

Return of Organization Exempt from Income Tax

OMB No 1545-0047

2001

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

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

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

B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See specific instructions.

KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC
ONE KAISER PLAZA, 1550 ORDWAY
OAKLAND, CA 94612

D Employer identification number 48-0924402

E Telephone number 510 271-6385

F Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) _____

G Web site N/A

J Organization type (check only one): ☒ 501(c) 3 (insert no) ☐ 4947(a)(1) or ☐ 527

K 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: 36,454,726

H and **I** are not applicable to Section 527 organizations.

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

H (b) If yes, enter number of affiliates: _____

H (c) Are all affiliates included? ☐ Yes ☐ No
 (If no, attach a list. See instructions.)

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

I Enter 4-digit group GEN: _____

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

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

1 Contributions, gifts, grants, and similar amounts received					
a Direct public support		1a			
b Indirect public support		1b			
c Government contributions (grants)		1c			
d Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)		1d		0	
2 Program service revenue including government fees and contracts (from Part VII, line 93)		2		33,849,326	
3 Membership dues and assessments		3			
4 Interest on savings and temporary cash investments		4		1,775,359	
5 Dividends and interest from securities		5			
6a Gross rents		6a			
b Less rental expenses		6b			
c Net rental income or (loss) (subtract line 6b from line 6a)		6c			
7 Other investment income (describe _____)		7			
8a Gross amount from sales of assets other than inventory		(A) Securities		(B) Other	
		281,037	8a	549,004	
b Less cost or other basis and sales expenses			8b	1,718,937	
c Gain or (loss) (attach schedule) STMT 14		281,037	8c	-1,169,933	
d Net gain or (loss) (combine line 8c, columns (A) and (B))				8d	-888,896
9 Special events and activities (attach schedule)					
a Gross revenue (not including \$ _____ of contributions reported on line 1a)		9a			
b Less direct expenses other than fundraising expenses		9b			
c Net income or (loss) from special events (subtract line 9b from line 9a)				9c	
10a Gross sales of inventory, less returns and allowances		10a			
b Less cost of goods sold		10b			
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)				10c	
11 Other revenue (from Part VII, line 103)				11	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)				12	34,735,789
13 Program services (from line 44, column (B))				13	50,300,766
14 Management and general (from line 44, column (C))				14	14,164,272
15 Fundraising (from line 44, column (D))				15	
16 Payments to affiliates (attach schedule)				16	
17 Total expenses (add lines 16 and 44, column (A))				17	64,465,038
18 Excess or (deficit) for the year (subtract line 17 from line 12)				18	-29,729,249
19 Net assets or fund balances at beginning of year (from line 73, column (A))				19	-82,943,998
20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 1				20	25,361,160
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)				21	-87,312,087

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____)	22			
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25	341,224	341,224	
26 Other salaries and wages	26	7,747,339	4,038,320	3,709,019
27 Pension plan contributions	27			
28 Other employee benefits	28	1,049,271	525,205	524,066
29 Payroll taxes	29	1,228,861	1,052,994	175,867
30 Professional fundraising fees	30			
31 Accounting fees	31	304,443		304,443
32 Legal fees	32	1,041,791	1,040,252	1,539
33 Supplies	33	3,353,443	3,322,162	31,281
34 Telephone	34	27,654	17,246	10,408
35 Postage and shipping	35	41,779	559	41,220
36 Occupancy	36	1,397,033	1,397,033	
37 Equipment rental and maintenance	37	32,280	47,630	-15,350
38 Printing and publications	38	60,879	88,626	-27,747
39 Travel	39	134,111	15,165	118,946
40 Conferences, conventions, and meetings	40			
41 Interest	41	6,422,954	6,422,954	
42 Depreciation, depletion, etc (attach schedule)	42	438,700	438,700	STMT 15
43 Other expenses not covered above (itemize)				
a SEE STATEMENT 2	43a	40,843,276	31,893,920	8,949,356
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22-43) Organizations completing columns (B), (D), carry these totals to lines 13-15	44	64,465,038	50,300,766	14,164,272

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

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

Part III Statement of Program Service AccomplishmentsWhat is the organization's primary exempt purpose? ☐ SEE STATEMENT 3

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

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

a SEE ATTACHED STATEMENT #3		
(Grants and allocations \$ _____)		50,300,766
b		
(Grants and allocations \$ _____)		
c		
(Grants and allocations \$ _____)		
d		
(Grants and allocations \$ _____)		
e Other program services	(Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), program services)		50,300,766

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

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing	849,951	45	191,124
	46 Savings and temporary cash investments	32,374,607	46	34,441,940
	47a Accounts receivable	845,503		
	b Less allowance for doubtful accounts	19,438	47c	826,065
	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 & loans receivable (attach sch.)			
	b Less allowance for doubtful accounts		51c	
	52 Inventories for sale or use	1,411,628	52	
	53 Prepaid expenses and deferred charges	481,647	53	160,588
	54 Investments — securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a Investments — land, buildings, & equipment basis			
	b Less accumulated depreciation (attach schedule)		55c	
56 Investments — other (attach schedule)		56		
57a Land, buildings, and equipment basis	12,538,232			
b Less accumulated depreciation (attach schedule) STMT 15 STATEMENT 4	2,919,401	57c	9,618,831	
58 Other assets (describe ▶ SEE STATEMENT 5)	710,177	58	2,759,099	
59 Total assets (add lines 45 through 58) (must equal line 74)	51,368,298	59	47,997,647	
LIABILITIES	60 Accounts payable and accrued expenses	23,654,030	60	43,051,649
	61 Grants payable		61	
	62 Deferred revenue	3,163,854	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 6A	66,014,389	64b	75,490,242
	65 Other liabilities (describe ▶ SEE STATEMENT 6)	41,480,023	65	16,767,843
66 Total liabilities (add lines 60 through 65)	134,312,296	66	135,309,734	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted		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	-82,943,998	70	-87,312,087
	71 Paid in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19 and column (B) must equal line 21)	-82,943,998	73	-87,312,087
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	51,368,298	74	47,997,647	

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

BAA

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

Part IV-B	Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
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a Total revenue, gains, and other support per audited financial statements	a N/A
b Amounts included on line a but not on line 12, Form 990 (1) Net unrealized gains on investments \$ _____ (2) Donated services and use of facilities \$ _____ (3) Recoveries of prior year grants \$ _____ (4) Other (specify) _____ _____ \$ _____ Add amounts on lines (1) through (4)	b
c Line a minus line b	c
d Amounts included on line 12, Form 990 but not on line a* (1) Investment expenses not included on line 6b, Form 990 \$ _____ (2) Other (specify) _____ _____ \$ _____ Add amounts on lines (1) and (2)	d
e Total revenue per line 12, Form 990 (line c plus line d)	e

a Total expenses and losses per audited financial statements	a	N/A
b Amounts included on line a but not on line 17, Form 990		
(1) Donated services and use of facilities \$ _____		
(2) Prior year adjustments reported on line 20, Form 990 \$ _____		
(3) Losses reported on line 20, Form 990 \$ _____		
(4) Other (specify) _____ \$ _____		
Add amounts on lines (1) through (4)	b	
c Line a minus line b	c	
d Amounts included on line 17, Form 990 but not on line a		
(1) Investment expenses not included on line 6b, Form 990 \$ _____		
(2) Other (specify) _____ \$ _____		
Add amounts on lines (1) and (2)	d	
e Total expenses per line 17, Form 990 (line c plus line d)	e	

Part V. List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions)

[illegible]

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

more than
SEE STATEMENT 8 & 20 ☒ Yes

☐ **No**

If 'Yes, attach schedule – see instructions

Part VI Other Information (See specific 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		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		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	X	
SEE STATEMENT 9			
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	X	
b If 'Yes,' enter the name of the organization ▶ SEE STATEMENT 10			
and check whether it is <input checked="" type="checkbox"/> exempt or <input checked="" type="checkbox"/> nonexempt			
81a	Enter direct or indirect political expenditures See line 81 instructions	81a	0
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		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	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	N/A	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	N/A	
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
85a	b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	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) organizations 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) organizations 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
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under Section 4911 ▶ 0, Section 4912 ▶ 0, Section 4955 ▶ 0		
b	501(c)(3) and 501(c)(4) organizations 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		0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed ▶ KANSAS AND MISSOURI		
b	Number of employees employed in the pay period that includes March 12, 2001 (see instructions)	90b	325
91	The books are in care of ▶ NATIONAL TAX DIRECTOR Telephone number ▶ 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 instructions)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a INTERREGIONAL REVENUE					389,489
b MEMBERS DUES REVENUE					21,919,179
c MISCELLANEOUS			1	2,961,668	
d SUPPLEMENTAL CHARGES					1,287,723
e					
f Medicare/Medicaid payments					7,291,267
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	1,775,359	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-888,896	
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))				3,848,131	30,887,658
105 Total (add line 104, columns (B) (D), and (E))					34,735,789

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

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

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
1	SEE STATEMENT 11

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

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

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

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

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

NOV 6 2002

Date

OF SOLE-MEMBER CORPORATION

Schedule A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

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

Supplementary Information — (see separate instructions)

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

OMB No. 1545-0047

2001

Name of the Organization **KAISER FOUNDATION HEALTH PLAN OF KANSAS
CITY, INC**

Employer Identification Number
48-0924402

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JEFFERY S MCDANIEL 1 KAISER PLAZA, OAKLAND CA	SALES TEAM LDR 40	148,735	9,337	0
BARBARA L VANNOTE 1 KAISER PLAZA, OAKLAND CA	GROUP LEADER 40	128,794	11,753	0
OWEN H NEFF, JR 1 KAISER PLAZA, OAKLAND CA	DIR CLINIC OPS 40	119,030	11,561	0
BEA E LUDWIG 1 KAISER PLAZA, OAKLAND CA	MANAGER HR 40	109,024	5,988	0
SHARON J SHACKELFORD 1 KAISER PLAZA, OAKLAND CA	MANAGER EH&S 40	106,170	4,903	0
Total number of other employees paid over \$50,000	28			

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
PERMANENTE MEDICAL GROUP OF MID-AMERICA 10561 BARKLEY #200, OVERLAND PARK, KS 66212	PHYSICIAN SERVICES	10,848,570
BAPTIST MEDICAL CENTER 6601 ROCKHILL ROAD, KANSAS CITY, MO 64131	MEDICAL SERVICES	7,195,498
CHILDREN'S MERCY HOSPITAL PO BOX 804435, KANSAS CITY, MO 64180	MEDICAL SERVICES	1,396,149
RESEARCH HOSPITAL PO BOX 804429, KANSAS CITY, MO 64180	MEDICAL SERVICES	1,643,605
OVERLAND PARK PATHOLOGY GROUP PO BOX 219191, KANSAS CITY, MO 64121	MEDICAL SERVICES	1,804,282
Total number of others receiving over \$50,000 for professional services	76	

Part III Statements About Activities (See instructions)

Yes No

- 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities **\$** 0

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

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

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

SEE STATEMENT 12

a Sale, exchange, or leasing of property?

b Lending of money or other extension of credit?

c Furnishing of goods, services, or facilities?

SEE FORM 990, PART V

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

e Transfer of any part of its income or assets?

SEE STATEMENT 13

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

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

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

Part IV Reason for Non-Private Foundation Status (See instructions)

The organization is not a private foundation because it is (please check only **One** applicable box):

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

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

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

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

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

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)					
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	125,622,950	124,254,817	116,111,613	97,809,716	463,799,096
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	1,984,069	925,877	860,259	332,979	4,103,184
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	127,607,019	125,180,694	116,971,872	98,142,695	467,902,280
24 Line 23 minus line 17	1,984,069	925,877	860,259	332,979	4,103,184
25 Enter 1% of line 23	1,276,070	1,251,807	1,169,719	981,427	

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	N/A	26a	
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.			26b	
c Total support for Section 509(a)(1) test. Enter line 24, column (e).			26c	
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 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: (2000) _____ 0 (1999) _____ 0 (1998) _____ 0 (1997) _____ 0				
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2000) _____ 0 (1999) _____ 0 (1998) _____ 0 (1997) _____ 0				
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 463,799,096 20 _____ 21 _____			27c	463799096
d Add: Line 27a total _____ 0 and line 27b total _____ 0			27d	0
e Public support (line 27c total minus line 27d total)			27e	463799096
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)		27f 467,902,280		
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))			27g	99 12 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))			27h	0 88 %

28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

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

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

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

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

		(a) Affiliated group totals	(b) To be completed for all electing organizations
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 – <div style="display: flex; justify-content: space-between;"> <div> <p>If the amount on line 40 is –</p> <p>Not over \$500,000</p> <p>Over \$500,000 but not over \$1,000,000</p> <p>Over \$1,000,000 but not over \$1,500,000</p> <p>Over \$1,500,000 but not over \$17,000,000</p> <p>Over \$17,000,000</p> </div> <div> <p>The lobbying nontaxable amount is –</p> <p>20% of the amount on line 40</p> <p>\$100,000 plus 15% of the excess over \$500,000</p> <p>\$175,000 plus 10% of the excess over \$1,000,000</p> <p>\$225,000 plus 5% of the excess over \$1,500,000</p> <p>\$1,000,000</p> </div> </div>	41	
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)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots non-taxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities
(For reporting only by organizations that did not complete Part VI-A) (See instructions)

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

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

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	

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

2001

FEDERAL STATEMENTS

PAGE 1

CLIENT 906

KAISER FOUNDATION HEALTH PLAN OF KANSAS
CITY, INC.

48-0924402

10/24/02

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

RESERVE FOR DIVESTITURE LOSS RECORDED IN PRIOR YEAR	\$ 25,348,538
UNREALIZED GAIN ON SECURITIES	12,622
TOTAL	\$ 25,361,160

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

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING & MARKETING	12,133		12,133	
BASIC CONTRACT PAY	17964901	17964901		
BUSINESS MEETINGS	30,027	11,531	18,496	
BUSINESS TAXES & LICENSES	364,953	364,410	543	
DUES & SUBSCRIPTIONS	1,501	630	871	
EMPLOYMENT DEVELOPMENT	94,333	17,691	76,642	
EXCESS LIAB & OTHER INSURANCE	395,921	395,921		
IN & OUT OF AREA EMERGENCY	370,572	370,572		
MISCELLANEOUS EXPENSES	1,686,004	1,545,685	140,319	
NON-MEDICAL PURCHASE/CONTRACT	1,169,170	723,976	445,194	
PROFESSIONAL CONSULTING FEES	45,186		45,186	
PROGRAM OFFICE CHARGES	1,472,380		1,472,380	
PROPERTY TAXES	204,454	204,454		
PURCHASED MEDICAL SERVICE	10307673	10307673		
SERVICE & FACILITIES RECHARGES	6,724,068	-13,524	6,737,592	
TOTAL	\$ 40843276	\$ 31893920	\$ 8949356	\$ 0

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

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

HEALTH PLAN IS A SUBSIDIARY OF KAISER FOUNDATION HEALTH PLAN, INC AN ORGANIZATION ALSO EXEMPT FROM TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3) HEALTH PLAN CONTRACTED WITH KAISER FOUNDATION HOSPITALS AND THE PERMANENTE MEDICAL GROUP OF MID-AMERICA, P A TO PROVIDE OR ARRANGE HOSPITAL AND MEDICAL SERVICES TO MEMBERS CONTRACT PAYMENTS TO THE MEDICAL GROUP AND TO HOSPITALS REPRESENTED A SUBSTANTIAL PORTION OF THE EXPENSES FOR MEDICAL AND HOSPITAL SERVICE REPORTED IN THIS AND PRIOR REPORTING PERIODS

PLEASE SEE THE ATTACHMENT, "KAISER PERMANENTE COMMUNITY BENEFIT REPORT FOR 2001" FOR A DESCRIPTION OF ACTIVITIES CONDUCTED BY THE ORGANIZATION IN THE ACCOMPLISHMENT OF ITS EXEMPT PURPOSE AND FOR THE BENEFIT OF THE COMMUNITY IN WHICH THE HEALTH PLAN CONDUCTED ITS AFFAIRS

DURING 2000 THE BOARD OF DIRECTORS OF HEALTH PLAN ADOPTED A PLAN OF DIVESTITURE UNDER WHICH HEALTH PLAN CEASED OPERATIONS DURING 2000 AND 2001, WHERE POSSIBLE,

10/24/02

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STATEMENT 3 (CONTINUED)
FORM 990, PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

ARRANGEMENTS HAVE BEEN MADE FOR THE CONTINUATION OF CARE FOR ITS FORMER MEMBERS DURING THIS PERIOD THE ORGANIZATION HAS ALSO CARRIED OUT THE PLAN OF LIQUIDATION WITH THE ORDERLY DISPOSITION OF ASSETS AND THE SETTLEMENT OF OBLIGATIONS AND CLAIMS AGAINST THE ORGANIZATION THE STATE REGULATORY AGENCIES RESPONSIBLE FOR HEALTH MAINTENANCE ORGANIZATIONS IN THE STATE HAVE GIVEN APPROVAL TO THE PLAN OF DIVESTITURE AND LIQUIDATION OF THE CORPORATION'S ASSETS AND SETTLEMENT OF OBLIGATIONS

ONCE ALL CLAIMS AND OBLIGATIONS ARE SETTLED OR PROVIDED FOR AND AUTHORIZATION IS RECEIVED FROM THE APPROPRIATE STATE REGULATORY AUTHORITIES HEALTH PLAN WILL LIQUIDATE, DISTRIBUTING ANY REMAINING ASSETS IN A MANNER CONSISTENT WITH ITS CHARTER TO APPROVED TAX-EXEMPT ORGANIZATIONS THE FINAL STEP WILL BE THE DISSOLUTION OF THE CORPORATION BY THE STATE

REVENUE RECEIVED DURING THIS PERIOD OF TIME HAS BEEN FROM THE RECEIPT OF MEMBERS DUES UP UNTIL THE DATE OF SALE OF THE HEALTH PLAN AND FROM THE RESOLUTION OF PRIOR PERIOD CONTRACTS AND OTHER SETTLEMENTS EXPENDITURES HAVE BEEN IN PAYMENT OF THE MEDICAL CARE CLAIMS FOR SERVICES PROVIDED TO MEMBERS UNDER THE HEALTH CARE PROGRAMS AND IN SETTLEMENT OF OTHER CLAIMS AND OBLIGATIONS WHICH AROSE FROM THE HMO OBLIGATIONS OF THE ORGANIZATION

STATEMENT 4
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM DEPREC.	BOOK VALUE
MACHINERY AND EQUIPMENT	\$ 1,034,996	\$ 733,649	\$ 301,347
BUILDINGS	9,263,158	2,046,136	7,217,022
LAND	2,100,464		2,100,464
MISCELLANEOUS	139,614	139,616	-2
TOTAL	<u>\$ 12538232</u>	<u>\$ 2,919,401</u>	<u>\$ 9,618,831</u>

STATEMENT 5
FORM 990, PART IV, LINE 58
OTHER ASSETS

LONG TERM PENSION FUNDING		\$ 2,759,099
TOTAL		<u>\$ 2,759,099</u>

STATEMENT 6
FORM 990, PART IV, LINE 65
OTHER LIABILITIES

EXCESS MEDICARE RECEIVABLES		\$ 1,200,000
OTHER CURRENT LIABILITIES		15,567,843
TOTAL		<u>\$ 16,767,843</u>

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

LENDER: KAISER FOUNDATION HOSPITALS EXPANSION FD
 ORIGINAL AMOUNT: 3,575,000.
 REPAYMENT TERMS: LOAN PAYABLE ON DEMAND WITH VARIABLE INTEREST RATE
 SECURITY PROVIDED: UNSECURED INTER-ENTITY LOAN
 PURPOSE OF LOAN: EXPANSION OF CAPITAL PROJECTS
 DESCRIPTION AND FMV: CAPITAL PROJECTS EXPANSION FUNDS PROVIDED IN THE
 OF CONSIDERATION: FORM OF CASH BY AFFILIATED ORGANIZATION

BEGINNING BALANCE DUE	876,336
ENDING BALANCE DUE	563,591.

LENDER: KAISER FOUNDATION HOSPITALS
 ORIGINAL AMOUNT: 35,997,645.
 REPAYMENT TERMS: LOAN PAYABLE ON DEMAND WITH VARIABLE INTEREST RATE
 SECURITY PROVIDED: UNSECURED INTER-ENTITY LOAN
 PURPOSE OF LOAN: WORKING CAPITAL
 DESCRIPTION AND FMV: WORKING CAPITAL ADVANCES IN THE FORM OF CASH AND/
 OF CONSIDERATION: OR BY CHARGES FOR STRATEGIC OPERATING SERVICES

BEGINNING BALANCE DUE	65,138,053.
ENDING BALANCE DUE	74,926,651.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	66,014,389.
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TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	75,490,242.
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10/25/02

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STATEMENT 11 (CONTINUED)
FORM 990, PART VIII
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE #	EXPLANATION OF ACTIVITIES
93B	MEMBERS DUES - REPRESENTS REVENUE FROM PREPAID DUES RECEIVED FROM OR ON BEHALF OF MEMBERS OF THE KANSAS CITY REGION SERVICE AREA FOR HEALTH CARE COVERAGE UNDER THE PLAN REFERRED TO IN PART III ABOVE REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE RULING 68-27
93D	SUPPLEMENTAL CHARGES - REPRESENTS REVENUE FROM CO-PAYMENTS RECEIVED FROM OR ON BEHALF OF MEMBERS FOR HEALTH CARE COVERAGE UNDER THE PLAN REFERRED TO IN PART III ABOVE REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE REGULATION 1.501(C)(3)-1
93F	MEDICARE/MEDICAID REVENUE - REPRESENTS REVENUE RECEIVED FROM THE SOCIAL SECURITY ADMINISTRATION FOR MEDICAL CARE SERVICES PROVIDED TO PLAN MEMBERS COVERED UNDER PART B OF MEDICARE REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE REGULATION 1.501(C)(3)-1

STATEMENT 12
SCHEDULE A, PART III, LINE 2
TRANSACTIONS WITH TRUSTEES, DIRECTORS, ETC.

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

THE ORGANIZATION DID NOT PAY ANY COMPENSATION TO ANY OF ITS OFFICERS DURING THE YEAR AS THEY WERE COMPENSATED BY AN AFFILIATED ORGANIZATION AND ATTENDED TO THE LIQUIDATION OF THIS ORGANIZATION AS PART OF THEIR REGULAR DUTIES FOR THE EMPLOYING ORGANIZATION. THE EMPLOYING ORGANIZATIONS ALSO REIMBURSED THESE INDIVIDUALS FOR CERTAIN EXPENSES THEY INCURRED IN THE COURSE OF THEIR DUTIES WITH RESPECT TO THIS ORGANIZATION.

SEE STATEMENT 20

STATEMENT 13
SCHEDULE A, PART III, LINE 3
QUALIFICATIONS OF RECIPIENTS RECEIVING GRANTS OR LOANS

MOST OF HEALTH PLAN'S DISBURSEMENTS RELATED TO PROVIDING HEALTH CARE SERVICES TO ITS MEMBERS INCLUDING CAPITAL EXPENDITURES AND OPERATING EXPENSES INCURRED IN FURTHERANCE OF THIS ACTIVITY. THE ORGANIZATION IS NOT A GRANT MAKING ORGANIZATION. HEALTH PLAN PROVIDED ITS SERVICES DIRECTLY TO THE MEMBERS OF THE COMMUNITY THROUGH ITS MOSTLY PREPAID HEALTH CARE PROGRAMS.

KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC.
FORM 990 TAX YEAR 2001

48-0924402

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

DESCRIPTION AND TO WHOM SOLD	Date & How Acquired	Date Sold	Sales Price	Cost & Expense of Sale	Accum Deprec	Gain or (Loss)
ABANDONMENTS/DISPOSALS DUE TO RELOCATION:						
Admin Office Leasehold Improvement	12/1998	06/2001	0	430,730	350,958	(79,772)
Baptist Medical Office Leasehold Improv	04/1997	06/2001	0	2,154,256	1,684,319	(469,937)
Miscellaneous Leasehold Improvement	Various	Various	0	771,207	771,207	0
Computer Software	Various	06/2001	0	575,387	523,675	(51,712)
Computer Software - transfer	Various	Various	0	1,597	1,597	0
Equipment Disposal	Various	Various	0	2,265,753	2,064,357	(201,396)
Total Abandonments/Disposals Due to Relocations -			<u>0</u>	<u>6,198,930</u>	<u>5,396,113</u>	<u>(802,817)</u>

SALE OF ASSETS.

Modular Workstations	Various	12/2001	10,000	171,786	80,833	(80,953)
RX Autofill System (Talx)	08/2000	11/2001	14,000	26,855	5,968	(6,887)
Novus & Yag Ophthalmology Lasers	11/1997	7/2001	10,200	79,898	58,592	(11,106)
X-Ray System	04/1997	04/2001	35,000	96,940	54,240	(7,700)
AT&T SCMS PBX System	04/1997	11/2001	23,000	367,277	278,941	(65,336)
Octel Vair 250 Voicemail	04/1997	12/2001	11,043	50,965	39,922	0
Miscellaneous Furniture & Fixture	Various	Various	445,761	4,540,923	3,900,028	(195,134)
Total Asset Sales -			<u>549,004</u>	<u>5,334,644</u>	<u>4,418,524</u>	<u>(367,116)</u>
Net Gain/(Loss) On Abandonments and Sales			<u>549,004</u>	<u>11,533,574</u>	<u>9,814,637</u>	<u>(1,169,933)</u>

RECAP OF NET GAIN/(LOSS)

Original Cost Basis and Cost of Sale	11,533,574
Less Accumulated Depreciation	<u>9,814,637</u>
Net Cost or Adjusted Basis	1,718,937
Less Gross Sales Proceeds	<u>549,004</u>
Net Gain/(Loss) for Reporting Purposes	<u>(1,169,933)</u>

STATEMENT OF FIXED ASSETS AND DEPRECIATION

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

	COST		ACCUMULATED DEPREC/AMORT		2001 DEP/AMORT EXPENSE
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR	
LAND	2,100,464	2,100,464	0	0	0
LAND IMPROVEMENTS	139,617	139,617	139,615	139,615	0
BUILDINGS	9,263,158	9,263,158	1,951,976	2,046,136	94,160
LEASEHOLD IMPROVEMENTS	3,356,193	0	2,690,206	0	116,277
EQUIPMENT	8,636,576	1,034,996	7,000,615	733,649	215,915
CAPITALIZED SOFTWARE	576,984	0	511,327	0	12,348
CAPITALIZED LEASES			0	0	0
CONSTRUCTION IN PROGRESS	0	0	0	0	0
OTHER AMORTIZATION - START UP AND DEFERRED COSTS -					0
TOTALS TO					
PART IV, LINE 57(A)	24,072,991	12,538,232			
PART IV, LINE 57(B)			12,293,739	2,919,401	
PART IV, LINE 57(C)	11,779,252	9,618,831			
NET DEPRECIATION DEDUCTION PART II, LINE 42, COLUMN (A)					438,700

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

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

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

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

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

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

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

**KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC
FORM 990 TAX YEAR 2001**

48-0924402

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

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

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

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

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

THE COMMON ADDRESS FOR ALL ENTITIES LISTED ABOVE IS

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

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


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

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

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

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

AUTHORIZATION CONSENT FOR ALLOCATION ON BEHALF OF ALL MEMBER COMPANIES


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

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


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

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

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

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

CONSENT AND AUTHORIZATION FOR ALLOCATION ON BEHALF OF ALL MEMBER COMPANIES


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

COMPENSATION, BENEFITS AND EXPENSES OF DIRECTORS AND OFFICERS

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

		(C) COMPENSATION		(D) BENEFITS		(E) REIMBURSEMENT OF EXPENSES	
(A) NAME	(B) TITLE	TOTAL	ALLOCATE TO KFHP KC	TOTAL	ALLOCATE TO KFHP KC	TOTAL	ALLOCATE TO KFHP KC
DIRECTORS.							
BERNARD J TYSON	DIRECTOR & CHAIRMAN	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
WILLIAM A GILLESPIE MD	DIRECTOR	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
KIRK M MILLER	DIRECTOR	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
CYNTHIA A FINTER	DIRECTOR	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
PETER J HOHL	DIRECTOR	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
KAREN K CLEGG	DIRECTOR	8,820	8,620	5,485	5,485	0	0
CHARLES WHUCKER	DIRECTOR	14,738	14,738	5,485	5,485	0	0
LEON LOGAN	DIRECTOR	11,117	11,117	2,743	2,743	0	0
JOHN S RAYDO	DIRECTOR	12,242	12,242	5,485	5,485	0	0
ALAN WHEAT	DIRECTOR	14,238	14,238	8,228	8,228	0	0
SUBTOTAL DIRECTORS		60,955	60,955	27,426	27,426	0	0
OFFICERS & KEY EMPLOYEES.							
BERNARD J TYSON	GROUP PRESIDENT	709,674	12,597	25,011	444	0	0
CYNTHIA A FINTER	REGIONAL PRESIDENT	506,578	17,984	26,511	941	0	0
L DALE CRANDALL	EXECUTIVE VICE PRESIDENT	1,397,022	21,006	34,612	505	2,100	17
WILLIAM A GILLESPIE MD	EXECUTIVE VICE PRESIDENT	1,149,373	21,838	28,953	550	800	15
KIRK E MILLER	SENIOR VICE PRESIDENT	775,817	11,833	27,273	416	2,100	32
STEVEN R ZATKIN	SENIOR VICE PRESIDENT	362,293	8,884	27,279	518	2,093	40
PETER J HOHL	VICE PRESIDENT	282,818	53,735	21,304	4,048	1,900	381
CAROL H COX	ASSISTANT SECRETARY	63,605	1,208	15,357	292	0	0
VICTORIA B ZATKIN	ASSISTANT SECRETARY	138,028	1,932	23,811	333	1,805	25
MITCHELL COHEN	ASSISTANT SECRETARY	177,360	8,668	25,421	1,271	1,800	90
BARBARA SPRINGER	ASSISTANT SECRETARY	122,384	122,384	7,411	7,411	0	0
SUBTOTAL OFFICERS AND KEY EMPLOYEES		5,685,053	280,269	282,944	16,729	12,598	580
TOTAL DIRECTORS, OFFICERS AND KEY EMPLOYEES		5,746,008	341,224	290,370	44,155	12,598	580

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

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

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

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

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

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

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



KAISER PERMANENTE

**COMMUNITY BENEFIT REPORT
for
KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY
FY 2001**

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



TABLE OF CONTENTS

INTRODUCTION.....	3
KAISER PERMANENTE.....	4
COMMUNITY BENEFIT PROVIDED BY HEALTH PLAN.....	4
DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM.....	6
2001 DCBI EXPENDITURES FOR NATIONAL PROGRAM.....	7

INTRODUCTION

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

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

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

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

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

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

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

KAISER PERMANENTE

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

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

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

Members receive physician services from the Permanente Medical Group. The Permanente Medical Group accepts responsibility for professional care of Health Plan members, is responsible for their own physician recruitment, selection and staffing, and is independent from Health Plan and Hospitals. The Permanente Medical Group treats members in facilities owned or leased by the Health Plan. Hospitals contracts with community hospitals to provide hospital services to members. Baptist Medical Center is the primary hospital for members requiring acute care. Contracts with other hospitals are also in place for specialized care.

Membership in Health Plan is available without regard to sex, race, religion, ethnic background, sexual orientation, occupational status or income level. Health Plan members are broadly representative of the various age, social and income groups within the areas it serves. Once enrolled, a member is free to maintain membership, irrespective of age, health status or employment.

COMMUNITY BENEFIT PROVIDED BY HEALTH PLAN

Health Plan's primary social mission is the organization and provision of comprehensive health care services on a prepaid basis through an integrated health care delivery system.

available to the community as a whole. Because Health Plan is a nonprofit organization, revenues that exceed the cost of operations and the provision of care are used to benefit the members through improved facilities and service, increased benefits and affordable rates, not to pay dividends to stockholders. Providing low-cost, high quality, comprehensive health benefits coverage and care that emphasizes prevention helps to prevent medical indigence and contributes to the quality of life in the communities we serve. Health Plan has incorporated the following elements that support and facilitate the attainment of its social mission into its operations:

- **Integrated services and facilities** – Health Plan has organized and integrated the professional and physical resources required to provide comprehensive health care, this primarily occurs at medical office buildings owned or leased by Health Plan. Our members typically have available in one place all the services and professional care they require, which facilitates a coordinated approach to care. Equipment and supporting personnel are shared and high technology services such as cancer treatment are centralized, as well as podiatry, optometry, and a sleep clinic, facilitating the development and transfer of best clinical practices among all Permanente providers. Duplication of facilities, equipment and personnel are avoided or minimized.
- **Group practice** – The Permanente Medical Group is organized into a large multi-specialty group practice that takes responsibility for providing comprehensive care to a defined population in facilities owned or leased by Health Plan. The Permanente Medical Group and Health Plan exclusively contract with each other to provide medical services to Health Plan members. Group practice enhances the quality and appropriateness of care for members and for the community by facilitating the development and sharing of "best clinical practices" throughout the community and across the nation. The income that the Permanente Medical Group and its physicians receive is solely in consideration of their professional medical and related services. The amount paid to the Permanente Medical Group is negotiated annually at arms' length. By altering the straight-line relationship between service performed and income received, Health Plan removes incentives to perform unneeded services, encouraging use of the most appropriate services.
- **Prepayment** – Health Plan pays the Permanente Medical Group a per capita payment that does not vary with the amount of service provided. Permanente Medical Group physicians are not compensated on a fee-for-service basis.
- **Comprehensive Benefits** – Health Plan provides coverage for unlimited hospital days, physician visits, preventive services, immunizations, well-baby care and prenatal care. Enrollees pay limited copayments, which protect members from substantial out-of-pocket costs. Comprehensive, prepaid coverage removes or minimizes financial barriers to care promoting early consultation, detection, and treatment of disease. Health Plan actively encourages members to maintain their health through regular preventive care services such as well-baby check-ups, immunizations and screening tests. This reduces uncompensated care and prevents medical indigence by encouraging and financing preventive medical care at the most effective and appropriate level.
- **No Pre-Existing Condition Exclusions** – Pre-existing condition exclusions allow carriers to exclude from coverage care for a condition that preceded enrollment with the carrier. Health Plan imposes no pre-existing condition exclusions and thereby provides

substantial protection for new members who are ill at the time of enrollment. Health Plan offered health benefits coverage in all its markets without any pre-existing condition exclusions for many years prior to recently enacted federal and state statutes prohibiting pre-existing condition exclusions in certain markets. By ensuring that all our enrollees are covered for all their medical needs, we reduce the amount of uncompensated care, promote the health of our members, and prevent medical indigence.

- **Participation in Medicare** – Nationally, Kaiser Permanente has participated in Medicare since its implementation in 1965. In Kansas City, Health Plan has participated since 1985.

COMMUNITY BENEFIT PROGRAM

In addition to the above, Kaiser Permanente has a wide variety of community benefit programs. This report highlights examples of Kaiser Permanente's national Direct Community Benefit Investment Policy ("DCBI"). Consistent with our DCBI Policy, based upon the needs of the communities we serve and our ability to impact these needs, Kaiser Permanente is focusing its investments on three overlapping areas of priority:

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

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

In 2001, Kaiser Foundation Health Plan, Inc., its subsidiaries, and Hospitals spent approximately \$349 million, or approximately 1.7% of revenue, on DCBI activities across the nation in the communities we serve. The following charts summarize 2000 DCBI expenditures nationally. The expenditures reflected in the chart are unaudited estimates calculated in accordance with Kaiser Permanente's DCBI Accounting Policy.

2001 DCBI Expenditures for National Program

DCBI CATEGORY	NATIONAL DCBI TOTAL	NATIONAL HOSPITALS TOTAL	NATIONAL HEALTH PLANS TOTAL
Dues Subsidy	\$36,540,132	\$8,177,106	\$28,363,026
Medicaid Shortfalls	\$201,204,002	\$62,618,916	\$138,585,086
Other Publicly Subsidized Programs	\$1,662,171	\$396,207	\$1,265,964
Charitable Care	\$15,121,244	\$10,621,244	\$4,500,000
Graduate Medical Education	\$27,233,578	\$26,514,928	\$718,650
Health Professional Training Programs (non-MD)	\$5,453,665	\$5,097,995	\$355,670
Continuing Medical Education	\$7,133,586	\$7,103,928	\$29,658
Health Education Activities	\$2,180,439	\$1,531,990	\$648,449
Community Health Care Services	\$5,235,651	\$5,143,439	\$92,212
Educational Symposiums	\$838,914	\$838,914	0
Grants\Donations – Health Care	\$10,481,301	\$8,765,412	\$1,715,889
Grants\Donations – Non Health Care	\$270,912	\$85,325	\$185,587
Medical Research	\$9,013,299	\$7,810,128	\$1,203,171
Medical Libraries	\$6,296,969	\$6,296,969	0
Tumor Board & Registries	\$3,611,978	\$3,438,578	\$173,400
Educational Theatre	\$4,971,712	\$4,013,560	\$958,152
Youth\Other Employment Programs	\$1,504,288	\$1,401,948	\$102,340
Board of Directors Fund	\$887,233	\$887,233	0
Other Community Service	\$3,230,520	0	\$3,230,520
TOTAL	\$342,871,594	\$160,743,820	\$182,127,774

- 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	Employer identification number
	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC.	48-0924402
	Number, street and room or suite no. If a P.O. box see instructions	For IRS use only
	ONE KAISER PLAZA, 1550 ORDWAY	
	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 02
- 5 For calendar year 2001, or other tax year beginning _____, 20 ____ and ending _____, 20 ____
- 6 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension THIS ENTITY IS A MEMBER OF AN AFFILIATED GROUP COMPRISING A NATIONAL MANAGED HEALTH CARE DELIVERY PROGRAM AND IT MUST DEFER RETURN FILING UNTIL DATA FOR EACH MEMBER'S RETURN IS COMPLETE.
- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ NONE
- b If this application is for Form 990-PF, 990-T, 4720 or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ NONE
- c Balance Due Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ 0

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 Nelson G. Steiner Title VICE PRESIDENT/CONTROLLER Date 7/29/2002**Notice to Applicant — To Be Completed by the IRS**

- ☒ We have approved this application. Please attach this form to the organization's return
- ☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return
- ☐ We have not approved this application. After considering the reasons stated in item 7 we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period
- ☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested
- ☐ Other _____

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

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

OMB No 1545-1709

► File a separate application for each return

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

Part I Automatic 3-Month Extension of Time — Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension — check this box and complete Part I only ► ☐

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

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization		Employer identification number
	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC.		48-0924402
	Number, street and room or suite no. If a P.O. box, see instructions		
	ONE KAISER PLAZA, 1550 ORDWAY		
City, town or post office, state, and ZIP code. For a foreign address, see instructions			
OAKLAND CA 94612			

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

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

- If the organization does not have an office or place of business in the United States, check this box ► ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) NA. If this is for the whole group, check this box ► ☐. If it is for part of the group, check this box ► ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until AUGUST 15, 20 02, to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ☒ calendar year 20 01 or
- ☐ tax year beginning _____, 20 _____, and ending _____, 20 _____

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

- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions

\$ 0

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

\$ _____

- c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions

\$ 0.00**Signature and Verification**

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

Signature ► [Signature]

Title ► VICE PRESIDENT/CONTROLLER

Date ► 5/8/2002

For Paperwork Reduction Act Notice, see instruction

Form **8868** (12-2000)