health care delivery system, available to the community as a whole. Because Health Plan is a nonprofit organization, revenues that exceed the cost of operations and the provision of care are used to benefit the members through improved facilities and service, increased benefits and affordable rates rather than to paying dividends to stockholders. Providing low-cost, high quality, comprehensive

health benefits coverage and care that emphasizes prevention helps to prevent medical indigence and contributes to the quality of life in the communities we serve. Health Plan has incorporated the following elements that support and facilitate the attainment of its social mission into its operations:

**Integrated services and facilities** – Health Plan has organized and integrated the professional and physical resources required to provide comprehensive health care. This primarily occurs at medical office buildings owned or leased by Health Plan. Our members typically have available in one place all the services and professional care they require, which facilitates a coordinated approach to care. Equipment and supporting personnel are shared and high technology services such as neurosurgery, open heart surgery and cancer treatment centers are centralized, facilitating the development and transfer of best clinical practices among all Permanente providers. Duplication of facilities, equipment and personnel are avoided or minimized. In Colorado Springs, services are available through a carefully selected panel of community-based physicians, a community-based hospital, and other community-based practitioners and providers.

- **Group practice** - The Permanente Medical Group is organized into a large multi-specialty group practice that takes responsibility for providing comprehensive care to a defined population in facilities owned by Health Plan. The Permanente Medical Group and Health Plan exclusively contract with each other to provide medical services to Health Plan members. Group practice enhances the quality and appropriateness of care for members and for the community by facilitating the development and sharing of “best clinical practices” throughout the community and across the nation. The income that the Permanente Medical Group and its physicians receive is solely in consideration of their professional medical and related services. The amount paid to the Permanente Medical Group is negotiated annually at arms’ length. By altering the straight-line relationship between service performed and income received, Health Plan removes incentives to perform unneeded services or to omit needed care, encouraging use of the most appropriate services.
- **Prepayment** – Health Plan pays the Permanente Medical Group as a whole a per capita payment that does not vary with the amount of service provided. Permanente Medical Group physicians are salaried and are not compensated on a fee-for-service basis.
- **Comprehensive Benefits** - Health Plan provides coverage for unlimited hospital days, physician visits, preventive services, immunizations, well-baby care and prenatal care. Enrollees pay limited copayments, which protect members from substantial out-of-pocket costs. Comprehensive, prepaid coverage removes or minimizes financial barriers to care promoting early consultation, detection and treatment of disease. Health Plan actively encourages members to maintain their health through regular preventive care services such as well-baby check-ups, immunizations and screening tests. This reduces uncompensated care and prevents medical indigence by encouraging and financing preventive medical care at the most effective and appropriate level.
- **No Pre-Existing Condition Exclusions** - Pre-existing condition exclusions allow carriers to exclude from coverage care for a condition that preceded enrollment with the carrier. Health Plan imposes no pre-existing condition exclusions and thereby provides substantial protection for new members who are ill at the time of enrollment. Health Plan offered health benefits coverage in all its markets without any pre-existing condition exclusions for many

years prior to recently enacted federal and state statutes prohibiting pre-existing condition exclusions in certain markets. By ensuring that all our enrollees are covered for all their medical needs, we reduce the amount of uncompensated care, promote the health of our members, and prevent medical indigence.

- **Participation in Medicare** – Nationally, Kaiser Permanente has participated in Medicare since it was first implemented in 1965, and in Colorado, since 1985. In 2001, Health Plan served approximately 56,000 Medicare beneficiaries in Colorado through three Medicare+Choice contracts, which provide all Medicare Part A and Part B services, plus additional drug, optical, inpatient, dental and exercise coverage.

## **COMMUNITY BENEFIT PROGRAM**

In addition to the above, Kaiser Permanente has a wide variety of community benefit programs, some of which are allocable to Kaiser Foundation Health Plan, Inc. and its subsidiaries, some to Hospitals. This report highlights examples of Kaiser Permanente's national *community benefit program* as well as the *community benefit activities of Health Plan in Colorado*. Consistent with our DCBI Policy, based upon the needs of the communities we serve and our ability to impact these needs, Kaiser Permanente is focusing its investments on three overlapping areas of priority:

- Improving the health of children
- Improving the health of the uninsured through subsidized coverage or care
- Advancing medical knowledge through clinical and health services research

Community benefit programs, while consistent in nature, will differ in amount and scope from year to year, based on the resources and objectives of Kaiser Permanente nationally and locally.

In 2001, Kaiser Foundation Health Plan, Inc., its subsidiaries, and Hospitals spent approximately \$349 million or approximately 1.7% of revenue, on DCBI activities across the nation in the communities we serve. In Colorado, Health Plan and Hospitals spent approximately \$14.6 million on DCBI activities in 2001. The following chart summarizes 2001 DCBI expenditures nationally and in Colorado. The expenditures reflected in the chart are unaudited estimates calculated in accordance with Kaiser Permanente's DCBI Accounting Policy.

## 2001 DCBI Expenditures for National Program and Health Plan in Colorado

DCBI CATEGORY	KAISER PERMANENTE NATIONAL TOTAL	HEALTH PLAN IN COLORADO TOTAL
Dues Subsidy	\$36,540,132	\$1,853,817
Medicaid Shortfalls	\$201,204,002	\$4,593,549
Other Publicly Subsidized Programs	\$1,662,171	\$341,481
Charitable Care	\$15,121,244	\$4,500,000
Graduate Medical Education	\$27,233,578	\$718,650
Health Professional Training Programs (non-MD)	\$5,453,665	\$355,670
Continuing Medical Education	\$7,133,586	\$29,658
Health Education Activities	\$2,180,439	\$5,000
Community Health Care Services	\$5,235,651	\$92,212
Educational Symposiums	\$838,914	0
Grants\Donations – Health Care	\$10,481,301	\$268,243
Grants\Donations – Non Health Care	\$270,912	\$163,387
Medical Research	\$9,013,299	\$949,103
Medical Libraries	\$6,296,969	0
Tumor Board & Registries	\$3,611,978	\$173,400
Educational Theatre	\$4,971,712	\$503,245
Youth\Other Employment Programs	\$1,504,288	\$83,959
Board of Directors Fund	\$887,233	0
Other Community Service	\$3,230,520	\$47,445
<b>TOTAL</b>	<b>\$342,871,594</b>	<b>\$14,678,819</b>

## HIGHLIGHTS OF COMMUNITY BENEFIT PROGRAMS IN COLORADO

The following are some highlights of the 2001 community benefit programs in Colorado

### Dues Subsidy Program

Health Plan spent more than \$1.8 million to provide subsidized coverage to 2,277 low-income persons who are not eligible for other public or privately funded coverage in Colorado. The Dues Subsidy Program includes members identified by participating community agencies and Health Plan members who lose their coverage due to a sudden financial crisis such as job loss, involuntary reduction in work hours, death, divorce, or legal separation from a spouse.

Health Plan's direct pay conversion members were targeted in 2001 as the most vulnerable of our membership, with potentially fewest options in the marketplace. Through the STEP program,

qualifying members were given premium assistance. In 2001, this program served 253 members, with expenditures of \$188,156.

Health Plan also affords the opportunity for physicians and staff to contribute to a charitable fund used to support additional dues subsidy memberships and member assistance with costs related to medical care but not covered as part of their benefit package. These services are provided to low-income individuals referred to the charitable fund by Kaiser Permanente employees. In 2001, the fund dispersed \$204,346 and served an additional 703 members.

### **Participation in Medicaid and Other Publicly Financed Programs**

Health Plan and Hospitals have a long history of participation in publicly financed health programs.

- Medicaid – As of December 31, 2001, over 10,000 Medicaid beneficiaries enrolled in Health Plan under our HMO managed care contract on a prepaid basis. In Colorado, Health Plan subsidized these members in an amount exceeding \$4 million\*. The subsidy, or shortfall, is the difference between our reimbursement and our costs for services provided.
- Child Health Plan+ - The Child Health Plan+ (Title XXI) program was implemented beginning in August 1998 to serve uninsured children ages 0-18 who are under 185% of the federal poverty level. As of December 2001, Health Plan had 2,500 in Child Health Plan+ under our HMO contract.

### **Clinical and Health Services Research**

Health Plan in Colorado spent approximately \$950,000 in 2001 to support clinical and health research activities. From the beginning, research has been a core value at Kaiser Permanente. DCBI funds support research that meets important medical and social needs, such as studies of the quality of asthma care, preventing heart attacks, assessing quality of life in MS patients to determine optimal treatment and developing self-care for patients with fibromyalgia. For more than 40 years, Kaiser Permanente researchers across the country have parlayed modest grants financed through our community service budget into major discoveries that have served our communities, influenced national policy, and informed medical practice throughout the nation and the world.

Internal service to improve clinical outcomes at KP is extremely important to the Colorado Research Unit (CRU). We believe that the CRU can contribute directly to making KP Colorado the leader in high-quality, cost-effective care by working closely with our clinical operations departments. Much of the internal work of the CRU contributes to KP's social mission (Direct Community Benefit Investment) as a non-profit organization. The DCBI budget supports all internally focused studies led by CPMG physicians or KP staff throughout the Colorado division. Our research studies address problems of current health policy interest, are designed to improve care for common conditions where treatment is often linked to community-based efforts, and are broadly disseminated through articles and professional presentations. Examples of research projects in 2001 that received DCBI funds in Colorado are described below.

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\* Represents subsidies for all Medicaid categories except dual-eligible, i.e. those eligible for both Medicaid and Medicare.



- *Asthma Management* – This caregiver survey assesses pediatric health-related quality of life to determine which therapies used to manage asthma yield a higher quality of life
- *Cardiac Risk Pilot* – This study assesses cardiac risk preoperatively and prescription of beta-blockers for those at moderate to high risk of cardiac disease. This project targets surgical patients with coronary artery disease at high risk for post-operative myocardial infarction (MI). Surgical patients who undergo pre-operative evaluations and are thought to be at high risk for post-op MI may be eligible to participate
- *Fibromyalgia Study* – The goal of this project is to evaluate the effectiveness of a multidisciplinary group clinic on fibromyalgia outcomes and to develop a better understanding of the kinds of self-care that fibromyalgia patients describe as effective
- *Multiple Sclerosis Quality of Life Study* – The effects of MS on health-related quality of life can be dramatic. Interferon drugs are being used to treat MS patients yet, despite their higher cost, there is no available data indicating their effectiveness or how side effects impact effectiveness. This study will create an MS database with multiple health-related quality of life measures to compare results over time and medication
- *Perinatal DataBase* – Evaluates quality assurance and outcomes using a neonatal intensive care unit database
- *Smoking Cessation Pilot*– This study will collect pilot data on 150 families to determine whether a smoking cessation program offered to parents of ill children will improve long-term smoking rates

### **Graduate Medical Education**

Health Plan spent nearly \$719,000 on graduate medical education to train interns and residents in Colorado. This includes residents paid directly by Health Plan as well as residents and interns jointly supported in collaboration with Exemplar Saint Joseph Hospital and The Children's Hospital. In 2001, Health Plan supported more than 100 residents.

### **Nurse Practitioner and Other Non-Physician Training Programs**

Health Plan in Colorado spent \$355,670 in training programs for nurse practitioners and other non-physician health professionals. This includes training for medical assistants, physician assistants, laboratory technicians, registered nurses and medical receptionists.

### **Community Health Care Services**

Health Plan in Colorado spent approximately \$92,000 to provide health care services to non-members who live and work in the communities we serve. These services include programs that provide care to special-needs populations and are usually coordinated with a community-based agency.

### **Educational Theatre**

Health Plan spent approximately \$503,000 in 2001 to produce the Educational Theatre Programs ("ETP"). Colorado's ETP has been performing award-winning health education plays and educational activities for more than 17 years in Colorado. All plays, educational workshops and health related projects are offered free of charge to the communities served by Health Plan in

Colorado The ETP has a variety of age appropriate, content appropriate programs that use the power of live theatre and the arts to inform, inspire and encourage healthy choices

Our VOICES program – (Voicing Our Issues Creatively and Expressing Solutions) is designed to provide opportunities for young people to voice their ideas about issues that impact their health. It also allows them to explore the role they can play in creating solutions. Actor educators from ETP work with groups of young people to help them discover a compelling voice about issues that affect their health through theatre, photography and creative writing. VOICES projects develop assets in young people and provide them an opportunity to share their voice with adults and peers. Through partnership with schools, community agencies and the faith community, VOICES offers a unique vehicle to develop relationships with young people and with community partners. Health Plan completed seven community based projects in 2001.

In addition, the Voices X-CHANGE theatre program is a live play performed by ETP actors. The play is based on the writings of middle school students about their relationships with peers, parents and addresses conflict as well as alcohol and drug use. The play is followed by a half-hour skill-building workshop called “Acting With Integrity.” The play and workshop were presented 76 times in 2001, with a total audience of 10,112 students.

The ETP in Colorado also offers *Professor Bodywise's Traveling Menagerie*, a general health and safety play for elementary students. Two workshops are offered to extend the educational impact of the performance. In 2001 a total of 26,335 students experienced the *Professor Bodywise* program. *Secrets*, an HIV-AIDS educational play for teens, was presented to 550 young people in 2001. The script is available by special arrangement with Kaiser Permanente to high schools interested in producing the play. Each program offers educational ancillary print materials for parents, teachers and students.

### **Neighbors in Health**

The 2001 Neighbors In Health – Family Health Fair provides culturally sensitive health care and education to uninsured and under insured in the Latino community. Approximately 2,500 individuals received free health services and education at the Fair. More than 1,328 children were immunized and more than 500 received pediatric exams. Adult services also were offered. In addition to providing staff, medications and the facility, Health Plan spent more than \$80,000 on the one-day outreach event.

### **Health Education Activities**

Health Plan also provides a variety of general public education activities on health care issues. These include participation in health fairs, health education classes and other educational seminars aimed at non-health care professionals and open to the general public. Health Plan is committed to promoting healthy lifestyles by offering a wide variety of health education classes to our members and the community. We offer classes on smoking cessation, classes aimed at managing stress, parenting classes, family caregiver workshops and classes addressing senior health. We also offer disease-specific classes designed to help people manage chronic illness.

**Grants and Donations for Health Care Related Activities**

Health Plan gave \$268,243 in health care related grants and donations in the communities we serve. This includes grants to The Conflict Center, the Susan G. Komen Foundation to assist in the fight against breast cancer, the National Association of School-Based Health Care, the American Heart Association to support a community-based defibrillator project, SET of Colorado Springs to support the clinic for the homeless at the local soup kitchen, Community Health Center in Colorado Springs for care for the uninsured and Family Tree to support their women in crisis health clinic. In addition, Health Plan awarded numerous grants to health-related community organizations ranging from the Visiting Nurses Association to Human Services, Inc.

**Grants and Donations Unrelated to Health Care**

Health Plan gave \$163,387 to community organizations for purposes not directly related to health care. These include contributions to education, civic, environmental and social services organizations.

**Youth and Other Employment Programs**

Health Plan spent approximately \$83,959 to fund youth and other employment programs aimed at improving the education and job skills of, or providing employment opportunities for, targeted populations.

**Other Community Service Activities**

Health Plan spent more than \$47,445 on community service activities that do not fall into any of the categories above, such as office space donated to nonprofit agencies in our service area.

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box ☒ **X**

Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

**Part II Additional (not automatic) 3-Month Extension of Time — Must File Original and One Copy.**

Name of Exempt Organization <b>KAISER FOUNDATION HEALTH PLAN OF COLORADO</b>	Employer identification number <b>84-0591617</b>
	Number, street, and room or suite no. If a P.O. box, see instructions <b>ONE KAISER PLAZA, 1550 ORDWAY</b>
	City, town, or post office, state, and ZIP code. For a foreign address, see instructions <b>OAKLAND CA 94612</b>

Indicate the type of return to be filed (File a separate application for each return)

Form 990 ☐ Form 990-EZ ☐ Form 990-T (sec. 401(a) or 408(a) trust) ☐ Form 1041-A ☐ Form 5227 ☐ Form 8870  
 Form 990-BL ☐ Form 990-PF ☐ Form 990-T (trust other than above) ☐ Form 4720 ☐ Form 6069

Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868

If the organization does not have an office or place of business in the United States, check this box ☐

If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is a whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and of all members the extension is for

I request an additional 3-month extension of time until NOVEMBER 15, 2002

For calendar year 2001, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_ and ending \_\_\_\_\_, 20\_\_\_\_

If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

State in detail why you need the extension THIS ENTITY IS A MEMBER OF AN AFFILIATED GROUP COMPRISING A NATIONAL MANAGED HEALTH CARE DELIVERY PROGRAM AND IT MUST DEFER RETURN FILING UNTIL DATA FOR EACH MEMBER'S RETURN IS COMPLETE.

If this application is for Form 990-BL, 990-PF, 990-T, 4720 or 6069, enter the tentative tax, less any nonrefundable credits. See instructions

\$ NONE

If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868

\$ NONE

Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions

\$ 0

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true and complete, and that I am authorized to prepare this form.

Signature Deborah Steen Title VICE PRESIDENT/CONTROLLER Date 7/29/2002

**Notice to Applicant — To Be Completed by the IRS**

We have approved this application. Please attach this form to the organization's return.

We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.

We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.

We cannot consider this application because it was filed after the due date of the return for which an extension was requested.

Other \_\_\_\_\_

By \_\_\_\_\_

**EXTENSION APPROVED**

Indicate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension mailed to an address different than the one entered above

Name	<u>AUG 13 2002</u>
Number and street (include suite, room, or apt. no.) Or a P.O. box number	LINDA WEISKOPF, FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN
City or town, province or state, and country (including postal or ZIP code)	