

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

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

A For the 2003 calendar year, or tax year beginning , 2003, and ending

B Check if applicable

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC

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, and ZIP + 4

OAKLAND, CA 94612

D Employer identification number

58-1592076

E Telephone number

(510) 271-6611

F Accounting method ☐ Cash ☒ Accrual

Other (specify) ▶

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

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

H(b) If "Yes," enter number of affiliates ▶ N/A

H(c) Are all affiliates included? (If "No," attach a list See instructions) ☐ Yes ☐ NoH(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶

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

G Website: ▶ N/A

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

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 733,956,644.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

1 Contributions, gifts, grants, and similar amounts received.			
a Direct public support	1a	323,518.	
b Indirect public support	1b	771,847.	
c Government contributions (grants)	1c		
d Total (add lines 1a through 1c) (cash \$ 1,095,365. noncash \$)	1d	1,095,365.	
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	730,184,134.	
3 Membership dues and assessments	3		
4 Interest on savings and temporary cash investments	4		
5 Dividends and interest from securities	5	2,676,595.	
6a Gross rents	6a		
b Less: rental expenses	6b		
c Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7 Other investment income (describe ▶)	7		
8a Gross amount from sales of assets other than inventory	8a	550.	
b Less: cost or other basis and sales expenses	8b		
c Gain or (loss) (attach schedule) STMT. 1	8c	550.	
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	550.	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
a Gross revenue (not including \$ of contributions reported on line 1a)	9a		
b Less: direct expenses other than fundraising expenses	9b		
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
10a Gross sales of inventory, less returns and allowances	10a		
b Less: cost of goods sold	10b		
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
11 Other revenue (from Part VII, line 103)	11		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	733,956,644.	
13 Program services (from line 44, column (B))	13	685,528,768.	
14 Management and general (from line 44, column (C))	14	37,999,767.	
15 Fundraising (from line 44, column (D))	15		
16 Payments to affiliates (attach schedule)	16		
17 Total expenses (add lines 13 and 14, column (A))	17	723,528,535.	
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18	10,428,109.	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	75,447,130.	
20 Other changes in net assets or fund balances (attach explanation) STMT. 3	20	868,429.	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	86,743,668.	

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2003)

Part II Statement of Functional Expenses

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 page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ <u>487,303</u> , noncash \$ _____)	487,303.	487,303.	STMT 2	
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.				
26	Other salaries and wages	76,159,480.	76,159,480.		
27	Pension plan contributions				
28	Other employee benefits	22,404,824.	22,404,824.		
29	Payroll taxes				
30	Professional fundraising fees				
31	Accounting fees	686,996.	686,996.		
32	Legal fees	2,025.	2,025.		
33	Supplies	79,786,662.	79,786,662.		
34	Telephone	174,813.	174,813.		
35	Postage and shipping	1,306,846.	1,306,846.		
36	Occupancy	7,743,081.	7,743,081.		
37	Equipment rental and maintenance	2,711,519.	2,711,519.		
38	Printing and publications	2,687,631.	2,687,631.		
39	Travel	1,468,666.	1,468,666.		
40	Conferences, conventions, and meetings				
41	Interest	4,668,663.	4,668,663.		
42	Depreciation, depletion, etc. (attach schedule)	6,919,992.	6,919,992.		
43	Other expenses not covered above (itemize) <u>STMT 4</u>	516,320,034.	478,320,267.	37,999,767.	
b					
c					
d					
e					
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	723,528,535.	685,528,768.	37,999,767.	

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ NONE, (ii) the amount allocated to Program services \$ NONE,
 (iii) the amount allocated to Management and general \$ NONE; and (iv) the amount allocated to Fundraising \$ NONE

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose? STMT 5

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

What is the organization's primary exempt purpose? <u>STMT 5</u>		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a	<u>SEE STATEMENT 5</u> (Grants and allocations \$ <u>487,303.</u>)	685,528,768.
b	 (Grants and allocations \$ _____)	
c	 (Grants and allocations \$ _____)	
d	 (Grants and allocations \$ _____)	
e	Other program services (attach schedule) (Grants and allocations \$ _____)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services).	685,528,768.

Part IV Balance Sheets (See page 25 of the instructions.)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
45	Cash - non-interest-bearing	27,717.	45 30,429.
46	Savings and temporary cash investments	105,000.	46 105,000.
47a	Accounts receivable	13,110,702.	
b	Less: allowance for doubtful accounts	272,575.	47c 12,838,127.
48a	Pledges receivable		
b	Less: allowance for doubtful accounts		48c
49	Grants receivable		49
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50
51a	Other notes and loans receivable (attach schedule)		
b	Less: allowance for doubtful accounts		51c
52	Inventories for sale or use	11,320,839.	52 16,037,765.
53	Prepaid expenses and deferred charges	401,437.	53 194,137.
54	Investments - securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
55a	Investments - land, buildings, and equipment: basis		
b	Less: accumulated depreciation (attach schedule)		55c
56	Investments - other (attach schedule)		56
57a	Land, buildings, and equipment: basis	181,362,619.	
b	Less: accumulated depreciation (attach schedule) STMT 13	86,920,529.	57c 94,442,090.
58	Other assets (describe STMT 6)	35,043,768.	58 55,066,754.
59	Total assets (add lines 45 through 58) (must equal line 74)	159,251,739.	59 178,714,302.
60	Accounts payable and accrued expenses	47,660,489.	60 50,661,780.
61	Grants payable		61
62	Deferred revenue		62
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63
64a	Tax-exempt bond liabilities (attach schedule)		64a
b	Mortgages and other notes payable (attach schedule) STMT 7	784,489.	64b 547,824.
65	Other liabilities (describe STMT 8)	35,359,631.	65 40,761,030.
66	Total liabilities (add lines 60 through 65)	83,804,609.	66 91,970,634.
Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
67	Unrestricted		67
68	Temporarily restricted		68
69	Permanently restricted		69
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	5,665,218.	70 5,665,218.
71	Paid-in or capital surplus, or land, building, and equipment fund		71
72	Retained earnings, endowment, accumulated income, or other funds	69,781,912.	72 81,078,450.
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	75,447,130.	73 86,743,668.
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	159,251,739.	74 178,714,302.

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.

Part IV-B	Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	NOT APPLICABLE
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Part V **List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; see page 27 of the instructions.)

[illegible]Form **990** (2003)

Part VI Other Information (See page of the instructions.)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
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	X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a 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	X
b If "Yes," enter the name of the organization SEE STATEMENT 16 and check whether it is <input checked="" type="checkbox"/> exempt or <input checked="" type="checkbox"/> nonexempt.		
81 a Enter direct and indirect political expenditures. See line 81 instructions. 81a NONE	81a	NONE
b Did the organization file Form 1120-POL for this year?	81b	N/A
82 a 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	X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III) 82b N/A	82b	N/A
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	N/A
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c Dues, assessments, and similar amounts from members	85c	N/A
d Section 162(e) lobbying and political expenditures	85d	N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86 501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	N/A
b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87 501(c)(12) orgs Enter a Gross income from members or shareholders	87a	N/A
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
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	X
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 NONE , section 4912 NONE , section 4955 NONE		
b 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	X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		N/A
d Enter Amount of tax on line 89c, above, reimbursed by the organization		N/A
90 a List the states with which a copy of this return is filed GEORGIA		
b Number of employees employed in the pay period that includes March 12, 2003 (See instructions)	90b	1903
91 The books are in care of TAX DIRECTOR Telephone no 510 271-6385 Located at ONE KAISER PLAZA, OAKLAND, CA ZIP + 4 94612		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A		

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by Section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a MEMBERS HEALTH CAR	621400	4,948,725.			580,444,066.
b SUPPLEMENTAL CHARG					47,544,627.
c NON-PLAN & INDUSTR	621400	53,127.			541,674.
d OTHER PROGRAM SERV					3,478,183.
e					
f Medicare/Medicaid payments					93,173,732.
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	2,676,595.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	550.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		5,001,852.		2,677,145.	725,182,282.
105 Total (add line 104, columns (B), (D), and (E))					732,861,279.

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 page 34 of the instructions.)

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93	SEE STATEMENT 17

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

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

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

Please
Sign
Here

Signature of officer
D. Stuber

Date
11-11-04

VICE PRESIDENT CONTROLLER

Date 11/3/04	Check if self- employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W) P00365375
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SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service
Name of the organization

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.)

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

OMB No 1545-0047

2003

Employer identification number

KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC

58-1592076

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
SEE STATEMENT 18				
Total number of other employees paid over \$50,000	386			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 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
BERGEN BRUNSWIG CORP.		
1500 SOUTHPOINT DR, FOREST PARK, GA 30298	MEDICAL SERVICES	58285966.
NORTHSIDE HOSPITAL		
P.O. BOX 101818, ATLANTA, GA 30392	MEDICAL SERVICES	44905365.
PIEDMONT HOSPITAL		
P.O. BOX 102526, ATLANTA, GA 30368	MEDICAL SERVICES	34292375.
CHILDREN AT SCOTTISH RITE		
P.O. BOX 116101, ATLANTA, GA 30368	MEDICAL SERVICES	13967025.
SOUTHEAST PERMANENTE MEDICAL GROUP		
3495 PIEDMONT RD, ATLANTA GA 30305	MEDICAL SERVICES	251473222.
Total number of others receiving over \$50,000 for professional services	577	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.
JSA

Schedule A (Form 990 or 990-EZ) 2003

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 ▶ \$ <u>323,733</u> . (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B.)	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 substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property? STMT. 9	2a	X
b Lending of money or other extension of credit? STMT. 10	2b	X
c Furnishing of goods, services, or facilities? STMT. 11	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? STMT. 12	2d	X
e Transfer of any part of its income or assets?	2e	X
3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)	3a	X
b Do you have a section 403(b) annuity plan for your employees?	3b	X
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4	X

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

Provide the following information about the supported organizations. (See 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.) *Cash method of accounting.***Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	NONE	524,174.	478,145.	328,910.	1,331,229.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	670317462.	608717497.	521349514.	518315379.	2318699852.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	8,281,385.	271,222.	331,313.	613,257.	9,497,177.
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	678598847.	609512893.	522158972.	519257546.	2329528258.
24 Line 23 minus line 17	8,281,385.	795,396.	809,458.	942,167.	10,828,406.
25 Enter 1% of line 23	6,785,988.	6,095,129.	5,221,590.	5,192,575.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 NOT APPLICABLE					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 1999 through 2002 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," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year. (2002) _____ (2001) _____ (2000) _____ (1999) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year. (2002) _____ (2001) _____ (2000) _____ (1999) _____					
c Add: Amounts from column (e) for lines: 15 <u>1,331,229.</u> 16 _____ 17 <u>2318699852.</u> 20 _____ 21 _____					27c 2320031081.
d Add Line 27a total _____ and line 27b total _____					27d
e Public support (line 27c total minus line 27d total)					27e 2320031081.
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f 2329528258.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 99.5923 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 0.4077 %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, 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)**NOT APPLICABLE**

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

Part VI-A Lobbying Expenditures of Electing Public Charities (See page 9 of the instructions.)(To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**Check ☐ **a** if the organization belongs to an affiliated group Check ☐ **b** if you checked "a" and "limited control" provisions apply.**Limits on Lobbying Expenditures**

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

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
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 - The lobbying nontaxable amount is -	41		
Not over \$500,000 20% of the amount on line 40			
Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000			
Over \$1,000,000 but not over \$1,500,000 . . \$175,000 plus 10% of the excess over \$1,000,000			
Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000			
Over \$17,000,000 \$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, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ►	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
Lobbying nontaxable					
45 amount					
Lobbying ceiling amount					
46 (150% of line 45(e))					
47 Total lobbying expenditures					
Grassroots nontaxable					
48 amount					
Grassroots ceiling amount					
49 (150% of line 48(e))					
Grassroots lobbying					
50 expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only 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.

	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h)	X		
c Media advertisements		X	NONE
d Mailings to members, legislators, or the public	X		21,446.
e Publications, or published or broadcast statements	X		16,671.
f Grants to other organizations for lobbying purposes	X		29,634.
g Direct contact with legislators, their staffs, government officials, or a legislative body	X		185,774.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	X		70,208.
i Total lobbying expenditures (Add lines c through h)			323,733.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities *See Statement 19*

Yes	No
-----	----

a(ii)	x
-------	---

C		X
----------	--	----------

15

KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC.
FORM 990 TAX YEAR 2003

58-1592076

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

<u>DESCRIPTION AND TO WHOM SOLD</u>	<u>DATE & HOW ACQ'RD</u>	<u>DATE SOLD</u>	<u>SALES PRICE</u>	<u>COST/ EXPENSE OF SALE</u>	<u>ACCUM DEPREC</u>	<u>GAIN OR (LOSS)</u>
SALE OF ASSETS:						
1998 FORD E-150 CAR	PURCH/12/25/97	02/25/03	550	20,480	20,480	550
1994 Ford Van	PURCH/11/25/93	08/25/03	0	17,153	17,153	0
1995 CHEV	PURCH/10/17/94	08/25/03	0	17,221	17,221	0
TOTAL SALES/DISPOSAL OF FIXED ASSETS			<u>550</u>	<u>54,854</u>	<u>54,854</u>	<u>550</u>

RECAP OF NET GAIN/(LOSS)

ORIGINAL COST AND EXPENSE OF SALE	54,854
DEPRECIATION	<u>54,854</u>
NET COST OR OTHER BASIS	0
LESS GROSS SALES PROCEEDS	<u>550</u>
NET GAIN/(LOSS)	<u>550</u>

STATEMENT 1

KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC.

58-1592076

DECEMBER 31, 2003

STATEMENT LINE 22

FORM 990 PART II, LINE 22 - GRANTS AND ALLOCATIONS

NAME	ADDRESS	Date	
Aid Atlanta	1438 West Peachtree Street Atlanta, GA 30309	Feb '03	15,000.00
Atlanta Track Club	3097 E Shadowlawn Ave Atlanta, GA 30305	Feb '03	5,000.00
Buckhead Coalition	3340 Peachtree Rd NE Suite 560 Bldg 100 Tower Pl Atlanta, GA 30326	Feb '03	5,000.00
Breathe Georgia	1708 Peachtree St Ste 100 Atlanta, GA 30309	Aug '03	5,000.00
Boys and Girls Club of America	1230 W Peachtree St NW Atlanta, GA 30309-3447	Dec'03	100,000.00
CCSU Foundation	Clayton State University Marrow, GA 30294	May'03	25,000.00
E. Rivers Elem. School	8 Peachtree Battle Ave Atlanta, GA 30305	Mar '03	5,500.00
Ed Isakson/Alpharetta YMCA Family	3655 Preston Ridge Road Alpharetta, GA 30005	Apr '03	5,000.00
Georgia Cancer Coalition	50 Hurt Plaza Suite 910 Atlanta, GA 30303	various	25,000.00
Georgia State Univ	University Plaza Atlanta, GA 30303	May'03	25,000.00
Georgia Perimeter	3251 Panthersville RD A2700 Decatur, GA 30034	May'03	25,000.00
GSU Research Foundation, Inc	MSC3A - 0036 33 Gilmer Street Atlanta, GA 30303-3083	Aug '03	5,000.00
Georgia Breasst Cancer Coalition	3639 Shallowford Rd Doraville, GA 30340	Feb '03	10,000.00
Healthy Mother Healthy Babies	3562 Habersham at Northlake Bldg J Suite 3 Tucker, GA 30084	Feb '03	10,000.00
Kennesaw State Un	1000 Chastain RD Kennesaw, GA 30144	May'03	25,000.00
Latin American Association	2750 Buford Highway Atlanta, GA 303324	Feb '03	5,500.00
March of Dimes	1776 Peachtree St NW#100 Atlanta, GA 30309	various	63,803.00
Partnership Against Domestic Violence(Hearts with Hope)	P.O. BOX 54383 Atlanta, GA 30308	Feb '03	7,500.00
Susan G Komen Breast Cancer Pink Tie Ball	P.O. BOX 530109 Dept G00125 Atlanta, GA 30353-0109	Aug '03	10,000.00
Susan B Komen Breast Cancer (Race for the Cure Sponsorship)	P.O. BOX 530109 Dept G00125 Atlanta, GA 30353-0109	Mar'03	5,000.00
Salvation Army -Metro Atlanta	675 Seminole Ave NE Atlanta, GA 30307	Apr '03	5,000.00
Boys & Girls Clubs	555 Luckie St NW Atlanta, GA 30313	Jan '03	100,000.00
YMCA of Metro Atlanta			
Total Charitable Donations			<u>487,303.00</u>

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES
=====DESCRIPTION
-----AMOUNT

ADDITIONAL MINIMUM PENSION LIABILITIES

868,429.

TOTAL

868,429.
=====

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
PURCHASED MEDICAL SVCS - BCP	377872778.	377872778.	
CAPITATED PMT-MEDICARE/NON-MED	37674108.	37674108.	
PURCHASED MEDICAL SVCS - OTHER	1,412,121.	1,412,121.	
PURCHASED SERVICES - OTHER	6,750,910.	6,750,910.	
PROFESSIONAL & PUBLIC LIAB INS	15547897.	15547897.	
OTHER INSURANCE	7,362,961.	7,362,961.	
INFORMATION TECHNOLOGY SERVICE	34442128.	34442128.	
BUSINESS LICENSES & TAXES	4,498,109.	4,498,109.	
DUES & SUBSCRIPTIONS - PROFESS	126,975.	126,975.	
DUES & SUBSCRIPTIONS - OTHER	95,227.	95,227.	
AMORTIZATION OF DEFERRED EXP	119,497.	119,497.	
EMPLOYEE RELATED/DEVELOPMT EXP	1,157,356.	1,157,356.	
ADVERTISING & MARKETING EXPENS	4,265,059.	4,265,059.	
BROKER COMMISSIONS	6,810,074.	6,810,074.	
INTER-REGIONAL CHARGES	10620636.	10620636.	
IBNR ACCRUAL	5,468,160.	5,468,160.	
COMMUNITY CHARITABLE PROGRAMS	73,539.	73,539.	
HEALTH CARE DUES SUBSIDIES	464,658.	464,658.	
MISCELLANEOUS & OTHER EXPENSES	1,557,841.	1,557,841.	
ALLOCATED ADMINISTRATIVE EXPEN		-37999767.	37999767.
TOTALS	516320034.	478320267.	37999767.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE
=====

THE PRIMARY EXEMPT PURPOSE OF KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC. ("HEALTH PLAN"), A GEORGIA 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 SOUTHEAST PERMANENTE MEDICAL GROUP, INC. (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 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 ATTACHED, "KAISER PERMANENTE COMMUNITY BENEFIT REPORT FOR KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC. FOR 2003". 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 PERMANENTE®

**COMMUNITY BENEFIT REPORT
FOR
KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC.
FY 2003**

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

*Page 1 of 17
STATEMENT 5
(CONTINUED)*



KAISER PERMANENTE®

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INTRODUCTION

Kaiser Foundation Health Plan of Georgia ("Georgia Health Plan") is a tax-exempt subsidiary health plan 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").

In 2003, Kaiser Permanente served over 8.2 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 nonprofit health care program in the United States and has more than 109,000 full-time equivalent (FTE) employees and over 11,000 contracting physicians. In the Georgia Region, the Health Plan served more than 269,500 members, 1,822 administrative, clerical and technical employees as well as 227 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 Georgia 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 a Kaiser Permanente health plan 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 certain prescribed drugs. More comprehensive drug coverage is also provided through a separate coverage rider.

In the Georgia Region, three separate legal organizations comprise Kaiser Permanente: Georgia Health Plan, a Georgia nonprofit corporation, and federally qualified health maintenance organization providing federally qualified and non-federally qualified health benefit plans 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), The Southeast 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. Health Plan fulfills its contractual

obligations to group and individual members by contracting with KFHP and Georgia Permanente Physicians to provide the required health care services.

Members receive services from various Permanente Medical Groups in the respective Kaiser Permanente regions. The Permanente Medical Groups accept responsibility for professional care of Health Plan members, are responsible for their own physician recruitment, selection and staffing, contracts with affiliated physicians, and are legally separate entities independent from Health Plan, KFHP and each other. The Permanente Medical Groups treat members in facilities owned, leased or contracted by Health Plan or 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. In the Georgia Region, KFHP contracts with 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, and occupational status or income level. Health Plan members are broadly representative of the various ages, social, and income groups within the areas it serves. 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 so, 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 meaningful value, and affordability and generates resources to reinvest in the community's health.

Second, Kaiser Permanente directly invests in improvements to its communities' health by 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. DCBI 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 publicly financed programs such as Medicaid and Medicare, 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 DCBI 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; and
- Meet the requirements placed on 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 DCBI 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 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; and
- *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, established a standing community benefit committee of the Board of Directors 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.

To be in a position to best serve the community by providing affordable, comprehensive health care and support its social mission, KFHP is organized and operated as a fully integrated delivery system.

- **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. 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 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** – Generally, 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. However, in the Georgia Region, the Permanente Medical Group payments are periodically adjusted based on actual experience.
- **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 860,000 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 certain of its subsidiaries provide care to over 125,000 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.
- **Reinvestment of Surplus Revenues** – 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 GEORGIA REGION

In 2003, KFHP and KFHP spent approximately \$641 million or approximately 2.5% of revenue, to support the Community Benefit Program in the community. In Georgia the Health Plan spent approximately \$1.6 million. A breakdown of the 2003 DCBI dollars attributable to KFHP and KFHP nationally is described in Attachment A and those dollars attributable to the Georgia Health Plan and KFHP regionally in Attachment B.

The following showcases many of the signature community benefit programs and services in Georgia according to the national focus areas.

VULNERABLE POPULATIONS

In 2003, the Georgia Health Plan spent approximately \$589 thousand to address 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 the programs and services offered by the Georgia Health Plan for vulnerable populations.

MEDICAL CARE SERVICES

The Georgia Health Plan spent over \$471 thousand to provide a variety of medical care services to under- and uninsured residents in Georgia.

Charitable Care

The Georgia Health Plan assisted 127 patients, with limited resources, pay for care provided in Kaiser Permanente facilities. The *Medical Emergency Relief Fund (MERF)* helps patients who are unable to meet all or part of the cost of healthcare services and supplies.

MERF provides financially eligible patients (200% of Federal Poverty or below) assistance with the payment of copays and/or medically necessary pharmacy related items that will enhance medical care provided by or arranged by a Permanente physician or authorized consultant.

Dues Subsidy Programs

Georgia Health Plan spent approximately \$465,000 to provide subsidized coverage to nearly 1,388 low-income adults and children in Georgia. The Dues Subsidy Program consists of two programs: Senior Advantage Medicare-Medicaid Premium Subsidy Program and the Kaiser Permanente Bridge Program.

- **The Senior Advantage Medicare-Medicaid Premium Program** – In Georgia, the state Medicaid policy does not allow use of state dollars to pay for Medicare+Choice monthly premiums, even for low-income persons. Health Plan provided 1,289 Senior Advantage members who are also eligible for Medicaid the opportunity to continue their health care coverage with the Georgia Health Plan. The Georgia Health Plan's monthly premium subsidy of \$35 keeps these members enrolled in the Senior Advantage program, which offers richer benefits than fee-for-service Medicare and ensures continuity of care.
- **The Kaiser Permanente Bridge Program** partners with community agencies to identify and offer their eligible clients, who do not have access to any other form of health insurance, the opportunity to enroll in this program for up to 2 years. In 2003, the Georgia Health Plan enrolled 159 members in the Kaiser Permanente Bridge Program. Partners included nine community organizations: Families First, Jewish Family and Career Services, Atlanta Workforce Development, Atlanta Community Foundation, Housing Authority of Fulton County and the four schools of nursing who were awarded nursing scholarships. The Kaiser Permanente Bridge Program provides additional support to uninsured nursing students who cannot complete their hospital rotations without health insurance.

COMMUNITY-BASED PROGRAMS

The Georgia Health Plan spent approximately \$117 thousand to provide a variety of programs to non-members who live and work in the communities we serve. The following are types of community-based programs funded in 2003.

Youth and Other Employment Programs

The Georgia Health Plan supported two INROADS interns in 2003. The INROADS program is aimed at improving the education and job skills of, or providing employment opportunities for targeted youth populations. INROADS is an organization focused on developing minority college students for leadership roles in corporations and in the community. Student interns typically work 2 to 5 summers with the organization with the goal of permanent placement upon graduation from college.

Grants & Donations for Community-based Programs

The Georgia Health Plan donated approximately \$100,000 to over 30 community organizations for a variety of other programs and services for vulnerable populations. As a way of addressing the high incidence of new HIV infections, the Georgia Health Plan provides operating support to the Atlanta-based organization so this organization can continue its work not only to prevent this disease but also provide support to persons who have HIV and AIDS.

Other examples include support provided to the Atlanta-based organization a safe home for medically fragile babies and the Atlanta-based organization for the elderly. the Georgia Health Plan also provides support to the Atlanta-based organization for the elderly.

EVIDENCE-BASED MEDICINE

For more than 40 years, Kaiser Permanente researchers have leveraged modest grants financed through the community benefit budget into major discoveries that have served the community, influenced national policy, and informed medical practice throughout the nation and the world. A more complete description attributable to Georgia Health Plan is described below:

Clinical and Health Services Research

The Georgia Health Plan Research Department partners with research programs at Emory University, Morehouse School of Medicine, and Tufts University as well as the Centers for Disease Control and Prevention, National Institute of Health, and the Agency for Healthcare Research and Quality.

Community Benefit funds support research that meets important medical and social needs, such as preventing violence, infectious disease and improving health care for adolescents, youth and underserved populations. Many of our research studies address problems of current health policy interest, are designed to improve care for

common conditions where treatment is often linked to community-based efforts, and are broadly disseminated through articles and professional presentations.

During 2003, the Research Department in Georgia spent approximately \$180 thousand to fund more than 62 research projects. A few examples of the studies are described below:

- **Women's Asthma Surveillance and Intervention Study** - This study was prompted by the CDC finding that women had a higher age-specific mortality rate from asthma than men. Strategies to identify the reasons and develop care strategies would benefit women's health. The Georgia Region has undertaken a two-pronged effort, to document the health and care experience of members of both sexes, and to design an intervention aimed at reducing disparities identified among women. The surveillance study showed that, compared to men, women had greater severity and frequency of attacks, had more limitations due to asthma, and used more control medications (these differences are statistically significant.) A follow-up survey, to document changes over time, is being completed at this time. The Region also launched a randomized trial of a targeted care intervention that was designed to address the problems and causes women had identified. It was adapted from the group-visit model developed by John Scott, MD from the Colorado Region to offer women three group visits with 8-10 participants, each including education, group time, and individual time with the clinician leader. Findings show high practitioner and patient satisfaction with the group visit program, plus statistically significant pre- vs. post-test improvements in knowledge, attitudes, and self-efficacy regarding the care of their asthma.
- **Congestive Heart Failure (CHF) Telemedicine Study** - Medical care systems struggle to establish frequent contact with Heart Failure (HF) patients beyond that provided in periodic office visits. It would be ideal if uncomplicated uses of technology could reinforce patient self-management of chronic disease. This study, conducted with Robert Wood Johnson Foundation support, sought to establish the efficacy of using a voice-recognition telephone system and nurse care manager follow-up for older HF patients, compared to a population receiving usual care. Focus groups at the outset indicated that many would welcome this form of outreach by their health plan (although some also prefer to manage HF without regular contact.) The study population called a telephone number 2-3 times per week to report orally on weight gain, medication adherence, etc. This simple voice technology was very easy to use as the patient merely called the number and followed the prompts, the system also delivered brief self-care education and created a database for care manager follow-up. For example, weight gain triggered an immediate call to check on the patient's status and possible need for a medical visit. At the end of the study, telemedicine-enrolled patients had significantly better outcomes than control group.

- **ACCORD Clinical Trial** - The Georgia Region actively supports clinical trials in HIV and cardiovascular health. These trials are grant-supported, and do not receive DCBI funding, but their success requires a capability within the region's research unit to support contributions of new medical care knowledge. Diabetes is a serious chronic disease, increasing steadily in recent years; it often results in severe and disabling complications, of which heart disease is one of the most frequent. The ACCORD study is a large-scale, national trial funded by the National Heart Lung Blood Institute, to establish the role of careful glycemic control (blood sugar) in postponing heart complications, along with sub-studies of the contribution of lipid control and hypertension. Each patient will receive diabetes therapy along with extensive lifestyle counseling by study nurses. The Region was recently recognized for the best performance in the Southeast at helping patients reduce their blood sugar to near-normal levels. This successful diabetes education program is in the published literature and is readily adoptable by any provider in the community.

EDUCATION

The Georgia Health Plan spent approximately \$644 thousand on programs to educate consumers and health care professionals during 2003. A more complete description of community benefit contributions follow:

CONSUMERS

The Georgia Health Plan spent approximately \$542 thousand on community wellness and health education programs for consumers in Georgia.

Health Education Activities

The Georgia Health Plan provides a variety of health education classes, events and programs to both members and the general public. During 2003, the Member Health Education Department organized numerous health fairs and held screening in our medical offices where non-members could participate. The following provides a few examples of health education and prevention activities for community members.

- **Diabetes Alert Day** – Fifty non-member consumers were screened at this event.
- **Skin Cancer Screening** – Over 160 non-members consumers were screened for skin cancer.
- **Take10! Program** – Over 3,000 students in the metro area were involved in a classroom-based program designed to address obesity by increasing physical activity. Of the participating middle school students 37% increased their physical activity levels.

Educational Theatre Programs

The Georgia Health Plan spent approximately \$285,000 to produce the Educational Theatre Programs ("ETP") in Georgia. ETP has performed free, award-winning, health

education plays for youth and adults. During 2003, ETP performed before 23,397 children, parents and teachers. An additional 13,600 health guides and materials were donated for distribution to public groups who were unable to sponsor a performance due to space or time constrictions. Following are some of Georgia's ETP repertoire:

Acting on Stress (Educator Version), a workshop designed to help educators find solutions and strategies for coping with stress in today's hectic classroom.

Acting on Stress for the Workplace, a workshop designed to help people in the workplace find solutions and strategies for coping with stress on the job and at home.

The ABC's Of Asthma, an interactive program that teaches children about the effects of asthma on the human body as well as different kinds of medications used to treat asthma.

Fragments: Impressions of Grief, a program which focuses on showing adults and teens that grieving is an individual process that takes time.

Kid Zone and Physical Challenge Games, an interactive multi-faceted program that uses theatrical sketches and games and goes into the classroom to teach kids K-5 about various health messages including nutrition, gun & fire safety, conflict resolution, etc.

SECRETS, an award-winning HIV/AIDS education program, for adults and teens.

Uncle Gherkin's Magical Show, a show which focuses on grief, loss, and the grieving process and helps children understand that what they are feeling is ok.

Supplementary materials such as teaching guides, student guides, parent materials and posters are distributed to reinforce the educational messages in each presentation.

Grants & Donations for Consumer Health Education

The Georgia Health Plan donated over \$248 thousand of community benefit funds to support 17 nonprofit organizations providing consumer health education programs and services. The following provides examples of some of the programs supported in 2003.

- March of Dimes – Presenting sponsor for WalkAmerica, the largest event of its kind, with over 20,000 walkers in Metro Atlanta, to create awareness about birth defects and prematurely. The team from the Georgia Health Plan included over 400 walkers in four sites.

- American Red Cross – Presenting sponsor for CPR Saturday, an event that provides training for the community in life saving skills. In 2003 over 6000 individuals received training.
- Diabetes Association of Atlanta – Sponsor for Diabetes University, an event that provides workshops, cooking lessons and screenings for close to 2000 people who have diabetes
- Georgia Department of Community Health – Sponsor for the Women's Health Summit attended by 300 women. This is a statewide conference focused on disseminating information on the prevention and management of health issues prevalent in women, cardiovascular disease, menopause, lung cancer, etc.

HEALTH CARE PROFESSIONALS

The Georgia Health Plan supported the education and training of health care professionals in the community with grants and donations.

Grants & Donations for Educating Health Care Professionals

The Georgia Health Plan donated \$102 thousand of community benefit funds to award 23 nursing scholarships to four local schools of nursing to increase the number of registered nurses completing their degrees. These schools include Clayton State College and University, Georgia Perimeter College, Georgia State University, and Kennesaw University. Each of the four nursing schools received \$25,000 in 2003 as year two of a five-year \$500,000 commitment to support their programs.

PUBLIC POLICY

During 2003, the Georgia Health Plan used its expertise and convening power to develop and disseminate information on health policy issues that reflects both the interest of the country and residents of Georgia. The Georgia Health Plan partnered with the Georgia Health Policy Center and the National Conference of State Legislatures to sponsor a statewide conference for legislators and business leaders to identify state solutions to the increasing number of uninsured in Georgia. The Boards of the Philanthropic Collaborative for a Healthy Georgia and the Atlanta Regional Health Forum both have representation from the Georgia Health Plan.

Grants & Donations for Public Policy

The Georgia Health Plan spent \$26,500 to sponsor advocacy events for the Georgia Breast Cancer Coalition and Healthy Mothers Healthy Babies, and the Atlanta Medical Association.

OTHER COMMUNITY BENEFITS

The Georgia Health Plan spent \$142 thousand on other community benefits. Support was provided to a variety of organizations that seek to improve the environment and quality of life for those living in our community. Examples of these organizations include United Way, Hands on Atlanta and the Metropolitan Atlanta Corporate Council on Volunteerism. Through our support of Leadership Atlanta and the YWCA Salute to Women of Achievement and other such organizations our staff and physicians establish and maintain relationships with key community decision-makers with whom they can collaborate to improve the health and safety of our community. Annual support is provided to the Martin Luther King Center for Nonviolent Social Change to continue their work to improve human rights.

ATTACHMENT A**DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM
2003 NATIONAL COMMUNITY BENEFIT FINANCIALS**

The following chart summarizes 2003 community benefit invested nationally for KFHP, its subsidiaries and for KFH. The investments in the community reflected in the chart are unaudited.

CB PRIORITY AREAS	NATIONAL HEALTH PLAN TOTAL	NATIONAL HOSPITAL TOTAL	NATIONAL CB TOTAL
VULNERABLE POPULATIONS			
Medical Care Services	313,330,186	215,084,539	528,414,725
Community-Based Programs	1,380,345	7,567,827	8,948,172
Other Vulnerable Populations	91,136	1,743,906	1,835,042
<i>Subtotal:</i>	<i>314,801,667</i>	<i>224,396,272</i>	<i>539,197,939</i>
EVIDENCE-BASE			
Research	1,753,506	16,986,739	18,740,245
Medical Libraries	73,463	6,527,547	6,601,010
Tumor Board & Cancer Registry	272,012	4,470,852	4,742,864
<i>Subtotal:</i>	<i>2,098,981</i>	<i>27,985,138</i>	<i>30,084,119</i>
EDUCATION			
Consumer	3,701,884	7,233,105	10,934,989
Health Professionals	5,213,496	46,095,639	51,309,135
<i>Subtotal:</i>	<i>8,915,380</i>	<i>53,328,744</i>	<i>62,244,124</i>
PUBLIC POLICY			
Public Policy Grants/Expenses	1,451,872	879,835	2,331,707
<i>Subtotal:</i>	<i>1,451,872</i>	<i>879,835</i>	<i>2,331,707</i>
OTHER COMMUNITY BENEFITS			
Other CB Grants/Expense	3,222,399	3,248,712	6,471,111
United Way	142,097	212,109	354,206
<i>Subtotal:</i>	<i>3,364,496</i>	<i>3,460,821</i>	<i>6,825,317</i>
TOTAL	\$330,632,396	\$310,050,810	\$640,683,206

ATTACHMENT B

**DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM
2003 GEORGIA REGIONAL COMMUNITY BENEFIT FINANCIALS**

The following chart summarizes 2003 community benefit invested by the Georgia Health Plan and for KFHP. The investments in the community reflected in the chart are unaudited.

CB PRIORITY AREAS	REGIONAL HEALTH PLAN TOTAL	REGIONAL KFH TOTAL	REGIONAL CB TOTAL
VULNERABLE POPULATIONS			
Medical Care Services	\$471,844	\$0	\$471,844
Community-based Programs	117,137	0	117,137
<i>Subtotal:</i>	<i>588,981</i>	<i>0</i>	<i>588,981</i>
EVIDENCE-BASED MEDICINE			
Research	180,307	0	180,307
<i>Subtotal:</i>	<i>180,307</i>	<i>0</i>	<i>180,307</i>
EDUCATION			
Consumers	541,537	0	541,537
Health Professionals	102,000	0	102,000
<i>Subtotal:</i>	<i>643,537</i>	<i>0</i>	<i>643,537</i>
PUBLIC POLICY			
Public Policy Grants/Expenses	26,500	0	26,500
<i>Subtotal:</i>	<i>26,500</i>	<i>0</i>	<i>26,500</i>
OTHER COMMUNITY BENEFITS			
Other CB Grants/Expenses	53,047	0	53,047
United Way	88,597	0	88,597
<i>Subtotal:</i>	<i>141,644</i>	<i>0</i>	<i>141,644</i>
TOTAL	\$1,580,969	\$0	\$1,580,969

FORM 990, PART IV - OTHER ASSETS
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
DUE KAISER AFFILIATED ENTITIES	34,684,765.	52,436,836.
INTANGIBLE PENSION ASSETS	359,003.	2,629,918.
	-----	-----
TOTALS	35,043,768.	55,066,754.
	=====	=====

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE
=====

LENDER: KAISER FOUNDATION HOSPITAL
ORIGINAL AMOUNT: 3,000,000.
INTEREST RATE: 10.000000
DATE OF NOTE: 10/01/1985
MATURITY DATE: 10/01/2005
REPAYMENT TERMS: \$300,000 ANNUAL INSTALLMENTS
SECURITY PROVIDED: UNSECURED INTERENTITY PROMISSORY NOTE

BEGINNING BALANCE DUE	784,489.
ENDING BALANCE DUE	547,824.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	784,489.
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TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	547,824.
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FORM 990, PART IV - OTHER LIABILITIES
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
RESERVE FOR PREMIUMS COLLECTED	5,626,889.	5,260,836.
RESERVE-MEDICARE REC IN ADVANC	7,531,310.	8,375,099.
OTHER LIABILITIES	934,247.	1,298,360.
RESERVE - PROFESNL PUBLIC LIAB	17,205,911.	25,826,735.
PENSION PLAN PAYABLE - LONG TE	4,061,274.	NONE
	-----	-----
TOTALS	35,359,631.	40,761,030.
	=====	=====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2A
=====

KAISER FOUNDATION HEALTH PLAN OF GEORGIA (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.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2B

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SEE STATEMENT 9

SCHEDULE A, PART III - EXPLANATION FOR LINE 2C

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SEE STATEMENT 9

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

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SEE STATEMENT PART V

STATEMENT OF FIXED ASSETS AND DEPRECIATION

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

	COST		ACCUMULATED DEPREC/AMORT		2003 DEP/AMORT EXPENSE
	BEGINNING OF YEAR	END OF YEAR	ACCUM. DEPREC.	END OF YEAR	
LAND	21,209,436	21,209,436	0	0	0
LAND IMPROVEMENTS	0	0	0	0	0
BUILDINGS	82,162,501	85,151,387	23,914,222	27,331,433	3,397,888
LEASEHOLD IMPROVEMENTS	3,705,827	5,512,488	2,505,608	2,924,096	431,109
EQUIPMENT	52,162,986	57,319,362	43,699,255	46,662,164	2,932,703
CAPITALIZED SOFTWARE	9,896,835	10,168,222	9,844,090	10,002,836	158,292
CAPITALIZED LEASES	0	0	0	0	0
CONSTRUCTION IN PROGRESS	6,910,225	2,001,724	0	0	0
DEPRECIATION SHOWN AS OTHER EQUIPMENT USE CHARGES					
TOTALS TO					
PART IV, LINE 57(A)	<u>176,047,810</u>	<u>181,362,619</u>			
PART IV, LINE 57(B)			<u>79,963,175</u>	<u>86,920,529</u>	
PART IV, LINE 57(C)	<u>96,084,635</u>	<u>94,442,090</u>			
PART II, LINE 42 COLUMN (B)					<u>6,919,992</u>

KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC

58-1592076

12/31/2003

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

(A) NAME	(B) TITLE/ HOURS* WEEKLY	(C1) COMPENSATION PRE 2003	(C2) COMPENSATION 2003	(D1) BENEFIT 2003	(D2) BENEFIT PAID 2004	(E) EXP ACCT/ OTHER ALLOW.
see note 2						
*see note 7						
See Notes 3, 4 & 5						
See Notes 3, 4 & 5						
See notes 3, 4 & 6						
DIRECTORS:						
Leslie A Margolin	Director & Chair	0	0	0	0	0
Gregory T Baranco	Director		9,900	14,927	0	0
J Veronica Biggins	Director	5	12,700	14,927	0	0
Thomas W Chapman	Director	5	9,900	0	0	0
Laura J Hardman	Director	5	11,700	14,927	0	0
Robert C Hudson	Director	5	9,900	0	0	0
Carolyn M Kenny	Director		see below	see below	see below	see below
John W McIntyre	Director	5	12,700	19,519	0	0
J. Neal Purcell	Director from 7/2003	5	4,350	4,976	0	0
SUBTOTAL DIRECTORS		0	71,150	69,276	0	0

OFFICERS AND KEY EMPLOYEES:

Carolyn M Kenny	Regional President	40	0	0	0	0
Robert E Briggs	Senior Vice President	40	0	0	0	0
Arthur M Southam, MD	Senior Vice President	40	0	0	0	0
Kirk E Miller*	Senior Vice President - to 9/2003	40	0	0	0	0
Steven R Zalkin	Senior Vice President	40	0	0	0	0
Thomas R Meier	Vice President/Treasurer	40	0	0	0	0
Deborah Stokes	Vice President/Controller	40	0	0	0	0
Julie R Fortin	Assistant Secretary	40	0	0	0	0
Victoria B Zalkin	Assistant Secretary	40	0	0	0	0
SUBTOTAL OFFICERS AND KEY EMPLOYEES			0	0	0	0
TOTAL			71,150	69,276	0	0

NOTES: See Statement 15A following page for notes applicable to the above reporting.

STATEMENT 14

KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC
58-1592076
12/31/2003

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

(A) NAME	(B) TITLE/ HOURS* WEEKLY	(C1) COMPENSATION PRE 2003	(C2) COMPENSATION 2003	(D1) BENEFIT 2003	(D2) BENEFIT PAID 2004	(E) EXP ACCT/ OTHER ALLOW.
see note 2						
see note 7						
*see note 7						
DIRECTORS:						
Leslie A Margolin	Director & Chair		0	0	0	0
Gregory T Baranco	1 Director		9,900	14,927	0	0
J Veronica Biggins	1 Director		12,700	14,927	0	0
Thomas W Chapman	1 Director		9,900	0	0	0
Laura J Hardman	1 Director		11,700	14,927	0	0
Robert C Hudson	1 Director		9,900	0	0	0
Carolyn M Kenny	Director	see below	see below	see below	see below	see below
John W McIntyre	1 Director		12,700	19,519	0	0
J Neal Purcell	1 Director from 7/2003		4,350	4,976	0	0
SUBTOTAL DIRECTORS		0	71,150	69,276	0	0
OFFICERS AND KEY EMPLOYEES:						
Carolyn M Kenny	Regional President	508,050	383,982	121,773	161,335	0
Robert E Briggs	Senior Vice President	0	400,566	983,144	432,949	241,328
Arthur M Southam, MD	Senior Vice President	342,934	878,384	376,141	565,584	43,483
Kirk E Miller*	Senior Vice President- to 9/2003	508,050	624,908	2,373,158	0	0
Steven R Zalkin	Senior Vice President	444,355	723,509	59,452	244,082	0
Thomas R Meier	Vice President/Treasurer	101,610	234,038	96,482	74,305	0
Deborah Stokes	Vice President/Controller	158,577	386,275	45,589	104,301	111
Julie R Fortin	Assistant Secretary	71,127	149,947	48,054	49,920	0
Victoria B Zalkin	Assistant Secretary	0	180,995	49,641	64,559	0
SUBTOTAL OFFICERS AND KEY EMPLOYEES		2,134,703	3,962,604	4,153,435	1,697,035	284,922
TOTAL		2,134,703	4,033,754	4,222,711	1,697,035	284,922

NOTES: See Statement 15A following page for notes applicable to the above reporting.
"1" REPORTED ON PART V

STATEMENT 15

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 a vertically integrated direct service prepaid health care program.

Note #2 - The Officers and Directors can be contacted in care of:

Kaiser Foundation Health Plan, Inc.
Program Office Controller's Department
One Kaiser Plaza, Suite 15L Orway
Oakland, CA 94612

Note #3 - The executive compensation program for Kaiser Foundation Health Plan, Inc and Subsidiaries and Kaiser Foundation Hospitals and Subsidiaries (KFHP/H) is designed to recruit, retain and motivate qualified senior management personnel. Senior management personnel have a significant impact on the strategic and policy direction and results of the organization. Therefore, the executive compensation program is, to a significant degree, performance-based. The compensation program is reviewed annually by an independent committee of the Board of Directors of KFHP/H, which evaluates and approves all programs and payments to executives.

Base pay for executive positions is established at a level comparable to the relevant market. In addition, other components of the compensation program bear 'at-risk' features designed to focus on strategically important performance goals and to assist in attracting and retaining top performers. The executive compensation program is targeted at the median of the comparable external market in which the organization competes for executive leadership. The compensation program focuses on objectives in the areas of quality of member care and service, financial soundness, and the community and social mission of the organization.

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 KFHP/H. Certain Directors, Officers and/or Key Employees perform services for several of the KFHP/H member organizations.

Some of the amounts shown as Compensation were actually earned in years prior to 2003. This compensation is reported twice – once in the year deferred and again in the year paid. However, the compensation is only paid once. The disclosure rules mandate that significant amounts of compensation are double-counted in both 2002 and 2003. For instance, column C1 includes amounts paid in 2003 for achievement of performance goals for prior years, and column D2 includes payments scheduled for 2004 for performance goals achieved in 2003.

Note #5 – The Organization offers various benefit plans, both qualified and non-qualified. Among the benefits offered to the officers listed on Form 990, Part V line 75 are a qualified Defined Benefit Plan (Plan A), a qualified Defined Contribution Plan (Plan B), a Section 403(b) Tax Sheltered Annuity Plan (TSA), a Section 457(b) Deferred Compensation Plan (CAP), and health and welfare benefit plans. Included in Benefits reported for this purpose are the value of the annual contributions to Plan B, TSA, CAP and certain health and welfare benefit plans. Estimates for 2003 accruals for future benefits under Plan A are included in column D1. Individual values for post retirement health and welfare benefits are reported at the time of retirement.

For other benefit plans available to executives which provide future benefits earned during 2003 (where the specific amounts are available and determinable by the time this tax report is filed), the amount is included in the Benefits column D1 reported in this return. Amounts determinable at year-end under termination of employment arrangements calling for a stream-of-payments in a subsequent year are included in the D1 Benefit Plans column for this purpose. Individuals noted with (*) may have amounts included by reason of termination of employment and from benefit plan accounts that were previously earned.

Note #6 - The amounts reported as Expense Account/ Other Allowance include amounts for reimbursement of expenses. Under IRS rules, ordinary and necessary business expenditures such as travel, transportation, lodging, meals, business meetings and conferences are not included here. These items are reimbursed on an accountable plan 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 average weekly time spent on the organization's affairs during 2003 is estimated to be five hours. Actual time spent by Board member may vary based on different responsibilities during the year. Key employees, who work full-time, may work in excess of the standard 40-hour work week.

KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC.

58-1592076

DECEMBER 31, 2003

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, 2003:

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 501(C)(3):		
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST	100%
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	100%
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC.	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

**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 (elected to be treated as a disregarded entity for tax purposes)	*(2)	N/A
94-3203402	KAISER PERMANENTE INSURANCE COMPANY	*(3)	50%
N/A	HAMI - COLORADO, LLC (elected to be treated as a disregarded entity for tax purposes)	*(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 IS A NON-EXEMPT LIFE, ACCIDENT
AND HEALTH 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 GEORGIA, INC.
TIN: 58-1592076
DECEMBER 31, 2003

STATEMENT FORM 990 PART VIII
RELATIONSHIP OF ACTIVITIES TO EXEMPT PURPOSE

LINE NUMBER 93:

- 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 / PHARMACY**
Revenue received for co-payments from or on behalf of members for health care services provided under the plans referred to in 93A above. Pharmaceutical sales to members. 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 OTHER PROGRAM SERVICE REVENUE**
Revenue received from or on behalf of members for health care services provided under the plans referred to in 93A above.
- 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 GEORGIA
EMPLOYEE COMPENSATION FOR FORM 990 REPORTING PURPOSES
FOR TAX YEAR 2003

TOP FIVE EMPLOYEES

NAME	TITLE	HOURS see note 7	(C1) COMPENSATION PRE-2003 see notes 3 & 4	(C2) COMPENSATION 2003 see notes 3 & 4	(D1) BENEFITS 2003 see notes 4 & 5	(D2) BENEFITS PAID 2004 see Notes 3, 4 & 5	(E) EXP ACCT/ OTHER ALLOW. see notes 3, 4 & 6
CAROLYN M JOHNSON	VP	40	101,610	207,788	50,479	52,570	0
F. MERRILL BOONE	VP	40	71,127	181,693	50,652	54,104	0
TAMMY H JONES	VP	40	64,521	187,397	34,451	53,179	0
BEVERLY D THOMAS	VP	40	19,470	179,591	31,640	38,282	0
MICHAEL J. HARRIS	DIR MEDICARE SALES	40	-	149,243	22,693	22,322	10,150

NOTES: See Statement 15A for notes applicable to the above reporting.

KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC

TIN: 58-1592076
DECEMBER 31, 2003

LOBBYING ACTIVITY BY NONELECTING PUBLIC CHARITIES
FORM 990, SCHEDULE A, PART VI-B

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 Kaiser Foundation Health Plan, Inc. for the benefit of its enrolled members and for the health care 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.

During the year this Organization may have made comments or statements concerning legislation which may affect the health care 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 is detailed on lines a through h.

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 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 throughout the community.

- 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 GEORGIA, INC.	Employer identification number 58-1592076
	Number, street, and room or suite no. If a P.O. box, see instructions. ONE KAISER PLAZA, SUITE 1550L	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 04.
- 5 For calendar year 2003, 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 A VERTICALLY INTEGRATED MANAGED HEALTH CARE DELIVERY PROGRAM AND REQUESTS ADDITIONAL TIME TO VERIFY THAT EACH MEMBER'S TAX RETURN DATA 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 \$ _____
- 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 *D. Michael Sikes* Title VICE PRESIDENT/CONTROLLER Date 08/3/2004**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 _____

EXTENSION APPROVAL

AUG 13 2004

FIELD DIRECTOR
SUBMISSION PROCESSING, C

Director _____ By _____ Date _____

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	RECEIVED AUG 27 2004 PROGRAM OFFICES CONTROLLER
	Number and street (include suite, room, or apt. no.) Or a P.O. box number	
	City or town, province or state, and country (including postal or ZIP code)	