

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2002

Under 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

Department of the Treasury
Internal Revenue Service

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

A For the 2002 calendar year, OR tax year period beginning 1/1/2002, 2002, and ending 12/31/2002	
B Check if applicable: <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization KAISER FOUNDATION HEALTH PLAN OF COLORADO Number and street (or P.O. box if mail is not delivered to street address) Room/suite ONE KAISER PLAZA, SUITE 1550L City or town State or Country ZIP code OAKLAND CA 94612
D Employer identification number 84-0591817	E Telephone number (510) 271-6611
F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	
G Web site: N/A	
J Organization type (check only one): <input checked="" type="checkbox"/> 501(c)(3) (insert no) <input type="checkbox"/> 4947(a)(1) <input type="checkbox"/> 527	
K Check here <input type="checkbox"/> 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: 1,229,551,303	
H and I are not applicable to section 527 organizations H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) If "Yes" enter number of affiliates: N/A H(c) Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If "No," attach a list. See instructions.) H(d) Is this a separate return filed by an organization covered by a group ruling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I Enter 4-digit GEN: M Check <input type="checkbox"/> if the organization is not required to attach Sch. B (Form 990-B, 990-EZ, or 990-PF)	

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

(See Specific Instructions on page 16)

Revenue	1 Contributions, gifts, grants, and similar amounts received			
	a Direct public support	1a	753,217	
	b Indirect public support	1b	736,991	
	c Government contributions (grants)	1c	99,229	
	d Total (add lines 1a through 1c) (cash \$ 1,589,437 noncash \$)	1d	1,589,437	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	1,219,747,627	
	3 Membership dues and assessments	3		
	4 Interest on savings and temporary cash investments	4	6,072,600	
	5 Dividends and interest from securities	5		
	6a Gross rental income	6a		
	b Less: rental expenses	6b		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7 Other investment income (describe in Part VII)	7	2,052,508		
Expenses	8a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
	b Less: cost of other basis and sales expenses	8a	89,131	
	c Gain or (loss) (attach schedule)	8b		
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	89,131	
	9 Special events and activities (attach schedule)	9a		
	a Gross revenue (not including contributions reported on line 1a)	9b		
	b Less: direct expenses other than fundraising expenses	9c		
	c Net income or (loss) from special events (subtract line 9b from line 9a)	10a		
	10a Gross sales of inventory, less returns and allowances	10b		
	b Less: cost of goods sold	10c		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	11		
	11 Other revenue (from Part VII, line 103)	12	1,229,551,303	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	13	1,103,165,728		
Net Assets	13 Program services (from line 44, column (B))	14	62,277,598	
	14 Management and general (from line 44, column (C))	15		
	15 Fundraising (from line 44, column (D))	16		
	16 Payments to affiliates (attach schedule)	17	1,165,443,326	
	17 Total expenses (add lines 16 and 44, column (A))	18	64,107,977	
	18 Excess or (deficit) for the year (subtract line 17 from line 12)	19	312,124,470	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	20	(27,234,928)	
	20 Other changes in net assets or fund balances (attach explanation)	21	348,997,519	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)				

For Paperwork Reduction Act Notice, see the separate instructions

Form 990 (2002)

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. (See Specific instructions on page 21.)

Joint Costs. Check ☐ If you are following SOP 98-2

Are any joint costs from a combined education campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A, (ii) the amount allocated to Program services \$ N/A

(iii) the amount allocated to Management and general \$ N/A, and (iv) the amount allocated to Fundraising \$ N/A

(See Specific Instructions on page 24)

SEE STATEMENT PART III

Program Service Expenses
(Required for 501(c)(3) and (4) orgs. and 4047(a)(1) trusts; not optional for others.)

Form 990 (2002)

Part IV Balance Sheets

(See Specific Instructions on page 24)

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
Assets				
45	Cash - non-interest-bearing	5,267,000	45	6,755,393
46	Savings and temporary cash investments	97,245,270	46	156,799,168
47a	Accounts receivable	28,401,939		
b	Less allowance for doubtful accounts	2,882,325	47c	25,519,614
48a	Pledges receivable		48c	
b	Less allowance for doubtful accounts		49	
49	Grants receivable		50	
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		51a	
51a	Other notes and loans receivable (attach schedule)		51b	
b	Less allowance for doubtful accounts		52	30,263,986
52	Inventories for sale or use	26,110,671	53	3,840,543
53	Prepaid expenses and deferred charges	7,074,398	54	
54	Investments - securities (attach schedule)		55a	
55a	Investments - land, buildings, and equipment: basis		55b	
b	Less accumulated depreciation (attach schedule)		55c	
56	Investments - other (attach schedule)	1,001,940	56	1,057,903
57a	Land, buildings, and equipment: basis	438,867,556	57b	204,267,968
b	Less accumulated depreciation	234,599,588	58	193,629,785
58	Other assets (describe SEE STATEMENT LINE 58)	112,406,467	59	622,134,360
59	Total assets (add lines 45 through 58) (must equal line 74)	499,379,000	60	102,187,499
Liabilities				
60	Accounts payable and accrued expenses	69,405,736	61	
61	Grants payable		62	
62	Deferred revenue		63	
63	Loans from officers, directors, trustees, and key employees		64a	
64a	Tax-exempt bond liabilities (attach schedule)		64b	
b	Mortgages and other notes payable (attach schedule)		65	170,949,342
65	Other liabilities (describe SEE STATEMENT LINE 65)	117,848,794	66	273,136,841
66	Total liabilities (add lines 60 through 65)	187,254,530	67	
Net Assets or Fund Balances				
Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
67	Unrestricted		68	
68	Temporarily restricted		69	
69	Permanently restricted		70	348,997,519
Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74				
70	Capital stock, trust principal, or current funds	312,124,470	71	
71	Paid-in or capital surplus, or land, bldg, and equipment fund		72	
72	Retained earnings, endowment, accumulated income, or other funds		73	348,997,519
73	Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19 and column (B) must equal line 21)	312,124,470	74	622,134,360
74	Total liabilities and net assets/fund balances (add lines 66 and 73)	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.

N/A

a	
b	
c	
d	
e	

N/A

a	
b	
c	
d	
e	

(List each one even if not compensated, see Specific

(A) Name and address

(B) Title and average
hours per week
devoted to position

(C) Compensation (If not paid, enter -0-)

(D) Contributions to employee benefit plans & deferred compensation.

(E) Expense
account and other
allowances

SEE STATEMENT PART V

0

0

0

If "Yes," attach schedule - see Specific Instructions on page 27

☒ Yes☐ No

SEE STATEMENT LINE 75

Part VI Other Information

(See Specific Instructions on pages 27.)

Yes or No

76	Did the organization engage in any activity not previously reported to the Internal Revenue Service? If "Yes," attach a detailed description of each activity	76	NO
77	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	77	YES
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	YES
78b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	YES
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	NO
80a	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?	80a	YES
80b	If "Yes," enter the name of the organization <u>SEE STATEMENT LINE 80</u>		
	and check whether it is <input checked="" type="checkbox"/> exempt OR <input checked="" type="checkbox"/> nonexempt		
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a	NONE
81b	Did the organization file Form 1120-POL for this year?	81b	NO
82a	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?	82a	NO
82b	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 for reporting in Part III.)	82b	N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	YES
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	N/A
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85a	501(c)(4), (5), or (6) organizations (a) Were substantially all dues nondeductible by members?	85a	N/A
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" 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	85b	N/A
85c	Dues, assessments, and similar amounts from members	85c	N/A
85d	Section 162(e) lobbying and political expenditures	85d	N/A
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
85g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86a	501(c)(7) orgs - Enter (a) Initiation fees and capital contributions included on line 12	86a	N/A
86b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87a	501(c)(12) orgs - Enter (a) Gross income from members or shareholders	87a	N/A
87b	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
88	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	NO
89a	501(c)(3) organizations - Enter Amount of tax paid during the year under: section 4911 <u>NONE</u> , section 4912 <u>NONE</u> , section 4955 <u>NONE</u>	89a	NONE
89b	501(c)(3) and 501(c)(4) orgs - 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	NO
89c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under section 4912, 4955 and 4958	89c	NONE
89d	Enter Amount of tax in 89c, above, reimbursed by the organization	89d	NONE
90a	List the states with which a copy of this return is filed <u>COLORADO</u>	90a	
90b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b	3,884
91	The books are in care of <u>DONALD RUHL, NATIONAL TAX DIRECTOR</u> Telephone no <u>(510) 271-6385</u> Located at <u>ONE KAISER PLAZA, 1550 L OAKLAND, CA</u> ZIP code <u>94612</u>	91	
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041-- Check here 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 Specific Instructions on pages 32.)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E)
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93 Program service revenue					
a MEMBERS HEALTH CARE PREMIUMS	621400	377,712			793,222,101
b SUPPLEMENTAL CHARGES					62,888,815
c NON-PLAN AND INDUSTRIAL REVENUE	621400	937,128			62,658
d INTERREGIONAL REVENUE					3,313,582
e OTHER PROGRAM SERVICE REVENUE			1	14,854,544	
f Medicare/Medicaid payments					344,091,087
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	6,072,600	
96 Dividends and interest from securities					
97 Net rental income (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			14	2,052,508	
100 Gain or (loss) from sales of assets other than inventory			18	89,131	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
b					
c					
d					
e					
104 Subtotal (add cols. (B), (D), and (E))		1,314,840		23,068,783	1,203,578,243
105 Total (add line 104, columns (B), (D), and (E))					1,227,961,866

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 Specific Instructions on page 32.)

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)
	SEE STATEMENT LINE VIII

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities

(See Specific Instructions on page 33.)

(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 Specific Instructions on page 33.)

(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).

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature of officer		Date	Type or print name
	Preparer's		Date	Check if self-employed
	LP		EIN	Preparer's SSN or PTIN
	105		Phone	(415) 783-4000

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

OMB No 1545-0047

2002Department of the Treasury
Internal Revenue Service

MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

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 page 1 of the 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
Leonid Tokar 1 Kaiser Plaza, Suite 1550L Ordway Oakland, CA 94612	Dir Pricing & Underwriting 40 Hours	158,455	16,599	0
Edward McKenna, Jr. 1 Kaiser Plaza, Suite 1550L Ordway Oakland, CA 94612	Clinical Pharmacy Specialist 40 Hours	152,132	4,879	0
Silvia Maranlian 1 Kaiser Plaza, Suite 1550L Ordway Oakland, CA 94612	Manager Pharmacy Info Tech/Support 40 Hours	147,132	13,335	0
Jairo E Ramirez 1 Kaiser Plaza, Suite 1550L Ordway Oakland, CA 94612	Dir Pharmacy Business Strategy 40 Hours	142,387	16,335	0
Dennis K Helling 1 Kaiser Plaza, Suite 1550L Ordway Oakland, CA 94612	Dir Pharmacy 40 Hours	142,214	14,405	0
Total number of other employees paid over \$50,000	1,183			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 1 of the 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
St. Joseph Hospital Department 224 Denver, CO 80291-0224	Medical Services	158,200,000
Colorado Permanente Medical Group 10350 E Dakota Avenue Denver, CO 80231	Medical Services	192,805,985
Boulder Community Hospital P.O. Box 9049 Boulder, CO 80301	Medical Services	29,292,093
Swedish Medical Center Department 21 Denver, CO 80281	Medical Services	10,414,407
Aurora Medical Center P O. Box 403150 Atlanta, GA 30384-3150	Medical Services	9,385,433
Total number of others receiving over \$50,000 for professional services	69	

Part III Statements About Activities

(See page 2 of the 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
(Must equal amounts on line 38, Part VI-A, or line I of Part VI-B)

SEE STMT SCH A PART III, LINE 1
68,513

1 X

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 of its 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:
- a** Sale, exchange, or leasing of property?

SEE STMT SCH A PART III, LINE 2

2a X

- b** Lending of money or other extension of credit?

SEE STMT SCH A PART III, LINE 2

2b X

- c** Furnishing of goods, services, or facilities?

SEE STMT SCH A PART III, LINE 2

2c X

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

SEE STMT PART V

2d X

- e** Transfer of any part of its income or assets?

2e X

If the answer to any question is "Yes," attach a detailed statement explaining the transactions.

- 3** Does the organization make grants for scholarships, fellowships, student loans, etc.?

SEE STMT SCH A PART III, LINE 3

3 X

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

4a X

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 pages 3 through 6 of the 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, page 5.)
- 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** below.)
- 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 page 5 of the 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 page 6 of the 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

N/A

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	1,545,506	1,936,149	2,253,968	1,014,205	6,749,828
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose	1,039,005,913	891,942,980	788,727,385	723,855,058	3,443,531,336
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	9,098,254	8,086,462	7,038,693	6,761,397	30,984,806
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	1,049,649,673	901,965,591	798,020,046	731,630,660	3,481,265,970
24 Line 23 minus line 17	10,843,760	10,022,611	9,292,661	7,775,602	37,734,634
25 Enter 1% of line 23	10,496,497	9,019,656	7,980,200	7,316,307	

26 Organizations described in lines 10 or 11:

a Enter 2% of amount in column (e), line 24

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 1998 through 2001 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

22

26b

26d

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," attach a list (which is not open to public inspection) 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:

(2001)

(2000)

(1999)

(1998)

b For any amount included in line 17 that was received from each person (other than "disqualified person"), 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:

(2001)

(2000)

(1999)

(1998)

c Add Amounts from column (e) for lines

15

6,749,828

16

17 3,443,531,336

20

21

27c 3,450,281,164

d Add Line 27a total

and line 27b total

27d

e Public support (line 27c minus line 27d total)

27e

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)

27f 3,481,265,970

g Public support percentage (line 27e (numerator) divided by line 27f (denominator))

27g

99.11%

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))

27h

0.89%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, 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 page 7 of the 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?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? 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?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a statement)		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? 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		

Part VI-A Lobbying Expenditures by Electing Public Charities

(See page 9 of the instructions)

(To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check here ☐ a If the organization belongs to an affiliated groupCheck here ☐ 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
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table -		
If the amount on line 40 is -		
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		
The lobbying nontaxable amount is -		
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		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, 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 on page 11 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting by organizations that did not complete Part VI-A) (See page 12 of the 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	NONE
X		1,733
	X	NONE
X		63,314
X		1,733
X		1,733
		68,513

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

SEE STMT SCH A PIII LN 1

(See page 12 of the instructions)

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

[illegible]

☐ Yes ☒ No

b If "Yes," complete the following schedule

[illegible]

KAISER FOUNDATION HEALTH PLAN OF COLORADO
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STATEMENT LINE 7
FORM 990 PART I, LINE 7 - OTHER INVESTMENT INCOME

INVESTMENT INCOME FROM KAIVEST LLC	300,726
OTHER INVESTMENT INCOME	<u>1,751,782</u>
TOTAL	<u><u>2,052,508</u></u>

KAISER FOUNDATION HEALTH PLAN OF COLORADO

84-0591617

12/31/2002

STATEMENT LINE 8

FORM 990 PART I, LINE 8 - SALE OF ASSETS OTHER THAN INVENTORY

8B

SALE OF OTHER

Sale of Medical and Other Equipment

Autoclave w/stand	300	6,522	6,522	300
Fax Machine	5	1,133	1,133	5
Dodge, 1998 Intrepid	7,450	18,253	18,253	7,450
Fax, Machine, Omnifax G90	20	1,133	1,133	20
Misc Office Equipment	3,076	0	0	3,076
Stainless Steel Container	8,000	8,155	8,155	8,000
Warehouse Sale of Equipment	240	0	0	240
Anesthesia & Emulsification Unit	63,084	420,764	420,764	63,084
Stenoscope, C-Arm	6,956	105,651	105,651	6,956

TOTAL NET GAIN

89,131

561,611

561,611

89,131

Recap of Net Gain/Loss

Original Cost Basis and Cost of Sale	561,611
Less Accumulated Depreciation	<u>561,611</u>
Net Cost or Adjusted Basis	0
Less Gross Sales Proceeds	<u>89,131</u>
Net Gain/(Loss) for Reporting Purposes	<u><u>89,131</u></u>

KAISER FOUNDATION HEALTH PLAN OF COLORADO

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STATEMENT LINE 20

FORM 990 PART I, LINE 20--OTHER CHANGES IN FUND BALANCE

<u>DESCRIPTION</u>	<u>AMOUNT</u>
INCREASE-UNREALIZED GAIN ON INVESTMENTS	1,182,974
DECREASE-RESERVE FOR MINIMUM PENSION LIAB	(28,417,902)
	<hr/>
TOTAL - OTHER CHANGES IN FUND BALANCE	<u>(27,234,928)</u>

KAISER FOUNDATION HEALTH PLAN OF COLORADO
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GRANTS AND ALLOCATIONS
STATEMENT LINE 22
FORM 990, PART II, LINE 22

<u>NAME</u>	<u>ADDRESS</u>	<u>DATE</u>	<u>AMOUNT</u>
CAPITOL HILL UNITED NEIGHBORHOOD	1490 LAFAYETTE, #104 DENVER, CO	12/18/2002	67,000
COLORADO CHILDRENS CAMPAIGN	225 EAST 16TH AVE, SUITE B 30 DENVER, CO	12/18/2002	34,000
COLORADO PHYSICIAN HEALTH	899 LOGAN STREET, SUITE 410 DENVER, CO	11/26/2002	25,000
COLORADO SPORTS HALL OF FAME	1701 BRYANT ST, SUITE 500 DENVER, CO	12/23/2002	17,700
COLORADO SPRINGS SYMPHONY	P O BOX 1692 COLORADO SPRINGS, CO	10/7/2002	72,300
FAMILY STAR, INC	2246 FEDERAL BLVD DENVER, CO	10/23/2002	10,000
MILE HIGH UNITED WAY	2505 18TH STREET DENVER, CO	9/30/2002	25,000
UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER	DENVER, CO	VARIOUS	65,000 EQUIPMENT
CHILDREN'S HOSPITAL FOUNDATION		VARIOUS	72,700 EQUIPMENT
TOTAL GRANTS PAID			388,700

KAISER FOUNDATION HEALTH PLAN OF COLORADO
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OTHER EXPENSES
STATEMENT LINE 43
FORM 990, PART II, LINE 43

DESCRIPTION	PROGRAM MANAGEMENT			
	TOTAL	SERVICE	& GENERAL	FUNDRAISING
PURCHASED MEDICAL SERVICES - BCP	436,437,291	436,437,291	0	0
PURCHASED MEDICAL SERVICES - OUTSIDE SVCS	2,716,357	2,716,357	0	0
PURCHASED SERVICES - OTHER PROFESSIONAL	3,499,952	3,499,952	0	0
PURCHASED SERVICES - OTHER NON-PROFESSIONAL	223,139,776	223,139,776	0	0
PROFESSIONAL & PUBLIC LIAB INSURANCE	11,886,080	11,886,080	0	0
INFORMATION TECHNOLOGY SERVICES	53,156,877	53,156,877	0	0
BUSINESS LICENSES & TAXES	5,407,641	5,407,641	0	0
DUES & SUBSCRIPTIONS - PROFESSIONAL	380,530	380,530	0	0
DUES & SUBSCRIPTIONS - OTHER	418,031	418,031	0	0
AMORTIZATION OF DEFERRED EXP	15,500	15,500	0	0
EMPLOYEE DEVELOPMENT EXPENSES	2,041,376	2,041,376	0	0
EMPLOYEE RELATED EXPENSES	1,045,888	1,045,888	0	0
ADVERTISING AND MARKETING EXPENSES	879,107	879,107	0	0
BROKER COMMISSIONS	10,045,073	10,045,073	0	0
INTER-REGIONAL CHARGES	17,178,226	17,178,226	0	0
PUBLIC AND COMMUNITY RELATIONS	288,189	288,189	0	0
COMMUNITY CHARITABLE PROGRAMS	324,908	324,908	0	0
LOSS ON RETIREMENT OF FIXED ASSETS	222,294	222,294	0	0
MISCELLANEOUS AND OTHER EXPENSES	10,401,021	10,401,021	0	0
ALLOCATED ADMINISTRATIVE EXPENSES	0	(62,277,598)	62,277,598	0
TOTAL LINE 43	779,484,117	717,206,519	62,277,598	0

KAISER FOUNDATION HEALTH PLAN OF COLORADO
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STATEMENT PART III
FORM 990, PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

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 Internal Revenue Code Section 501(c)(3), and comparable state statute, is to provide a program of healthcare and medical services as a 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 contracted with Kaiser Foundation Hospitals (Hospitals) and Colorado Permanente Medical Group, P.C. (Medical Group) to provide or arrange for hospital and medical services for its members. Hospital in turn contracts with community hospitals to provide such hospital based medical care where Hospitals does not own or operate facilities. Contract payments to community hospitals and Medical Group 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 2002." This report will provide a description of the activities conducted by Health Plan in the accomplishment of its exempt purposes and for the benefit of the community in which it conducts its activities.

KAISER FOUNDATION HEALTH PLAN OF COLORADO
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INVESTMENTS - OTHER
STATEMENT LINE 56
FORM 990, PART IV, LINE 56

<u>DESCRIPTION</u>	<u>BEGINNING OF YEAR AMOUNT</u>	<u>END OF YEAR AMOUNT</u>
Kaivest I, LLC	1,001,940	1,057,903
TOTAL LINE 56 - OTHER INVESTMENTS	<u>1,001,940</u>	<u>1,057,903</u>

KAISER FOUNDATION HEALTH PLAN OF COLORADO
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STATEMENT LINE 57

FIXED ASSETS DESCRIPTION	COST BASIS		ACCUMULATED DEPRECIATION		2002 DEP/AMORT EXPENSE
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR	
LAND	31 313 048	31,313,048	0	0	0
LAND IMPROVEMENTS	5,679,862	8,149 988	4,472,680	4 650,128	104 419
BUILDINGS	223,288,785	227,158 230	87,082,512	96,765 402	9 755,919
LEASEHOLD IMPROVEMENTS	5,711 897	6 665 691	4,017,459	4,544 826	818,819
EQUIPMENT	114,012,644	96 004,905	101,325,403	81,129,395	6,046,622
CAPITALIZED SOFTWARE	70,721,669	63,249 750	31,603 990	47,509,837	6 115,712
CONSTRUCTION IN PROGRESS	1,918,229	8,325,944	0	0	0
TOTALS	<u>452,846,134</u>	<u>438,867,558</u>	<u>228,502,044</u>	<u>234,599,588</u>	<u>22,841,491</u>
TOTALS TO PART IV LINE 57(A)	<u>452,846,134</u>	<u>438,867,558</u>			
PART IV LINE 57(B)			<u>228,502,044</u>	<u>234,599,588</u>	
PART IV, LINE 57(C)	<u>224,144 090</u>	<u>204,267,968</u>			
PART II, LINE 42(A) - DEPRECIATION, AMORTIZATION, DEPLETION, ETC					<u>22,841,491</u>

KAISER FOUNDATION HEALTH PLAN OF COLORADO
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OTHER ASSETS
STATEMENT LINE 58
FORM 990, PART IV, LINE 58

<u>DESCRIPTION</u>	<u>PRIOR YEAR AMOUNT</u>	<u>END OF YEAR AMOUNT</u>
OTHER ASSETS		
DUE KAISER PERMANENTE AFFILIATED ENTITIES	9,958,000	0
DUE FROM KAISER FOUNDATION HOSPITALS	102,423,000	186,274,301
INTANGIBLE PENSION ASSETS	0	7,348,323
OTHER LONG-TERM ASSETS	25,467	7,161
 TOTAL LINE 58 - OTHER ASSETS	 <u>112,406,467</u>	 <u>193,629,785</u>

KAISER FOUNDATION HEALTH PLAN OF COLORADO
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OTHER LIABILITIES
STATEMENT LINE 65
FORM 990, PART IV, LINE 65

<u>DESCRIPTION</u>	<u>BEGINNING OF YEAR AMOUNT</u>	<u>END OF YEAR AMOUNT</u>
DUE TO RELATED ENTITIES	0	1,065,176
RESERVE FOR SELF-INSURED RISKS	6,480,609	3,448,771
RESERVE FOR PROPERTY & PUBLIC LIAB RISKS	25,922,436	26,774,299
RESERVE FOR WORKERS COMP RISKS	1,083,046	1,859,564
RESERVE FOR MEDICARE RECEIVED IN ADVANCE	28,666,357	29,828,758
RESERVE FOR PREMIUMS COLLECTED IN ADVANCE	18,813,786	19,981,144
DEFINED PENSION LIABILITY	2,066,187	42,652,338
POST RETIREMENT LIABILITIES	31,706,105	36,845,072
OTHER LIABILITIES	3,110,268	8,494,220
 TOTAL LINE 65	 <u>117,848,794</u>	 <u>170,949,342</u>

KAISER FOUNDATION HEALTH PLAN OF COLORADO
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SCHEDULE FORM 990, PART V
STATEMENT OF DIRECTORS, OFFICERS AND KEY EMPLOYEES
COMPENSATION, BENEFITS AND REIMBURSEMENTS

NAME and ADDRESS	TITLE	SCHEDULED HOURS	COMPENSATION	BENEFIT PLANS	OTHER PAYMENTS
DIRECTORS					
James A Vohs	Chairman Ementus - to 4/30	As Needed	0	0	0
David M Lawrence, MD	Chairman Ementus - fm 5/1 and	As Needed			
	Director & Chair - to 4/30	As Needed	0	0	0
George C Halvorson	Director & Chair - fm 5/1	As Needed	0	0	0
L Dale Crandall	Director	As Needed	0	0	0
David R Andrews	Director	As Needed	0	0	0
Barbara B Blum	Director	As Needed	0	0	0
Thomas W Chapman	Director	As Needed	0	0	0
Daniel P Garcia	Director	As Needed	0	0	0
Henry M Kaiser	Director	As Needed	0	0	0
Dorothy H Mann, PhD, MPH	Director	As Needed	0	0	0
Dean O Morton	Director	As Needed	0	0	0
Edward E Penhoet	Director	As Needed	0	0	0
Mary E Reres, EdD	Director	As Needed	0	0	0
Robert L Ridgley	Director	As Needed	0	0	0
Chang-Lin Tien	Director	As Needed	0	0	0
Barry L Williams	Director	As Needed	0	0	0

OFFICERS AND KEY EMPLOYEES.

Bernard J Tyson	Group President	As Needed	0	0	0
Christopher L Binkley	Regional President	As Needed	0	0	0
L Dale Crandall	Executive Vice President	As Needed	0	0	0
William A Gillespie, MD	Executive Vice President	As Needed	0	0	0
Richard R Pettingill	Executive Vice President	As Needed	0	0	0
Robert E Briggs	Senior Vice President	As Needed	0	0	0
Kirk E Miller	Senior Vice President	As Needed	0	0	0
Arthur M Southam, MD	Senior Vice President	As Needed	0	0	0
Steven R Zatzkin	Senior Vice President	As Needed	0	0	0
Thomas R Meier	Vice President - Treasurer	As Needed	0	0	0
Deborah Stokes	Vice President - Controller	As Needed	0	0	0
Mitchell Cohen	Assistant Secretary	As Needed	0	0	0
Victoria B Zatzkin	Assistant Secretary	As Needed	0	0	0

Total Compensation of Directors, Officers and Key Employees for Part V

0	0	0
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NOTES, See Notes on Statement Form 990, Part V, Line 75 for description of compensation, benefits and reimbursements

KAISER FOUNDATION HEALTH PLAN OF COLORADO

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SCHEDULE FORM 990, PART V, LINE 75 STATEMENT OF DIRECTORS, OFFICERS AND KEY EMPLOYEES PAID BY RELATED EXEMPT ORGANIZATION

NAME	TITLE	COMPENSATION	BENEFIT PLANS	OTHER PAYMENTS
See Note 2		See Notes 3 & 4	See Notes 4 & 5	See Notes 4 & 6
DIRECTORS				
James A Vohs	Chairman Ementus - to 4/30	0	0	0
David M Lawrence MD	Chairman Ementus - fm 5/1 and Director & Chair - to 4/30	928 924	4,559,427	0
George C Halvorson	Director & Chair - fm 5/1	1 264,651	913,821	15 663
L Dale Crandall	Director	See Below	See Below	See Below
David R Andrews	Director	49,418	5,812	0
Barbara B Blum	Director	62,375	90	0
Thomas W Chapman	Director	64,730	18 756	0
Daniel P Garcia	Director	138 700	51 569	891
Henry M Kaiser	Director	60 018	5 817	0
Dorothy H Mann, PhD MPH	Director	53,575	90	0
Dean O Morton	Director	60,918	5 817	0
Edward E Penhoet	Director	4,185	90	0
Mary E Reres EdD	Director	64 358	5,806	23,392
Robert L Ridgley	Director	65 806	11,377	0
Chang-Lin Tien	Director	5 268	5 727	0
Barry L Williams	Director	55,718	17 817	0

OFFICERS AND KEY EMPLOYEES

Bernard J Tyson	Group President	794,823	997 938	0
Christopher L Binkley	Regional President	387,416	711 413	0
L Dale Crandall	• Executive Vice President	4,723,765	2 723 388	1 080
William A Gillespie MD	• Executive Vice President	1,287 294	2,466 903	960
Richard R Pettingill	• Executive Vice President	813 804	3,884 924	855
Robert E Bnggs	Senior Vice President	928 363	429 518	70,824
Kirk E Miller	Senior Vice President	483 216	1 047 175	2 158
Arthur M Southam MD	Senior Vice President	825 077	937,710	1,920
Steven R Zatkun	Senior Vice President	388,022	578,530	1 920
Thomas R Meier	Vice President - Treasurer	253,096	201,527	2 160
Deborah Stokes	Vice President - Controller	334,087	201 161	2,055
Mitchell Cohen	Assistant Secretary	185,757	64 913	1 425
Victoria B Zatkun	Assistant Secretary	145 955	144 923	1 920

NOTES for current and future compensation, benefits and other reimbursements.

Note #1 - This Organization is one of the corporate entities listed on the Statement Line 80 "Related and Controlled Entities" which is included as a part of this return. This Organization is a participating member of the integrated direct service prepaid health care program commonly referred to as "The Kaiser Permanente Medical Care Program" (Kaiser Permanente).

Note #2 - The above individuals can be contacted care/of
Kaiser Foundation Health Plan, Inc
Program Office Controller's Department
One Kaiser Plaza, Suite 15L Ordway
Oakland, CA 94612

NOTES See following page for continuation of notes applicable to the above reporting

KAISER FOUNDATION HEALTH PLAN OF COLORADO

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**SCHEDULE FORM 990, PART V, LINE 75
STATEMENT OF DIRECTORS, OFFICERS AND KEY EMPLOYEES PAID BY
RELATED EXEMPT ORGANIZATION**

Continuation of notes for current and future compensation, benefits and other reimbursements

Note #3 - The executive compensation plan for Kaiser Permanente is designed to recruit, retain and motivate qualified senior management personnel. The comprehensive compensation plan is designed for positions that have a significant impact on the high-level strategic and policy direction of the organization.

Base pay for executive positions is established at a level comparable to market compensation. Market data analyses are made of comparable organizations and comparable benchmark positions in the market. In addition, certain components of the total compensation plan bear an 'at-risk' feature designed to establish a total executive compensation which is equivalent to the general comparable outside market in which the organization must compete for executive leadership candidates. These plans create an environment that allows the executive to focus on individual and team performance objectives as identified by the organization over time.

Note #4 - Compensation, benefit plan contributions and reimbursement for certain expenses (collectively referred to as "compensation") of Directors, Officers and Key Employees are paid by Kaiser Foundation Health Plan, Inc. (Health Plan) as common paymaster and disbursement agent for the participating member organizations of Kaiser Permanente. Certain Directors, Officers and/or Key Employees perform services for several of the Kaiser Permanente member organizations. Compensation for these individuals is included in a mix of other administrative costs and expenses allocated to the member entities based on membership and other factors. Specific allocation of these compensation elements are not shown by entity as they are not computed separately by management.

Note #5 - Some of the amounts shown as Benefits were earned in prior years and deferred. Other amounts were earned in 2002 and not paid until 2003. These amounts are shown on this 2002 report and will be shown again in 2003 when actually paid. These dollars are reported twice but paid only once.

Among the benefits offered all employees are a Defined Benefit Plan (Plan A), a Qualified Contribution Plan (Plan B), a Section 403(b) Tax Sheltered Annuity Plan (TSA), and health and welfare benefit plans. Included in Benefits reported for this purpose are the value of the annual contributions to Plan B, TSA and general health and welfare benefit plans for future payment, these amounts were not actually paid in 2002. Future benefits under Plan A are excluded from this reporting as they are not readily determinable on an annual basis but are actuarially determined at the time the individual qualifies for retirement benefits.

For other benefit plans available to executives which provide future benefits where the specific amounts are available and determinable by the time this tax report is filed, the amount is included in the Benefits reported in this return. This would include the amounts of compensation exchanged or converted under the Key Employee Savings Option Plan (KESOP) in the year. Amounts that are paid under the Annual Incentive Plan (AIP) and the Long Term Incentive Plan (LTIP) that are paid out to the individual participants in the following year but prior to filing the return are determined to be fixed or determinable as of year-end and are included. Amounts known at year-end under termination of employment arrangements calling for a stream-of-payments in a subsequent year are included in the Benefit Plans column for this purpose. Individuals noted with (*) have amounts included by reason of termination of employment and/or have received payouts from benefit plan accounts that consist of amounts previously earned.

Where benefit plans provide for a future benefit that contain elements of a substantial risk-of-forfeiture conditioned on continued employment and on achieving individual and Program-wide performance targets these amounts are excluded from the reporting.

Note #6 - The amounts reported as Other Payments include amounts for reimbursement of expenses. The included amounts 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 policies and procedures based on prudent fiduciary responsibilities and standards. The policies under which these individuals account to the payer meet the substantiation requirements of Internal Revenue Code Section 274. This reporting includes taxable moving and relocation reimbursements and allowances.

Note #7 - The above listed Officers and Key Employees are scheduled to work a minimum of 40 hours per week in their respective positions for the Kaiser Permanente Medical Care Program. The amount of time the individuals spend on management issues germane to a specific entity is appropriate to the needs of the entity.

KAISER FOUNDATION HEALTH PLAN OF COLORADO
84-0591617
12/31/2002
FORM 990

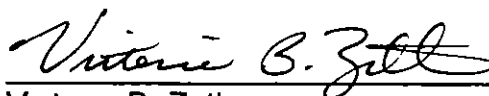
THE REVISED BYLAWS WERE APPROVED AT A MEETING OF THE BOARD OF DIRECTORS
ON SEPTEMBER 11, 2002 AND ARE ATTACHED

KAISER FOUNDATION HEALTH PLAN OF COLORADO

BYLAWS CERTIFICATE

I, the undersigned, Victoria B. Zatzkin, 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 the Bylaws of Kaiser Foundation Health Plan of Colorado were last amended by the Board of Directors on September 11, 2002, and that the Bylaws have not been altered, amended or revoked since that date, and are, at the date of this certificate, in full force and effect.

IN WITNESS WHEREOF, the undersigned has hereunto signed her name this 5th day of February, 2003.

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

Victoria B. Zatzkin
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.

KAISER FOUNDATION HEALTH PLAN OF COLORADO
Revision to Bylaws

3/12/81	Eliminate Vice Chairman Quorum = Majority Executive Committee = 5, Quorum = 3 Purpose revised for favorable tax treatment Editorial Changes
6/16/78	§ E-6 re Chairman of the Board
11/13/80	Executive Committee = 5
11/10/83	§ D-4 re Election & term of Directors § H-3 Manner of Amendment
4/20/90	Executive Committee = 6
11/15/90	Executive Committee = 5
7/16/92	§ E-7 Delete Vice Chairman § E-7 (new) re President's duties § D-2, effective Jan 1, 1993, changing # of Directors to 14, one Director shall be President and one Chairman who serve ex officio § D-4, effective Jan 1, 1993, dividing 12 Directors terms into 3 classes for staggered terms
11/4/92	§ D-3 Removal of Directors by majority vote of Board of Member § C-4 Vacancies on Board will be filled by Member
3/9/93	§ F-3(a) Executive Committee = 6
6/9/94	§ D-2 re deletion of President as a Director and addition of Director designated by Chairman § D-4 re exclusion of designated Director from the 3 classes of directors § E-7 deleting President as CEO

9/13/94	<p>§ E-1 optional offices of Health Plan Manager and Regional Controller</p> <p>§ E-7 additional duties of President</p> <p>§ E-11 Chairman to review books of Controller</p> <p>§ E-12 section re Regional Manager stricken</p> <p>§ E-13 now § E-12 Health Plan Manager optional, duties outlined</p> <p>§ E-14 now § E-13 Regional Controller optional, duties outlined</p>
12/06/94	<p>§ F-3(b) modification of authority & duties of Executive Committee</p>
3/11/97	<p>§A-4 - amended reference to the Tax Code of 1954 to Tax Code of 1986</p> <p>§D-4 - amended to delete text regarding elections in 1994 - 1996, and also to preclude Chairman from continuing to serve as a Director after his/her retirement as Chairman</p> <p>§E-1 amended to delete Controller, Health Plan Manager & Regional Controller</p> <p>§ E-7 modified re duties of President</p> <p>§11, 12 and 13 deleted</p>
6/11/99	<p>Article E, Officers Section, amended to change definition of corporate officers <u>Effective as of 1/1/99</u></p>
3/8/00	<p>New Section G-8 added to Article G regarding indemnification of Directors, officers and employees to full extent of law</p>
9/13/00	<p>Amendments to Section G-7 of Article G regarding indemnification of Directors</p>
10/23/01	<p>Section E-1, Officers, Article E, amended to add Controller, Treasurer and Assistant Secretaries as corporate officers</p>
9/11/02	<p>Section D-4, Election and Term of Office, Article D, amended to allow a Director who has attained age 70 to remain on the Board for an interim transition period</p>

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, unless the Chairman of the Board specifically requests a Director to remain on the Board for an interim transition period, 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

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. AND KAISER FOUNDATION HOSPITALS, CALIFORNIA
NOT-FOR PROFIT CORPORATIONS, EXEMPT FROM INCOME TAX UNDER INTERNAL REVENUE CODE
SECTION 501(C)(3), HAVE A CONTROLLING OR AFFILIATED INTEREST IN THE FOLLOWING CORPORATIONS
AS OF DECEMBER 31, 2002:

EMPLOYER ID #	ENTITY NAME	DIRECT & INDIRECT % CONTROLLED BY KFHP, INC.
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):		
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%
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES, INC	100%
94-3259432	KAISER PROPERTIES SERVICES, INC	100%
91-1814507	CHP COMPANIES, 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

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. AND KAISER FOUNDATION HOSPITALS, CALIFORNIA
NOT-FOR PROFIT CORPORATIONS, EXEMPT FROM INCOME TAX UNDER INTERNAL REVENUE CODE
SECTION 501(C)(3), HAVE A CONTROLLING OR AFFILIATED INTEREST IN THE FOLLOWING CORPORATIONS
AS OF DECEMBER 31, 2002.

DIRECT &
INDIRECT %
CONTROLLED
BY KFHP, INC.

EMPLOYER ID #	ENTITY NAME
------------------	-------------

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	*(2)	N/A
91-2166347	KP ONCALL, LLC	*(2)	N/A
94-3203402	KAISER PERMANENTE INSURANCE COMPANY	*(3)	50%
N/A	HAMI - COLORADO, LLC	*(4)	N/A
94-3289704	KAIVEST I, LLC	*(5)	N/A

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'S A NON-EXEMPT PROPERTY AND
CASUALTY INSURANCE COMPANY OF WHICH 100% OF THE PREFERRED STOCK AND
50% OF THE COMMON STOCK ARE OWNED BY KAISER FOUNDATION HEALTH PLAN, INC
THE REMAINING 50% OF COMMON STOCK IS OWNED BY NON-AFFILIATED
PHYSICIANS PRACTICE GROUPS

NOTE *(4) HAMI - COLORADO, LLC- THE SOLE MEMBER OF THIS LIMITED LIABILITY COMPANY
IS KAISER HOSPITALS ASSET MANAGEMENT, INC

NOTE *(5) KAIVEST I, LLC - THIS CASH POOLING INVESTMENT FUND HAS THREE AFFILIATED MEMBERS
KAISER FOUNDATION HEALTH PLAN OF COLORADO,
KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST, and
KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC

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

KAISER FOUNDATION HEALTH PLAN OF COLORADO

84-0591617

12/31/02

**STATEMENT FORM 990 PART VIII
RELATIONSHIP OF ACTIVITIES TO EXEMPT PURPOSE**

LINE NUMBER - 93 & 103

93A MEMBERS HEALTH CARE PREMIUMS

Revenue received from or on behalf of members for prepaid health care coverage under the HMO care plans offered by Health Plan to its members
Revenue excluded under the provisions of Revenue Ruling 68-27

93B SUPPLEMENTAL CHARGES

Revenue received for co-payments from or on behalf of members for health care services provided under the plans referred to in 93A above
Revenue excluded under the provisions of internal revenue regulation 1 501(c)(3)-1

93C NON-PLAN AND INDUSTRIAL REVENUE

Revenue received from non-members for health care and from outside insurers for reimbursement for health care services provided to members for work-related injuries or conditions
Revenue excluded under the provisions of internal revenue regulation 1 501(c)(3)-1

93D INTERREGIONAL REVENUE

Revenue received from other Kaiser Permanente Medical Care Program affiliated entities for health care services provided to visiting members and other services provided by this Organization for the affiliated entities
Revenue excluded under the provisions of internal revenue regulation 1 501(c)(3)-1

93F MEDICARE/MEDICAID PAYMENTS

Revenue received from the Social Security Administration for medical and health care services provided to Plan members covered under Part B of Medicare
Revenue excluded under the provisions of internal revenue regulation 1 501(c)(3)-1

KAISER FOUNDATION HEALTH PLAN OF COLORADO

84-0591617

12/31/2002

**INFLUENCE LEGISLATIVE MATTER
FORM 990, SCHEDULE A, PART III, LINE 1**

The Organization is a member of the Kaiser Permanente Medical Care Program and participated and benefited from lobbying activities conducted at the national level by the parent organization for the benefit of its members and of the healthcare industry as a whole. As an organization generally exempt from income tax under Internal Revenue Code Section 501(c)(3), Health Plan did not participate in or conduct political campaigns.

This Organization may have to an insubstantial degree made comments or statements concerning legislation which may affect the healthcare industry. Health Plan has not intervened in any political campaign. Health Plan may have possibly engaged in telephone conversations and/or written letters to various federal, state, and local officials regarding matters which affected the healthcare industry as a whole. The amount of time and money involved in the activities was negligible.

The Health Plan has several employees and/or may retain a full time professional consultant to represent Health Plan's interests in various legislative and regulatory bodies and from time-to-time to keep informed of Federal and State legislation having an impact on the Health Plan's charitable activities as an exempt Health Maintenance Organization.

These individuals attempt to ensure that proposed legislation and enacted laws are compatible with the interests of Health Plan and its members by performing the following activities:

- * Collecting, analyzing and distributing within the Organization, public and private policy recommendations regarding proposed legislation and enacted laws that affect the operation of Health Plan and its ability to provide quality health and medical care services to its members in a cost effective environment.
- * Providing 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.
- * Also by preparing written and oral testimony, these individuals appear at legislative hearings, monitor legislative proceedings and meet with legislators and/or their staffs regarding issues pertinent to the mission of Health Plan. Those individuals appearing at such hearings and meetings for and on behalf of Health Plan often are representing the interests of common interest groups as well as the interests of the members of Health Plan.
- * Other employees and officers perform services by delivering speeches at various public and private functions and in serving as faculty in healthcare related educational programs.

KAISER FOUNDATION HEALTH PLAN OF COLORADO
84-0591617
12/31/2002

STATEMENT ABOUT ACTIVITIES
STATEMENT SCH A P III LN 2
FORM 990, SCHEDULE A, PART III, LINE 2

As reflected in Statement Line 80, Kaiser foundation Health Plan of Colorado (Health Plan) was affiliated to other organizations, exempt and non-exempt. During the year, in the normal course of business in carrying out the charitable care exempt purpose of the organization, Health Plan may have entered into leases, the extension of credit, and/or the furnishing of services, goods, or facilities with these other organizations. Health Plan may have also entered into these types of transactions with organizations whose officers were members of the Board of Directors of Health Plan, such transactions would have been at a price which is not less than cost nor more than fair-market-value.

KAISER FOUNDATION HEALTH PLAN OF COLORADO

84-0591617

12/31/2002

**STATEMENT ABOUT ACTIVITIES
STATEMENT SCH A P III LN 3
FORM 990, SCHEDULE A, PART III, LINE 3**

Health Plan generally is not a grant making organization, however when such grants or charitable disbursements are made, they are made to or on behalf of organizations qualified as tax-exempt and in furtherance of Health Plan's exempt/charitable purpose

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 and those that benefit the community, please refer to the "Kaiser Permanente Community Benefit Report for Kaiser Foundation Health Plan of Colorado for 2002" which is included as a part of this return.

**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 THAT INCLUDES DECEMBER 31, 2002

EMPLOYER TAX ID #	NAME AND ADDRESS	TAX FORM	Tax Bracket Allocations				
			First	Next	Next	Next	Next
			\$50,000	\$25,000	\$25,000	\$235,000	\$9,665,000
TAX BRACKET RATE			15%	25%	34%	39%	34%
<u>KAISER FOUNDATION HEALTH PLAN GROUP.</u>							
94-1340523	KAISER FOUNDATION HEALTH PLAN INC	990-T	\$44,000	\$22,000	\$22,000	\$206,800	\$9,015,000
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST	990-T	NONE	NONE	NONE	NONE	NONE
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	990-T	NONE	NONE	NONE	NONE	NONE
48-0924402	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY INC	990-T	NONE	NONE	NONE	NONE	NONE
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC	990-T	NONE	NONE	NONE	NONE	NONE
56-1421313	KAISER FOUNDATION HEALTH PLAN OF NORTH CAROLINA	990-T	NONE	NONE	NONE	NONE	NONE
52-0954463	KAISER FOUNDATION HP OF THE MID-ATLANTIC STATES, INC	990-T	NONE	NONE	NONE	NONE	NONE
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO	990-T	NONE	NONE	NONE	NONE	NONE
23-7425486	COMMUNITY HEALTH PLAN	990-T	NONE	NONE	NONE	NONE	NONE
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC	990-T	NONE	NONE	NONE	NONE	NONE
93-0954562	KAISER HEALTH ALTERNATIVES	990-T	NONE	NONE	NONE	NONE	NONE
94-3299123	CAMP BOWIE SERVICE CENTER	990-T	NONE	NONE	NONE	NONE	NONE
93-0480268	OHP	990-T	NONE	NONE	NONE	NONE	NONE
91-2171891	LOKAHI ASSURANCE, LTD	990-T	NONE	NONE	NONE	NONE	NONE
03-0329760	OAK TREE ASSURANCE, LTD	1120-PC	NONE	NONE	NONE	NONE	\$300,000
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES	1120	\$6,000	\$3,000	\$3,000	\$28,200	\$350,000
94-3259432	KAISER PROPERTIES SERVICES, INC	1120	NONE	NONE	NONE	NONE	NONE
91-1814507	CHP COMPANIES, INC	1120	NONE	NONE	NONE	NONE	NONE
94-3289704	KAIVEST I, LLC	1065	NONE	NONE	NONE	NONE	NONE
<u>KAISER FOUNDATION HOSPITALS GROUP.</u>							
94-1105028	KAISER FOUNDATION HOSPITALS	990-T	NONE	NONE	NONE	NONE	NONE
94-3299125	KAISER HOSPITALS ASSET MANAGEMENT INC	990-T	NONE	NONE	NONE	NONE	NONE
94-3245176	KAISER PERMANENTE INTERNATIONAL	1120	NONE	NONE	NONE	NONE	NONE
94-3292262	KAISER PERMANENTE VENTURES	1120	NONE	NONE	NONE	NONE	NONE
68-0444615	CARETOUCH, INC	1120	NONE	NONE	NONE	NONE	NONE
91-2166347	KP ONCALL LLC (DISREGARDED ENTITY)	-	NONE	NONE	NONE	NONE	NONE
N/A	HAMI - COLORADO, LLC (DISREGARDED ENTITY)	-	NONE	NONE	NONE	NONE	NONE
TOTAL OF EACH BRACKET ALLOCATED			\$50,000	\$25,000	\$25,000	\$235,000	\$9,665,000

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 ORDMAN
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

**KAISER FOUNDATION HEALTH PLAN OF COLORADO
FORM 990 TAX YEAR 2002**

84-0591617

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

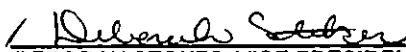
PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(3), THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 2002.

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF \$40,000 EXEMPTION
<u>KAISER FOUNDATION HEALTH PLAN GROUP:</u>			
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 INC	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
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES	1120	NONE
94-3259432	KAISER PROPERTIES SERVICES, INC	1120	NONE
91-1814507	CHP COMPANIES, INC	1120	NONE
94-3289704	KAIVEST I, LLC	1065	NONE
<u>KAISER FOUNDATION HOSPITALS GROUP:</u>			
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	1120	NONE
91-2166347	KP ONCALL, LLC (DISREGARDED ENTITY)	-	NONE
N/A	HAMI-COLORADO, LLC (DISREGARDED ENTITY)	-	NONE
TOTAL ALTERNATIVE MINIMUM TAX EXEMPTION			<u>\$40,000</u>

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



**COMMUNITY BENEFIT REPORT
FOR
KAISER FOUNDATION HEALTH PLAN OF COLORADO
FY 2002**

*For Attachment to the
Internal Revenue Service Form 990
Return of Organization Exempt from Income Tax*



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INTRODUCTION

Kaiser Foundation Health Plan of Colorado ("Colorado Health Plan") is a nonprofit, federally qualified HMO that is a subsidiary of Kaiser Foundation Health Plan, Inc. Kaiser Foundation Health Plan, Inc. (KFHP), with its five principal operating tax exempt subsidiary health plans (Kaiser Foundation Health Plan of Colorado; Kaiser Foundation Health Plan of Georgia, Inc.; Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.; Kaiser Foundation Health Plan of the Northwest, and Kaiser Foundation Health Plan of Ohio) as well as Kaiser Foundation Hospitals (KFH) 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 have been or are being 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).

In 2002, Kaiser Permanente served over 8.4 million people in 9 states (California, Colorado, Georgia, Hawaii, Maryland, Ohio, Oregon, Virginia and Washington) and the District of Columbia. The program is the largest private non-profit health care program in the United States and has more than 131,000 employees and over 11,000 contracting physicians. In Colorado, Health Plan serves more than 402,000 members, 3,900 administrative, clerical and technical employees as well as 633 full-time equivalent Permanente physicians.

This report describes the structure of Kaiser Permanente and documents the national community benefit activities, programs and services of KFHP and its subsidiaries, and KFH (combined), and the specific community benefit provided in the Colorado Region.

Kaiser Permanente is not just a financial arrangement but is an integrated health care delivery system that combines the provision 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, and preventive services, health education, and prescribed drugs.

In the Colorado Region, three separate legal organizations comprise Kaiser Permanente, Colorado Health Plan, a Colorado nonprofit corporation, and a federally qualified health maintenance organization exempt from federal income tax under Internal Revenue Code §501(c)(3), KFH, 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 KFHP or one of its subsidiaries ("Health Plan"). Health Plan provides and arranges comprehensive health care services for members on a predominantly prepaid basis and fulfills its contractual obligations to group and individual

members by contracting with KFHP, Colorado Permanente Physicians to provide the required health care services

Members receive services from various Permanente Medical Groups in the respective Kaiser Permanente regions. In the Colorado, Permanente Physicians accept responsibility for professional care of Health Plan members, are responsible for their own physician and dentist recruitment, selection and staffing, and are legally separate entities independent from Health Plan, KFHP and each other. Colorado Permanente Physicians treat members in facilities owned or leased by Health Plan and KFHP

KFHP and KFHP are separate corporations governed by identical boards of directors. KFHP accepts responsibility to provide or arrange necessary hospital services and facilities for Health Plan members. KFHP owns and operates 30 nonprofit community hospitals providing emergency and inpatient services to all persons in the community. Staff privileges are available on a nondiscriminatory basis to physicians in the communities served. KFHP also contracts with other community hospitals to provide hospital services to members for specialized care and other services

Membership in KFHP and its health plan subsidiaries 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 ages, social, and income groups within the areas served. Once enrolled, a member is free to maintain membership regardless of age, health status, or employment

KAISER PERMANENTE'S COMMITMENT TO THE COMMUNITY

Through the Kaiser Permanente mission, the organization contributes to the health of the communities in two related ways. First, Kaiser Permanente strives for excellence in serving its more than eight million members, through market leading performance in quality, service and affordability. By doing this, Kaiser Permanente raises the bar for the performance of all healthcare organizations, benefits more people as it grows, provides a discipline in the marketplace by demonstrating the greatest value, and generates resources to reinvest in the community's health

Second, Kaiser Permanente directly invests in improvements to its communities' health, working to increase access for the underserved, disseminate care improvements, alter the social determinants of health, and inform public policy

This latter approach, which Kaiser Permanente calls the Direct Community Benefit Investment program (DCBI), is fundamental to being a nonprofit organization. It embodies the organization's commitment to improve the health of communities beyond services to Health Plan members. It is more than traditional corporate citizenship or corporate philanthropy. It is intentional, planned, budgeted, measurable, accountable creation of better health in our communities. It is done in collaboration with, not isolation from, the community. Direct

Community Benefit fulfills Kaiser Permanente's social purpose, justifies its tax-exempt status, and differentiates it from other healthcare organizations

This tradition of community benefit dates from the earliest days of the Program, when charitable care to non-employees, and later, non-members, was initiated. That heritage has continued through the years in Kaiser Permanente's early participation in the Medicaid and Medicare programs, establishment of residency training and medical research programs, and later in the development of the Educational Theatre, Community Health Partnerships and Dues Subsidy programs

In 2001, the Board reaffirmed Community Benefit as a national program and set the following four goals:

- Address critical questions in American health care that the Program's history, culture and competencies position it uniquely to examine
- Build the reputation of Kaiser Permanente for its leadership in helping solve major health challenges
- Create a program that engages the creativity and spirit of the people of Kaiser Permanente at all levels
- Meet the requirements placed on KFH, KFHP, and its subsidiary health plans, as tax-exempt organizations that return value to the communities served beyond the provision of health care to members

The Board directed that this new community benefit program be guided by a national strategy, with continued local flexibility and implementation, supported by national and regional funding pools, and built on the organization's integrated healthcare system. Community benefit investments are to be concentrated in four areas

- *Vulnerable Populations* - Address the financing and delivery problems of populations that are vulnerable because of socioeconomic status, illness, ethnicity, age, or other disabling factors.
- *Evidence-based Medicine* - Develop and communicate the evidence basis to determine what form of medical care works, for which patients and populations, under what circumstances, at what cost and in which delivery settings
- *Education* - Evaluate and demonstrate educational models for the health professions in integrated care systems and for health care consumers for managing their own health and obtaining health care services
- *Public Policy* - Develop and disseminate public policy information that reflects the interests of the nation as a whole

The Board elaborated that at least 75% of total community benefit funding will be directed to Program priorities within the four focus areas, and the remaining 25% of funding will be directed

by local Regions to respond to local community benefit needs and opportunities that may or may not be within the four key focus areas

As part of the new approach, the Board also approved the formation of a national Community Benefit Governance Council to oversee the new program, and designated a national executive of KFHP and KFH to lead Kaiser Permanente's Community Benefit Program as a full time assignment. Raymond J. Baxter, PhD is the Senior Vice President of Community Benefit.

COMMUNITY BENEFIT PROVIDED BY KAISER FOUNDATION HEALTH PLAN, INC.

KFHP'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 the Health Plan is a nonprofit organization, revenues that exceed the cost of operations and provision of care are used to benefit members through improved facilities and service, increase benefits, and maintain affordable rates rather than to pay dividends to stockholders. Providing affordable, high quality, comprehensive health benefits coverage and care that emphasizes prevention helps to minimize medical indigence and contributes to quality of life in the communities we serve. KFHP has incorporated the following elements that support and facilitate the attainment of its social mission into its operations.

- **Integrated Services and Facilities** – KFHP has organized and integrated the professional and physical resources required to provide comprehensive health care. In hospital-based Kaiser Permanente Regions, this care primarily occurs at major medical centers, as well as at nearby outpatient medical offices owned by KFH and at medical office buildings owned or leased by KFHP. 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 also centralized to facilitate development and transfer of best clinical practices among all Permanente providers.
- **Group Practice** – Contracting Permanente Medical Groups are organized into large multi-specialty group practices that take responsibility for providing comprehensive care to a defined population in facilities owned or leased by KFH or KFHP. The income that Permanente Medical Groups and their physicians receive is solely in consideration of their professional medical and related services. The amounts paid to the Permanente Medical Groups are negotiated annually. By altering the direct relationship between service performed and income received, KFHP removes incentives to perform unneeded services, and encourages use of the most appropriate medical care. Group practice enhances quality and appropriateness of care for members and for the community by facilitating development and sharing of "best clinical practices" throughout the community and across the nation.

- **Prepayment** – KFHP pays the Permanente Medical Groups a per capita payment that does not vary with the amount of service provided. Permanente Medical Group physicians are not compensated on a fee-for-service basis.
- **Comprehensive Benefits** – KFHP provides coverage for unlimited hospital days, physician visits, preventive services, immunizations, well-baby care and prenatal care for most plans. Enrollees pay limited copayments at amounts that 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. KFHP actively encourages members to maintain their health through regular preventive self-care. In addition to improving quality of life of the individuals and their families, 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 existed before enrollment with the carrier. KFHP imposes no pre-existing condition exclusions and thereby provides substantial protection for new members who are ill at time of enrollment. KFHP 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** – KFHP has participated in Medicare since it was first implemented in 1965. KFHP and its subsidiaries enrolled approximately 850,000 Medicare beneficiaries, providing Medicare Part A and Part B services, plus additional drug, optical, and inpatient coverage.
- **Participation in Medicaid** – KFHP began enrolling Medicaid beneficiaries in the mid 1960's. Currently, KFHP and its subsidiaries provide care to over 145,000 Medicaid managed care members and serve a large number of Medicare and Medicaid patients on a fee-for-service basis.

COMMUNITY BENEFIT PROVIDED BY KAISER FOUNDATION HOSPITALS

KFH's principal purpose is to provide inpatient medical and surgical care, extended care and home health care to members of the public without regard to age, sex, race, religion, or national origin. KFHP's general community benefits are:

- **Emergency departments** – KFHP operates full-time emergency departments in each of its 27 licensed hospitals (including three licensed hospitals with multiple campuses) in California, Hawaii and Oregon. Emergency medical services are available to all individuals regardless of their ability to pay.

- **Care provided to all insured patients** – Hospital care is provided to individuals with health care coverage from any private or government-sponsored health plan
- **Open Medical Staff Privileges** – Staff privileges in the hospitals are available to community practitioners who are not affiliated with a Permanente Medical Group
- **Board of Directors** – KFHP and KFHP have identical 14 members Boards of Directors. The Board is comprised of individuals from the academic world and private industry who are representative of the community at large. George C. Halvorson serves as the Chairman and Chief Executive Officer for the KFHP and KFHP Boards of Directors.
- **No private inurement** – KFHP pays KFHP for hospital services, and all surplus revenues are reinvested for capital replacement or expansion of facilities and equipment, debt amortization, improvement in patient care and services, and medical education and research.

THE COMMUNITY BENEFIT PROGRAM IN THE COLORADO REGION

In 2002, KFHP and KFHP spent approximately \$485 million or approximately 2.2% of revenue, to support the Community Benefit Program in the communities. In the Colorado Region, Kaiser Permanente spent approximately \$14.9 million, of which 100% is allocable to the Colorado Health Plan.

The following showcases many of the signature community benefit programs and services in the Colorado Region, according to the new focus areas:

EDUCATION

The Colorado Health Plan spent approximately \$1.9 million to educate consumers and health care professionals during 2002 in the Colorado Region.

CONSUMERS

KFHP spent over \$530,965 on community wellness/health education programs in the Colorado Region.

Health Education Activities

Colorado Health Plan also provides a variety of health education classes, events and programs to both members and the general public. During 2002, the health education department staffed booths at local health fairs, conducted smoking cessation, weight loss and parenting classes, and hosted a series of seminars on health-related topics such as diabetes, stress management, and managing chronic illness.

Educational Theatre Program

Colorado Health Plan spent approximately \$442,901 in 2002 to produce the Educational Theatre Programs (“ETP”) in Colorado. ETP has performed free, award-winning, health education plays for youth in grades K-12 for more than 18 years in Colorado. There are four programs in Colorado’s ETP repertoire: Bodywise!, which promotes health and safety while discouraging tobacco, alcohol and drug use (grades K-5), X-Change, which encourages smart choices in middle school -- students are encouraged to make healthy, life-affirming choices in the midst of peer pressure and family struggles; VOICES, which is an interactive program that uses various mediums to present solutions to issues that impact the health and well-being of the community -- projects are offered to non-profit organizations, faith communities and other community groups, and Telling Our Stories, which is a series of workshops offered to groups to enhance communication, creativity and teamwork. In Telling Our Stories, ETP actor-educators train groups to apply improvisational theatre techniques to improve the way people interact and function in-groups. Supplementary materials such as teaching guides, student guides, parent materials and posters reinforce the educational messages in each presentation. During 2002, ETP performed before 32,801 children, parents and teachers.

Other Community Health Education Support

In addition, the Colorado Health Plan donated \$85,537 of community benefit funds to support community programs and services aimed at educating consumers on a wide range of health issues and topics.

- For the fourth consecutive year, the Colorado Health Plan created a significant health education outreach through a presenting sponsorship of the Capitol Hill People’s Fair. The People’s Fair is an annual event held in downtown Denver that draws more than 275,000 attendees over a two-day period in early summer. More than 70 Kaiser Permanente volunteers and their families provide a wide array of health information to attendees, ranging from information on alternative therapies, to smoking cessation and prevention to nutrition and healthy eating. In addition, volunteers offer a range of services including body fat testing, flexibility testing and children’s identification cards. Kaiser Permanente staff answers a wide variety of health-related questions for fair goers over the course of the two-day event.

HEALTH CARE PROFESSIONALS

The Colorado Health Plan spent approximately \$1.4 million to support the training and education of physicians and other healthcare providers.

Continuing Medical Education

Colorado Health Plan spent approximately \$16,804 in providing continuing medical education to community physicians and providers, as well as physicians affiliated with the Permanente Medical Groups and other health care providers. Eight different continuing education programs were offered locally, regionally or statewide during 2002 and nearly 2,000 continuing education units (CEUs) were earned.

Graduate Medical Education

Health Plan spent \$393,454 on graduate medical education to educate 55 interns and residents in the Colorado Region. Approximately 50 medical students and another 90-100 residents do rotations within Kaiser Permanente facilities each year. Of these, between one third and one half are Family Practice, Internal Medicine, Pediatrics, or Obstetrics.

Nurse Practitioner and Other Non-Physician Training Programs

Health Plan in Colorado spent approximately \$907,695 in training programs for nurse practitioners, nurses, radiology and pharmacy technicians, physical therapists, and other non-physician health professionals. Colorado has three different training and education programs. During 2002, the Colorado Health Plan supported the training and education of over 85 students pursuing a career in the health care field. Examples of these programs are listed below.

Pharmacy Resident Program

The Colorado Health Plan offers a unique, one-year specialty residency that provides the opportunity to acquire advanced knowledge and skill in primary care pharmacotherapy in an integrated managed care setting. Pharmacy residents are provided with opportunities to integrate and transform individual patient care experiences into improved pharmaceutical care for patient populations. The importance of obtaining and evaluating clinical and financial outcomes from various perspectives will be emphasized. Residents will gain an understanding of managed care pharmacy practice, a practice which balances between evaluating outcomes, managing systems, and providing pharmaceutical care to individual patients. Residency rotations are offered in the areas of primary care, cardiac risk/anticoagulation/CHF, and mental health.

- **Pharmacy Student Training Program**

Experiential unpaid training opportunities are offered throughout 16 of the Colorado region's medical offices in the areas outpatient, clinical pharmacy, and specialty pharmacy. These rotations are generally six weeks in length. The majority of students are enrolled at the University of Colorado but there has been increased interest from out-of-state students. Students are required to complete 42 weeks of rotations during their last year of pharmacy school. Students are exposed to all aspects of pharmacy services through hands-on participation and provision of care.

- **Pharmacy Technician Training Program**

This program offers paid and unpaid experiential training opportunities to students enrolled in a pharmacy technician program. Students generally complete 160 hours of experiential training after finishing their didactic course work. The Colorado Region partners with PIMA, Heritage College, Arapahoe Community College, Front Range Community College, and Community College of Denver to offer these opportunities. Students partner with a current Kaiser Permanente pharmacy technician to learn all aspects of the technician job.

Other Support Given To The Education Of Health Care Professional

The Colorado Health Plan also supported the training and education of health care professionals in the community by donating community benefit funds to designated programs. In 2002, \$81,750 was donated to support on such programs. Here are a few examples:

- The Colorado Patient Safety Coalition, a coalition of concerned health care organizations, received funding to support their Prescription Improvement Project. Research has shown that there is an overwhelming need to reduce the high potential for error that is inherent in the complex process of prescribing, fulfilling and benefiting from medications. Many respected organizations have recognized the opportunity to improve prescriptions through 1) the elimination or improvement of handwriting, 2) the elimination of confusing abbreviations and 3) placement of the purpose of the medication within the prescription. The Colorado Health Plan and under the Coalition leadership of Permanente physician, Mark Levine, MD, played a significant role in launching this initiative, which includes a baseline (pre-intervention), document study intervention and post-intervention phases. The project involves significant pharmacist and physician interaction as well as patient education. The goal of the project is to measurably reduce the risk of death or injury due to prescription errors.
- For the fourth consecutive year, the Colorado Health Plan offered a medical training scholarship to a minority student participating in the city of Denver's Inroads Program. The scholarship is typically awarded through the University of Colorado Health Sciences Center but in 2002 was awarded to a student attending Des Moines University.

EVIDENCE-BASED HEALTH CARE

Colorado Health Plan spent approximately \$783,180 to support evidenced-based health care activities. From the beginning, research has been a core value at Kaiser Permanente. Kaiser Permanente conducts more research than any other non-academic institution in the United States. Kaiser Permanente partners with more 40 eminent academic research institutions including Duke University, Harvard, Oregon Health & Sciences University, Stanford University, University of California Los Angeles and San Francisco, University of Colorado, University of Southern California, University of Washington and also partners with the National Institutes of Health and the Centers for Disease Control and Prevention.

Clinical and Health Services Research

In 2002, Colorado Health Plan spent approximately \$502,784 to support clinical and health services research activities. Community Benefit funds support research that meets important medical and social needs such as studies on the quality of asthma care, prevention of heart attacks, assessing quality of life in Multiple Sclerosis patients and developing self-care for patients with fibromyalgia.

The Colorado Research Unit (CRU) believes it is important to improve clinical outcomes for health plan members. CRU contributes directly to making the Colorado Region the leader in high-quality, cost-effective care by working closely with clinical operations departments. Much

of the internal work of the CRU contributes to Kaiser Permanente's social mission as a non-profit health care organization. The community benefit budget supports all internally focused studies led by Colorado Permanente Medical Group physicians or Kaiser Permanente staff in the Colorado Region.

Research studies undertaken address current health policy issues, improve care for common conditions where treatment is often linked to community-based efforts, and are broadly disseminated through articles and professional presentations. The following are a few examples of these research projects:

Asthma Management – Caregiver survey to assess pediatric health-related quality of life to determine which therapies used to manage asthma yield a higher quality of life.

- *Cardiac Risk Pilot* – Assess 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)
- *Fibromyalgia Study* – 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 (MS) Quality of Life Study* – Create an MS database with multiple health-related quality of life measures to compare results over time and medication
- *Obese vs Non-Obese* – Determine the direct health care costs that incur from a utilization perspective for obese members vs non-obese members
- *Ortho Outcomes* – Evaluate functional outcomes after arthroscopy in mature and aging knees
- *Perinatal Data Base* – Evaluate quality assurance and outcomes using a neonatal intensive care unit database
- *Prescription Benefits* – Assess the impact of prescription benefits on medication use in patients with Rheumatoid Arthritis
- *Smoking Cessation Pilot* – 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.
- *Twin Birth Outcomes* – Utilizes a comprehensive database on multiple perinatal births to conduct outcomes research

Tumor Board and Cancer Registry

Colorado Health Plan spent more than \$237,000 to support the Tumor Board and Cancer Registry. In Colorado, state law requires the collection of specific cancer patient data be sent to the state at particular intervals after diagnosis. Each patient is followed on an annual basis for the remainder of his or her life. Each hospital has staff who collect the state-mandated information and transmit the information electronically each month.

PUBLIC POLICY

During 2002, Colorado Health Plan used its expertise and convening power to develop and disseminate information on health policy issues that reflect both the interest of the country and residents of Colorado. \$40,000 of community benefit funds were used to support several health care public policy programs and activities. The following is an example:

- The Colorado Children's Campaign received a grant to build a strong public health advocacy position in the state, particularly as it relates to children. The project has already elevated child health issues in two legislative sessions and has begun to surface these issues more prominently in local business associations. The project will ultimately produce a template for raising awareness and generating results relative to child health issues. In addition to the grant award, the project involves several Kaiser Permanente staff volunteers.

VULNERABLE POPULATIONS

In 2002, the Colorado Health Plan spent \$11.7 million in addressing the financing and delivery of health and social problems of populations vulnerable because of socio-economic status, illness, ethnicity, age or other factors. The following highlights many of the programs and services offered in Colorado for vulnerable populations.

MEDICAL CARE SERVICES

The Colorado Health Plan spent approximately \$10.9 million to provide a variety of medical care services to under- and uninsured residents in Colorado.

Charitable Care

Nearly \$2 million was spent to assist patients with limited resources to pay for care provided in Kaiser Permanente facilities and at Saint Joseph Hospital in Denver.

The *KP Helps!* Program helps families and individuals who are unable to meet all or part of their cost of healthcare services and supplies. The *KP Helps!* Charitable Fund consists of monies contributed by the Colorado Health Plan, Colorado Permanente Medical Group and staff. The program serves individuals and families who meet income guidelines of under 200% of the federal poverty level and less than \$4,000 in cash assets.

Dues Subsidy Program

In Colorado, Health Plan spent more than \$5.1 million to provide subsidized coverage to nearly 3,070 low-income adults and children who are not eligible for other public or privately funded coverage.

- *Connections* is the Colorado Health Plan's dues subsidy program that provides members the opportunity to continue their health care coverage at reduced costs when they are in transition, experience financial difficulties due to job loss, involuntary reduction in work hours, death, divorce, or legal separation from a spouse. Participants are not eligible for any

other public or private group health care coverage Based on income, the plan subsidizes up to 95% of their premium

Persons eligible for the program must be referred by a participating community agency or be a terminating Kaiser Permanente member, have gross income below 200% of Federal Poverty Guidelines and liquid assets less than \$4,000 and not be eligible for or enrolled in Medicare, Medicaid, Child Health Plan Plus (CHP+), or an employer-sponsored health plan.

Participation in Medicaid and Other Publicly Financed Programs

Health Plan has a long history of participation in publicly financed health programs and subsidized these members in nearly \$3 million

- Medicaid – In 2002, the Colorado Region served 10,053 Medicaid beneficiaries enrolled and subsidized these members in an amount equal to approximately \$2.6 million In addition, the Colorado Health Plan subsidized care for other Medicaid enrollees who were not enrolled in the prepaid health plan
- Child Health Plan Plus – At yearend, the Colorado Health Plan had 3,661 members in CHP+, a state funded commercial insurance program for uninsured children from birth to 19 years old from low and moderate-income families in Colorado Health Plan provides comprehensive health benefits coverage, including acute and outpatient care, to CHP+ enrollees

Grants and Donations for Medical Care Services for Vulnerable Populations

More than \$77,000 was donated to support the delivery of medical care services to a variety of individuals who were seeking services from community providers Examples include

- The St. Francis Center, a homeless shelter that cares for more than 600 homeless individuals each day, received funding to provide health services through their on-site health clinic The center has seen a significant increase in the number of individuals and families needing health clinic services in the past few years The clinic has one full-time staff nurse who is assisted by volunteer nurses from throughout the community Services are provided on a drop-in basis. Although the center does not provide emergency care, in many cases the health services provided are life saving The clinic staff works closely with each individual and as well as case managers to ensure that they have access to higher levels of medical care – and funding sources for indigent patients
- The Family Star is an organization whose mission is to promote self-sufficiency, education and health for low-income families The agency serves inner-city families in Denver's northeast and northwest neighborhoods The Healthy Families Initiative was created in response to data indicating that families at its centers had substantial unmet physical and mental health needs A recent study by the Center for Human Investment and Policy at the University of Colorado found that adults living in these two neighborhoods were disproportionately affected by high blood pressure, heart disease, liver disease and diabetes Further, low-income Latino families from these areas are least likely to have a consistent

source of health care or to see a physician for childhood illnesses Through a grant, Family Star will be able to provide on-site preventive health services, health education and access to mental health services

COMMUNITY-BASED PROGRAMS

The Colorado Health Plan spent approximately \$615,988 to provide a variety of programs to non-members who live and work in the communities we serve Examples of the types of programs funded are

Community Health Partnership

- Project PAVE, a local community-based nonprofit organization whose mission is to empower youth to end the cycle of relationship violence through prevention education and counseling, received a grant to sponsor their awards program The Kaiser Permanente Educational Theater Program actors have been closely involved with Project PAVE through the awards initiative as well as through other PAVE school-based programs. With the grant and investment of staff and other resources, Project PAVE will be able further the mitigation of family violence
- A large team of Kaiser Permanente volunteers joined with another organization's volunteers to rehabilitate the home of a low-income family as part of the Rebuilding Together program The program, similar to Habitat for Humanity but involving rehabilitations instead of new homes, partners with local communities to refurbish homes of low-income families and the disabled so they can continue to live in warmth, safety and independence This volunteer effort was also supported by a grant for Rebuilding Together program

Youth and Other Employment Programs

In Colorado, Health Plan spent approximately \$75,119 to fund one youth employment program aimed at improving the education and job skills of, or providing employment opportunities for, targeted populations

- *Inroads* is a nationwide career development organization whose mission is to recruit minority college students and begin preparing them for corporate employment. Student interns typically work two to five summers with the organization with the goal of permanent placement upon graduation from college

OTHER COMMUNITY BENEFITS

Health Plan in Colorado spent \$437,510 on other community benefits. Several organizations such as the Mile High United Way, Partnership for Colorado, Hospice of Metro Denver, Bonfils Blood Center and the Girls Scouts received support in 2002

2002 NATIONAL COMMUNITY BENEFIT PROGRAM INVESTMENT

The following charts summarize 2002 community benefit invested, nationally and in Colorado
The community investment reflected in these charts is unaudited

2002 National Community Benefit Program Investment

CB PRIORITY AREAS	NATIONAL HEALTH PLAN TOTAL	NATIONAL KFH TOTAL	NATIONAL CB TOTAL
EDUCATION			
Health Professionals	\$1,514,311	\$47,769,383	\$49,283,693
Consumers	2,481,001	5,434,653	7,915,654
<i>Subtotal</i>	<i>3,995,312</i>	<i>\$53,204,036</i>	<i>57,199,347</i>
EVIDENCE-BASE			
Research	605,645	13,181,636	13,787,282
Medical Libraries	70,877	5,333,781	5,404,658
Tumor Board & Cancer Registry	237,296	3,685,402	3,922,697
<i>Subtotal</i>	<i>913,818</i>	<i>22,200,819</i>	<i>23,114,637</i>
PUBLIC POLICY			
Public Policy Grants	123,992	834,289	958,281
<i>Subtotal</i>	<i>123,992</i>	<i>834,289</i>	<i>958,281</i>
VULNERABLE POPULATIONS			
Medical Care Services	244,835,730	138,832,625	383,668,355
Community-Based Programs	2,119,260	6,644,271	8,763,531
Other Vulnerable Populations	4,745,924	975,351	5,721,275
<i>Subtotal</i>	<i>251,700,914</i>	<i>146,452,247</i>	<i>398,153,161</i>
OTHER COMMUNITY BENEFITS			
Other CB Grants/Expense	3,076,975	2,038,871	5,115,846
United Way	89,471	201,550	291,021
<i>Subtotal</i>	<i>3,166,446</i>	<i>2,240,421</i>	<i>5,406,867</i>
TOTAL	\$259,900,482	\$224,931,811	\$484,832,293

2002 COMMUNITY BENEFIT INVESTMENT IN COLORADO

CB PRIORITY AREAS	REGION HEALTH PLAN TOTAL	REGION KFH TOTAL	REGION CB TOTAL
EDUCATION			
Health Professionals	\$1,399,703	\$0	\$1,399,703
Consumers	530,965	0	530,965
<i>Subtotal</i>	<i>\$1,930,668</i>	<i>0</i>	<i>\$1,930,668</i>
EVIDENCE-BASE			
Research	545,884	0	545,884
Medical Libraries	0	0	0
Tumor Board & Cancer Registry	237,296	0	237,296
<i>Subtotal</i>	<i>783,180</i>	<i>0</i>	<i>783,180</i>
PUBLIC POLICY			
Public Policy Grants	40,000	0	40,000
<i>Subtotal</i>	<i>40,000</i>	<i>0</i>	<i>40,000</i>
VULNERABLE POPULATIONS			
Medical Care Services	10,892,129	0	10,892,129
Community-Based Programs	615,988	0	615,988
Other Vulnerable Populations	159,613	0	159,613
<i>Subtotal</i>	<i>11,667,730</i>	<i>0</i>	<i>11,667,730</i>
OTHER COMMUNITY BENEFITS			
Other CB Grants/Expense	387,510	0	387,510
United Way	50,000	0	50,000
<i>Subtotal</i>	<i>437,510</i>	<i>0</i>	<i>437,510</i>
TOTAL	\$14,859,088	\$0	\$14,859,088

Form **8868****Application for Extension of Time To File an
Exempt Organization Return**

OMB No 1545-1709

(December 2000)

Department of the Treasury
Internal Revenue Service

► File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ► ☒
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form) ► ☐
- Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time — Only submit original (no copies needed)**Note: Form 990-T corporations requesting an automatic 6-month extension** — check this box and complete **Part I** only ► ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization	Employer identification number
	KAISER FOUNDATION HEALTH PLAN OF COLORADO	84-0591617
	Number, street, and room or suite no. If a P.O. box, see instructions ONE KAISER PLAZA, SUITE 1550	
City, town or post office, state, and ZIP code. For a foreign address, see instructions OAKLAND CA 94612		

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- 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) NA. If this is for the **whole group**, check this box ► ☐. If it is for part of the group, check this box ► ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until AUGUST 15, 20 03, to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ☒ calendar year 20 02 or
- ☐ tax year beginning _____, 20 _____, and ending _____, 20 _____

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

- 3a 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

\$ 0

- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit

\$ _____

- c **Balance Due.** Subtract line 3b from line 3a. 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

\$ 0.00**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, correct, and complete, and that I am authorized to prepare this form.

Signature ► [Signature]

Title ► VICE PRESIDENT/CONTROLLER Date ► 05/12/2003

For Paperwork Reduction Act Notice, see Instruction

Form **8868** (12-2000)

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

Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization KAISER FOUNDATION HEALTH PLAN OF COLORADO	Employer identification number 84-0591617
	Number, street, and room or suite no. If a P.O. box, see instructions ONE KAISER PLAZA, SUITE 1550	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions OAKLAND CA 94612	

Check 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

STOP: 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 for the **whole group**, check this box ☐ If it is for **part of the group**, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until NOVEMBER 15, 20 03
- 5 For calendar year 2002, or other tax year beginning _____, 20 ____ and ending _____, 20 ____
- 6 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 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. IT MUST DEFER RETURN FILING UNTIL DATA FOR EACH MEMBER'S RETURN IS COMPLETE.
- 8a 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
- b 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
- c **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 \$ 0.00

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 correct, and complete, and that I am authorized to prepare this form

Signature Deborah Stiles Title VICE PRESIDENT/CONTROLLER Date 08/7/2003

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 _____

Director _____ By _____ Date 08/07/2003

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

Type or print	Name
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