A For the 2005 calendar year, or tax year beginning 01-01-2005 and ending 12-31-2005

Form **990**

Treasury

Service

Department of the

Internal Revenue

DLN: 93490319011566

Return of Organization Exempt From Income Tax

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

2005
Onen to Public

Open to Public Inspection

_	Check if a		Please use IRS	C Name of organization KAISER FOUNDATION HEAL	ΓΗ PLAN				yer identification number 798039
_	Address ch	3	label or	OF THE NORTHWEST	box if mail is not delivered to	street add	ress) Room/suite		
	Name cha	_	print or type. See	ONE KAISER PLAZA SUITE 1		street auu	ress) Room, suite		
_	nıtıal retu		Specific Instruc-	City or town, state or count	ry, and ZIP + 4				one number 271-6611
F	inal retur	n	tions.	OAKLAND, CA 94612				(310)	2/1-0011
Γ	Amended	return						F Account	ing method Cash Accrual
Γ	Application	pending						☐ Oth	er (specify) 🕨
				501(c)(3) organizations a					le to section 527 organizations
			trusts m	nust attach a completed Sc	nedule A (Form 990 or 990)-EZ).			curn for affiliates? Yes V No
G	Web sit	e: ► N/A	1				— H(c) Are all		mber of affiliates Yes No
J ,	Organiza	tion type	check only	one) ▶ 🔽 🕏 501(c) (3) ◀	(insert no.)	or 52			list See instructions)
								a separate	return filed by an organization
	organizati	on need n	ot file á returi	tion's gross receipts are normal n with the IRS, but if the orgai	nization received a Form 990 l	Package in	covere	d by a gro	up ruling? Yes V No
	the mail, i	ıt should f	le a return wi	thout financial data Some sta	ites require a complete ret	urn.		•	ion Number ►
L	Gross re	eceipts	Add lines 6	5b, 8b, 9b, and 10b to line	1,958,098,917		M Check attach	► ✓ ıftl Sch B (Fo	ne organization is not required to rm 990, 990-EZ, or 990-PF)
P	art I	Reve	nue, Exp	enses, and Change	s in Net Assets or	Fund B	alances (See	the inst	tructions.)
	1	Contrib	utions, gift	s, grants, and sımılar am	ounts received				
	а	Direct	public supp	ort		1a			
	Ь	Indirec	t public suj	pport		1b			
	C	Govern	ment contr	ibutions (grants)		1c			
	d	Total (a	add lines 1a	a through 1c) (cash \$	nonc	ash \$) 1	d
	2	Progra	n service r	evenue including governr	nent fees and contracts	(from Par	t VII, line 93)	. 7	1,945,865,751
	3	Membe	rship dues	and assessments				. 3	3
	4	Interes	t on saving	s and temporary cash in	vestments				7,616,990
	5	Divider	nds and inte	erest from securities .	. 5	i			
	6a	Gross	ents						
	b	Less r	ental exper	nses					
	c	Net ren	tal ıncome	or (loss) (subtract line 6	b from line 6a)			. 6	с
ıψ	7	Otherı	nvestment	income (describe 🕨) .				7	'
Revenue	8a			n sales of assets	(A) Securities		(B) O ther		
Ą				ry	1,400,000	8a	34	8,312	
	b	Less cos	st or other bas	sis and sales expenses	1,400,000	8b		4,774	
	C		` , `	ach schedule) [8c		:6,462	
	d			(combine line 8c, column				. 8	d -126,462
	9	Specia	events an	d activities (attach sched	lule) If any amount is fr	om gamir	ng, check here 🕨		
	а	Gross	evenue (no	t including \$	of	- 1			
	1.		•	rted on line 1a)		9a			
	b		•	nses other than fundraising	• '	9b		- _	_
	100		•	s) from special events (s	1			. 9	<u>c</u>
	10a b			entory, less returns and a		10a 10b			
	c		-	rom sales of inventory (attach)a)	10)c
	11		, ,	om Part VII, line 103)	• •		,	-	2,867,864
	12		•	d lines 1d, 2, 3, 4, 5, 6c,					1,956,224,143
	13			(from line 44, column (B)					1,849,593,395
ig N	14	Manage	ement and	general (from line 44, col	umn (C))			. 1	71,401,765
Expense	15	Fundra	ısıng (from	line 44, column (D)) .				. 1	5
Ж	16	Payme	nts to affilia	ates (attach schedule)				1	6
	17	Total e	xpenses (ad	dd lines 16 and 44, colur	nn (A))	<u> </u>	<u></u>	1	7 1,920,995,160
2	18	Excess	or (deficit)) for the year (subtract lir	ie 17 from line 12)			. 1	8 35,228,983
1988 A	19	Netass	ets or fund	l balances at beginning o	f year (from line 73, colu	mn (A))		. 1	9 341,202,667
Met y	20	Other	:hanges in	net assets or fund balanc	es (attach explanation)	® ⊒		. 2	-662,862
<u> </u>	21	Netass	sets or fund	l balances at end of year	(combine lines 18, 19, a	nd 20)		. 2	1 375,768,788
_		_							

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. (See 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 \$ 128,995 noncash \$ 0) If this amount includes foreign grants, check here	22	120.005	120.005		
23	Specific assistance to individuals (attach schedule)	23	128,995	128,995		
24	Benefits paid to or for members (attach schedule)	24				
25	Compensation of officers, directors, etc	25	0			
26	Other salaries and wages	26	306,923,275	306,923,275		
27	Pension plan contributions	27	41,288,681	41,288,681		
28	Other employee benefits	28	105,593,195	105,593,195		
29	Payroll taxes	29	27,057,324	27,057,324		
30	Professional fundraising fees	30	27,037,321	27,037,321		
31	Accounting fees	31	825,328	825,328		
32	Legal fees	32	1,072,204	1,072,204		
33	Supplies	33	150,237,698	150,237,698		
34	Telephone	34	801,569	801,569		
35	Postage and shipping	35	5,107,266	5,107,266		
36	Occupancy	36	15,586,113	15,586,113		
37	Equipment rental and maintenance	37	13,559,982	13,559,982		
38	Printing and publications	38	3,515,509	3,515,509		
39	Travel	39	4,607,119	4,607,119		
40	Conferences, conventions, and meetings	40				
41	Interest	41	290,541	290,541		
42	Depreciation, depletion, etc (attach schedule)	42	24,371,607	24,371,607		
43	Other expenses not covered above (itemize)					
а	See Additional Data Table	43a				
b		43b				
С		43c				
d		43d				
е		43e				
f		43f				
g		43g				
44	Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13–15)	44	1,920,995,160	1,849,593,395	71,401,765	0

Part III	Statement of Program Service Accomplishments	(See the instructions.)	<u> </u>
		(CCC circ inicci decircino)	,

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.

FOUND PROPERTY (HOTO) THE PLE	NDATION HEALTH PLAN OF THE NORTH PORATION ORGANIZED FOR THE PUBLI ER INTERNAL REVENUE CODE SECTION VIDE A PROGRAM OF HEALTH CARE AND CTICE HEALTH MAINTENANCE ORGANIZED HEALTH MAINTENANCE ORGANIZED HEALTH PLAN, INC. AN ORGANIZED HEALTH PLAND, NORTHWEST PERMANENTE PORTONIC PROVIDE OR ARRANGE FOR HOSPITAL, NOT TRACT PAYMENTS TO HOSPITALS AND EXPENSES FOR MEDICAL, DENTAL AND ASE SEE THE ATTACHMENT, "KAISER PE	WEST (C BENE 510 (C D MEDI ZATIO I NIZAT: H PLAN C AND I MEDICA MEDICA HOSPI RMANE	in a clear and concise manner. State the number of client	DFIT ME TAX IS TO RE GROUP SER RNAL N HOSPITALS CAL GROUPS) RS PORTION OF TURN ts served,	Program Service Expenses (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others)
	ations issued, etc Discuss achievements that are not able trusts must also enter the amount of grants and		ble (Section 501(c)(3) and (4) organizations and 4947(ans to others)	a)(1) nonexempt	
	GEE STATEMENT 3 Grants and allocations \$ 128,995)		If this amount includes foreign grants, check	here ▶ ┌─	1,849,593,395
	Grants and allocations \$)	If this amount includes foreign grants, check	here 🕨 🦵	
c .	Grants and allocations \$)	If this amount includes foreign grants, check	here 🕨 🦵	
е (Grants and allocations \$ Other program services (attach schedule))	If this amount includes foreign grants, check		
-	Grants and allocations \$)	If this amount includes foreign grants, check	<u>'</u>	
f	Total of Program Service Expenses (should e	qual lin	e 44, column (B), Program services)	· •	1,849,593,395
					Form 990 (2005)

Balance Sheets (See the instructions.) Where required, attached schedules and amounts within the description (B) (A) Note: column should be for end-of-year amounts only. Beginning of year End of year 9.821.515 3.248.569 45 45 27,748,828 28,492,477 46 46 Savings and temporary cash investments . . 60.902.441 47a Accounts receivable 19,220,999 Less allowance for doubtful accounts 47b 33,175,825 47c 41,681,442 Pledges receivable 48a Less allowance for doubtful accounts 48b 48c Grants receivable 49 Receivables from officers, directors, trustees, and key employees 50 (attach schedule) 51a Other notes and loans receivable (attach schedule) 51a Less allowance for doubtful accounts 51b 51c 19.526.227 24,862,263 52 52 Inventories for sale or use . . . 2,247,792 3,431,085 53 Prepaid expenses and deferred charges 53 . ► Cost FMV 54 Investments—securities (attach schedule) 2,666,540 夗 3,839,080 54 Investments—land, buildings, and equipment basis 55a Less accumulated depreciation (attach 55b 55c schedule) 56 Investments—other (attach schedule) . 56 Land, buildings, and equipment basis 57a 448.511.360 Less accumulated depreciation (attach 202,623,973 57b 228,556,317 57c 245.887.387 schedule) 308,477,467 58 2 331,448,141 58 Other assets (describe > 625,647,565 689,463,390 59 Total assets (must equal line 74) Add lines 45 through 58 . . . 59 Accounts payable and accrued expenses . . . 131.543.369 60 156.235.296 60 61 Grants payable 61 55,134,242 20,022,625 62 62 Deferred revenue Loans from officers, directors, trustees, and key employees (attach 63 63 64a 64a Tax-exempt bond liabilities (attach schedule) . 64b Mortgages and other notes payable (attach schedule) 97,767,287 93 137,436,681 65 65 Other liablilities (describe | Total liabilities Add lines 60 through 65 284,444,898 66 313.694.602 Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 67 through 69 and lines 73 and 74 67 67 Fund Balances Unrestricted 68 68 Temporarily restricted . . Permanently restricted complete lines 70 through 74 2,912,722 2,912,722 70 Capital stock, trust principal, or current funds 70 ъ Assets 71 71 Paid-in or capital surplus, or land, building, and equipment fund . 338,289,945 372 856 066 72 Retained earnings, endowment, accumulated income, or other funds . 72 73 Total net assets or fund balances (add lines 67 through 69 or lines Ž 70 through 72, 341,202,667 375,768,788 column (A) must equal line 19, column (B) must equal line 21) . . . 73 625,647,565 689,463,390 74 74 Total liabilities and net assets / fund balances Add lines 66 and 73 . . .

Par	IV-A Reconciliation of Reve the instructions.)	nue per Audited Finar	ncial Sta	tements V	Vith Reven	ue pe	r Return (See
<u>а</u>	Total revenue, gains, and other supp	oort per audited financial stat	tements			а	1,950,046,731
b	A mounts included on line a but not o	on line 12					
1	Net unrealized gains on investments	·	b1	1	-103,673		
2	Donated services and use of facilities		b2		·	1	
3	Recoveries of prior year grants .		b3				
4	- -						
	- Cher (Speeny)		b4		6,200,201		
	Add lines b1 through b4					ь	-6,303,874
c	Subtract line b from line a					С	1,956,350,605
d	Amounts included on line 12, but no	t on line a					
1	Investment expenses not included o	on line 6b	d1				
2	Other (specify) 🏂					1	
			d2		-126,462		
	Add lines ${f d1}$ and ${f d2}$					d	-6,303,874
e	Total revenue (line 12) Add lines c	and d			. •	e	1,956,224,143
Part	IV-B Reconciliation of Expe	nses per Audited Fina	ncial St	atements	With Expe	nses p	
а	Total expenses and losses per audi	ed financial statements .				а	1,915,480,610
b	A mounts included on line a but not o	on line 17					
1	Donated services and use of facilities	es	b1				
2	Prior year adjustments reported on	ine 20	b2				
3	Losses reported on line 20		b3			1	
4	Other (specify)					1	
			b4		126,462		
	Add lines b1 through b4					ь	126,462
C	Subtract line b from line a					С	1,915,354,148
d	A mounts included on line 17, but no	t on line a:					
1	Investment expenses not included o	on line 6b	d1				
2	Other (specify)						
			d2		5,641,012		
	Add lines d1 and d2					d	5,641,012
е	Total expenses (line 17) Add lines					e	1,920,995,160
Pari	director, trustee, or key e instructions.)				they were r	not con	
	(A) Name and address	(B) Title and average hours per week devoted to position		mpensation id, enter -0)	(D) Contribi employee bend deferred com plan	efıt plans pensatıor	
	STATEMENT	SEE STATEMENT		_			
	ISER PLAZA SUITE 1550L _AND,CA 94612	5		0			0
	STATEMENT 16A						
	ISER PLAZA SUITE 1550L	SEE STATEMENT 16A		0			0 0
OAKI	_AND,CA 94612						
			<u>L</u>				

art V-A Current Officers, Director	s, Trustees, and Key	Employees (conti	inued)		Yes	No
5a Enter the total number of officers, director	rs, and trustees permitted	to vote on organizatioi	n business at board			
meetings		<u>►</u> 14				
b Are any officers, directors, trustees, or ke	y employees listed in For	m 990, Part V - A, or hig	ghest compensated			
employees listed in Schedule A, Part I, or	highest compensated pro	fessional and other ind	lependent			
contractors listed in Schedule A, Part II-						
relationships? If "Yes," attach a statemer	nt that identifies the indivi	duals and explains the	relationship(s) .	75b	Yes	
c Do any officers, directors, trustees, or key	y employees listed in Forn	n 990, Part V-A, or hig	hest compensated			
employees listed in Schedule A, Part I, or	highest compensated pro	fessional and other ind	lependent			
contractors listed in Schedule A , Part II -	A or II-B, receive comper	sation from any other o	organizations, whether			
tax exempt or taxable, that are related to	this organization through	common supervision o	r common control?	75c	Yes	
Note. Related organizations include section	on 509(a)(3) supporting o	rganizations				
If "Yes," attach a statement that identifie:	s the individuals, explains	the relationship betwe	en this			
organization and the other organization(s)		·				
including amounts paid to each individual		_	,			
d Does the organization have a written conf				75d	Yes	
art V-B Former Officers, Director	· · ·)ther
Benefits (If any former offi (described below) during the benefits in the appropriate c	cer, director, trustee, o e year, list that person	or key employee red below and enter the	ceived compensation amount of compens	or oth	her ber	nefits
(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans and deferred compensation plans		pense acc ner allowa	
EE STATEMENT 16A	_	_	_			_
KAISER PLAZA SUITE 1550L AKLAND,CA 94612	0	0	0			0
AREAND, CA STOLE						
					-	
				<u> </u>		
						
				<u> </u>		
art VI Other Information (See the	instructions.)				Yes	No
Did the organization engage in any activity not pre	viously reported to the IRS? If "	Yes," attach a detailed desc	nption of each activity	76		Νo
7 Were any changes made in the organizing	or governing documents b	out not reported to the	IRS?	77		No
If "Yes," attach a conformed copy of the c	hanges					
Ba Did the organization have unrelated business gross	income of \$1,000 or more during	ng the year covered by this	return?	78a	Yes	
b If "Yes," has it filed a tax return on Form	990-T for this year?			78b	Yes	
9 Was there a liquidation, dissolution, termination, or	substantial contraction during t	he year? If "Yes," attach a s	tatement	79		Νο
Da Is the organization related (other than by association	on with a statewide or nationwi	de organization) through cor	nmon membership,			
governing bodies, trustees, officers, etc , to any ot	her exempt or nonexempt orga	nızatıon ⁷		80a	Yes	
b If "Yes," enter the name of the organization	on ► SEE STATEMENT					
	-	ether it is 🔽 exempt 🕻	r C nonevernt			
1a Enter direct or indirect political expenditu		1 1	nonexempt 0			
b Did the organization file Form 1120-POL fo		VII3 / 1 1 GIA	0	81h		No.
B BIG HIS VIGGHIZOHVII HIS FUITH FIZU-PUL H), .,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					, ,,,,,

UIIII	1990 (2003)				Page A
Par	rt VI Other Information (continued)	_		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge at substantially less than fair rental value?	ge or • •	82a		No
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue				
	ın Part I or as an expense ın Part II(See ınstructions ın Part III)....... 82b				
83a	Did the organization comply with the public inspection requirements for returns and exemption application	ns?	83a	Yes	
Ь	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? .		83b	Yes	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	[84a		Νο
b	b If "Yes," did the organization include with every solicitation an express statement that such contribution	ıs or			
	gıfts were not tax deductible?		84b		
3 5	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		85a		
b	b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	[85b		
	If "Yes," was answered to either 85a or 85b, do not complete 85c through 85h below unless the organiz received a waiver for proxy tax owed the prior year	ation			
c	c Dues assessments, and similar amounts from members 85c				
	d Section 162(e) lobbying and political expenditures				
е	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e				
	f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f				
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		85g		
h	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the follow year?		85h		
36	501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12 86a	٥			
ь	b Gross receipts, included on line 12, for public use of club facilities 86b	0			
37	501(c)(12) orgs. Enter a Gross income from members or shareholders 87a	0			
b	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	0			
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation of partnership, or an entity disregarded as separate from the organization under Regulations sections 301 and 301 7701-3? If "Yes," complete Part IX		88	Yes	
39a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under	Ì			
	section 4911 ► 0 , section 4912 ► 0 , section 4955 ►	0			
b	the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a state explaining each transaction	tement	89b		No
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year unde sections 4912, 4955, and 4958	_			
d	1 Enter Amount of tax on line 89c, above, reimbursed by the organization	•			
90a	List the states with which a copy of this return is filed 🕨 OR,WA				
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions)	90b			6,629
91a	The books are in care of NATIONAL DIRECTOR OFTAX Telephone no	(510)	271-6	385	
	ONE KAISER PLAZA STE 1550L Located at OAKLAND, CA ZIP + 4 94	612			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authover a financial account in a foreign country (such as a bank account, securities account, or other financiac count)?	nority	91b	Yes	N o N o
		}			<u> </u>
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank Financial Accounts				
c	At any time during the calendar year, did the organization maintain an office outside of the United States	.2	91c		No
	If "Yes," enter the name of the foreign country ▶				
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			

Part VII	Analysis of Income-Pr	oducing Activitie					
Note: Enter g	gross amounts unless otherwis	e ındıcated.		d business income		tion 512, 513, or 514	(E) Related or
		l e	(A) Business	(B)	(C) Exclusion	(D)	exempt function
			code	Amount	code	Amount	income
•	am service revenue						
	HLTH CARE PREM						1,398,185,895
	L CHARGES		621400	1,065,955			113,602,235
c NON-	PLAN & IND REV						5,524,431
d OTHE	R PRGRM SERV						22,035,569
e							
f Medic	are/Medicaid payments .						405,451,666
g Fees a	and contracts from governmer	t agencies					
94 Memb	ership dues and assessments						
95 Interest	t on savings and temporary cash inv	estments			14	7,616,990	
96 Divide	ends and interest from securit	es					
	ntal income or (loss) from rea						
a debt-f	financed property						
b non de	ebt-financed property						
98 Net ren	ital income or (loss) from personal p	roperty					
99 Other	investment income	· · · <u> </u>					
100 Gain or	(loss) from sales of assets other tha	in inventory			18	-126,462	
101 Net in	come or (loss) from special ev	ents					
102 Gross	profit or (loss) from sales of i	nventory					
103 Other	revenue a <u>INT INC-AFFIL</u>	IATE			14	2,867,864	
b							
с							
d							
e							
104 Subtot	tal (add columns (B), (D), and	(E))		1,065,955		10,358,392	1,944,799,796
105 Total (a	add line 104, columns (B), (D), and (E))				🕨	1,956,224,143
93 SEE	E STATEMENT						
Part IX	Information Regarding	Taxable Subsid	diaries	and Disregard	led Entities	(See the instru	ctions.)
	(A)	(B)		(C)		(D)	(E)
	ldress, and EIN of corporation, ership, or disregarded entity	Percentage of ownership interest		Nature of activities	;	Total income	End-of-year assets
•		%					
		%					
		%			+		
Part X	Information Regarding		ciated	with Personal	Benefit Co	ntracts (See th	e instructions.)
	organization, during the year, receive	-				· · · · · · · · · · · · · · · · · · ·	☐ Yes ☑ No
(b) Did the	e organization, during the year, receive Yes" to (b), file Form 8870 and	, pay premiums, direc	ctly or in	directly, on a perso			. – –
1	Under penalties of perjury, I declare	that I have examined thi	ıs return, ır	ncluding accompanying			
1.	and belief, it is true, correct, and cor	nplete Declaration of pre	parer (oth	er than officer) is based	d on all informatio	n of which preparer ha	s any knowledge
Please					2006-1	1-13	
Sign Here	Signature of officer				Date		
	DEBORAH STOKES VP & CONTRO	LLER					
	Type or print name and title			,			
	Preparer's L		Dat	te	Check If	Preparer's SSN or P	TIN (See Gen Inst W)
Paid	signature				self- empolyed •		
Preparer [*]	's				Cimpolyeu F		
Use .	Firm's name (or yours if self-employed),						
Only	address, and ZIP + 4	P				EIN Þ	
	55 SECO	ND STREET				Phone no 🕨	
						1	

DLN: 93490319011566

SCHEDULE A (Form 990 or 990EZ) 牣

Department of the Treasury Internal Revenue Service

OF THE NORTHWEST

\$50,000

Name of the organization

KAISER FOUNDATION HEALTH PLAN

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 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

2005

OMB No 1545-0047

Employer identification number

93-0798039

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.") (d) Contributions (e) Expense (a) Name and address of each employee (b) Title and average hours to employee benefit (c) Compensation account and other paid more than \$50,000 per week devoted to position plans & deferred allowances compensation SEE STATEMENT SEE STATEMENT 0 0 0 ONE KAISER PLAZA 40 OAKLAND, CA 94612 Total number of other employees paid over 2,392

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services (See page 2 of the instructions. List each one (whether individual 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
NORTHWEST PERMANENTE PC		
500 NE MULTNOMAH STREET	MEDICAL SERVICES	296,967,559
PORTLAND, OR 97232		
KAISER FOUNDATION HOSPITALS		
500 NE MULTNOMAH STREET	HOSPITAL SERVICES	386,150,227
PORTLAND, OR 97232		
PERMANENTE DENTAL ASSOCIATES		
500 NE MULTNOMAH STREET	DENTAL SERVICES	32,956,837
PORTLAND, OR 97232		
ST JOHN MEDICAL CENTER		
1615 DELAWARE STREET	HOSPITAL SERVICES	17,669,943
LONGVIEW, WA 98632		
OREGON HEALTH SCIENCE UNIVERSITY		
3181 SW SAM JACKSON PARK RD	HOSPITAL SERVICES	15,525,962
PORTLAND, OR 97239		
Total number of others receiving over \$50,000 for 216		
professional services		

Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page X for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
CAMPBELL-EWALD COMPANY		
30400 VAN DYKE AVENUE	ADVERTISING SERVICES	3,119,497
WARREN, MI 48093		
ZIMMER GUNSUL FRASCO PARTNERSHIP		
320 SW O A K STREET	CONSTRUCTION SERVICE	841,357
PORTLAND, OR 97204		
CHOICE BENEFIT ADMINISTRATORS		
6900 SW HAINES ROAD	BROKER COMMISSION	638,648
TIGARD, OR 97223		
MARCH USA INC		
350 N ORLEANS STREET SUITE 1857	BROKER COMMISSION	609,217
CHICAGO,IL 60654		
CAMPBELL GALT NEWLANDS-WALRAD		
700 NE MULTNORMAH STREET SUITE 130	BROKER COMMISSION	566,158
PORTLAND, OR 97232		
Total number of other contractors receiving over		
\$50,000 for other services		

i e II	t III			Yes	No
1	Duri	ng the year, has the organization attempted to influence national, state, or local legislation, include any attempt			
	to in	fluence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in			
		ection with the lobbying activities ► \$ 137,644 (Must equal amounts on line 38, Part VI-A, or line Part VI-B)	1	Yes	
	orga	inizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other nizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the ying activities			
		ng the year, has the organization, either directly or indirectly, engaged in any of the following acts with any			
		tantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with			
		taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or			
		ipal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) 📆			
а		, exchange, or leasing property?	2a	Yes	
ь	Lend	ling of money or other extension of credit?	2b	Yes	
c	Furn	ıshıng of goods, services, or facilities?	2c	Yes	
d	Payr	nent of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	Yes	
e	Tran	sfer of any part of its income or assets?	2e		N
la	Doy	ou make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how you			
	dete	rmine that recipients qualify to receive payments)	3a		N
ь	Doy	ou have a section 403(b) annuity plan for your employees?	3b	Yes	
c	Duri	ng the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3с		N
а	Did	you maintain any separate account for participating donors where donors have the right to provide advice			
	on th	ne use or distribution of funds?	4a		N
b	Doy	ou provide credit counseling, debt management, credit repair, or debt negotiation services?	4b		N
5 7 8	 - -	A school Section 170(b)(1)(A)(ii) (Also complete Part V) A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii) A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)			
•	Г	A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hosp	pital's	name	, ci
		and state 🕨			
)	\sqcap	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)			
La	Γ	An organization that normally receives a substantial part of its support from a governmental unit or from the gene	eral pu	blic	
	_	Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)			
Lb		A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)			
2	 ~	An organization that normally receives (1) more than 331/3% of its support from contributions, membership fee receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more t		-	
		its support from gross investment income and unrelated business taxable income (less section 511 tax) from bu		-	0 0
		acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in)
3	Г	An organization that is not controlled by any disqualified persons (other than foundation managers) and supports			-
	·	described in (1) lines 5 through 12 above, or (2) sections 501(c)(4), (5), or (6), if they meet the test of section	509(a)(2)	
		Check the box that describes the type of supporting organization 🕨 🗆 Type 1 📁 Type 2 📁 Type 3			
		Provide the following information about the supported organizations (see page 5 of the instructions)		
		(a) Name(s) of supported organization(s)) Line		er
			from a	DOVE	

Schedule A (Form 990 or 990-EZ) 2005 Page 3										
Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting. lote: 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) 2004 (b) 2003 (c) 2002 (d) 2001 (e) Total										

Cale	endar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15	Gifts, grants, and contributions received (Do not include unusual grants See line 28)					0
16	Membership fees received					
17	Gross receipts from admissions, merchandise					
	sold or services performed, or furnishing of	1 724 262 260	1 540 420 602	1 445 400 657	1 254 001 520	E 004 002 120
	facilities in any activity that is related to the	1,734,362,260	1,549,428,692	1,445,409,657	1,254,881,529	5,984,082,138
	organization's charitable, etc , purpose					
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	5,934,537	3,248,523	8,039,919	13,855,517	31,078,496
	511 taxes) from businesses acquired by the					
	organization after June 30, 1975					
19	Net income from unrelated business activities not included in line 18					C
20	Tax revenues levied for the organization's benefit					
	and either paid to it or expended on its					0
	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					C
	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					O
23	Total of lines 15 through 22	1,740,296,797	1,552,677,215	1,453,449,576	1,268,737,046	6,015,160,634
24	Line 23 minus line 17	5,934,537	3,248,523	8,039,919	13,855,517	31,078,496
25	Enter 1% of line 23	17,402,968	15,526,772	14,534,496	12,687,370	31,070,130
26	Organizations described on lines 10 or 11: a Er				▶ 26a	
	Prepare a list for your records to show the name of					
	governmental unit or publicly supported organizati	on) whose total qıfl	s for 2001 throu	ah 2004 exceede	d	
	the amount shown in line 26a Do not file this list	with your return. E	nter the total of a	II these excess		
	amounts	•			▶ 26b	
	Total support for section 509(a)(1) test Enter line	e 24, column (e)			▶ 26c	
	Add Amounts from column (e) for lines 18	, , ,	19			
`	22		26b		▶ 26d	
	Public support (line 26c minus line 26d total)				▶ 26e	
	Public support percentage (line 26e (numerator) d	ivided by line 26s (donominator\\		▶ 26f	
-						
27	Organizations described on line 12: a For amou					
	prepare a list for your records to show the name of			i year from, each	disqualified pers	on
	Do not file this list with your return. Enter the sun			,	(0004)0	
	(2004) 0 (2003) 0		2002)0		(2001)0	
ŀ	For any amount included in line 17 that was receiv					
	records to show the name of, and amount received					•
	or (2) \$5,000 (Include in the list organizations de					
	return. After computing the difference between the		and the larger am	ount described in	(1) or (2), enter t	he sum of
	these differences (the excess amounts) for each y	ear				
	(2004) 0 (2003) 0	(2002)0	((2001) 0	
	Add Amounts from column (e) for lines 15		0 16	0		
•	Add Amounts from column (e) for lines 15 17 5,984,082,138 20		0 21	0	► 27c	E 004 002 120
		and line 27h tota			· -	5,984,082,138
		and line 27b tota			▶ 27d	(
•	Public support (line 27c total minus line 27d total)		, , <u>.</u> .	276	▶ 27e	5,984,082,138
f	Total support for section 509(a)(2) test Enter am		L	27f 6,015	5,160,634	_
9	Public support percentage (line 27e (numerator) d			Iamami	▶ 27g	99 48 %
	Investment income percentage (line 18, column (e				27h	0 52 %
28	Unusual Grants: For an organization described in li	ne 10, 11, or 12 tr	ial received any l	ınusuai grants du	iring ∠oo1 through	12004,

Part	Private School Questionnaire (See page 7 of the instructions.)			
29 D	(To be completed ONLY by schools that checked the box on line 6 in Part IV) oes the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws,		Yes	No
	ther governing instrument, or in a resolution of its governing body?	29		
	oes the organization include a statement of its racially nondiscriminatory policy toward students in all its			
	rochures, catalogues, and other written communications with the public dealing with student admissions,			
	rograms, and scholarships?	30		
-	as the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during			
	ne period of solicitation for students, or during the registration period if it has no solicitation program, in a way			
		31		
	nat makes the policy known to all parts of the general community it serves? f "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)	31		
11	Tes, please describe, it into, please explain (11 you need more space, attach a separate statement)			
_		4		
_		4		
_		4		
_		4		
	oes the organization maintain the following			
a R	ecords indicating the racial composition of the student body, faculty, and administrative staff?	32a		
bR	ecords documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory			
b	asıs?	32b	İ	
c C	opies of all catalogues, brochures, announcements, and other written communications to the public dealing			
	ith student admissions, programs, and scholarships?	32c	i	
	opies of all material used by the organization or on its behalf to solicit contributions?	32d		
u -				
T f	fyou answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
11	you answered two to any of the above, please explain (II you need more space, attach a separate statement)			
_		4		
33 <u>-</u>		4		
33 D	oes the organization discriminate by race in any way with respect to			
_				
a S	tudents' rights or privileges?	33a		
ЬΑ	dmissions policies?	33Ь		
c E	mployment of faculty or administrative staff?	33c		
d S	cholarships or other financial assistance?	33d		
e E	ducational policies?	33e		
_				
اء	se of facilities?	33f		
, ,	50 of facilities	33.		
^	thletic programs?	33g		
g A	thetic programs.	33g		
_				
h O	ther extracurricular activities?	33h		
Ιf	fyou answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
_				
_		_		
_				
_				
34a D	oes the organization receive any financial aid or assistance from a governmental agency?	34a		
ьΗ	as the organization's right to such aid ever been revoked or suspended?	34b		
Ιf	fyou answered "Yes" to either 34a or b, please explain using an attached statement			
35 D	oes the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05			
	f Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		
	Schedule A (Form 9)			200=

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

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

Check by a fifthe organization belongs to an affiliated group. Check by b figure checked "a" and "limited control" provisions apply

Che	ck 🟲 a If the organization belong	s to an affiliated group Check 📂 b i	if you che	ecked	"a" and "limited con	trol" provisions apply
		bbying Expenditures " means amounts paid or incurred)			(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influe	nce public opinion (grassroots lobbying)		36		
37	Total lobbying expenditures to influe	nce a legislative body (direct lobbying)		37		
38	Total lobbying expenditures (add line	es 36 and 37)		38		
39	Other exempt purpose expenditures			39		
40	Total exempt purpose expenditures	(add lines 38 and 39)		40		0
41	Lobbying nontaxable amount Enter t	he amount from the following table—				
	If the amount on line 40 is—	The lobbying nontaxable amount is—				
	Not over \$500,000	20% of the amount on line 40	ነ			
	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	}	41		
	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	J			
42	Grassroots nontaxable amount (ente	r 25% of line 41)		42		
43	Subtract line 42 from line 36 Enter	-0- if line 42 is more than line 36		43		0
44	Subtract line 41 from line 38 Enter	-0- ıf lıne 41 ıs more than lıne 38		44		0
	Caution: If there is an amount on either	er line 43 or line 44, you must file Form 4720.				•
		1 Vanu Avananina Daniad Hadau Ca		-04/	L\	

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)

		Lobbying Expenditures During 4-Year Averaging Period							
	Calendar year (or fiscal year beginning in) 🏲	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total			
45	Lobbying nontaxable amount								
46	Lobbying ceiling amount (150% of line 45(e))								
47	Total lobbying expenditures								
48	Grassroots nontaxable amount								
49	Grassroots ceiling amount (150% of line 48(e))								
50	Grassroots lobbying expenditures								

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only	y by organizations	that did not complete	Part VI-A) (See	page 11 of tl	he 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
- ${f b}$ Paid staff or management (Include compensation in expenses reported on lines ${f c}$ through ${f h.}$)
- 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
- ${\boldsymbol g} \quad \text{Direct contact with legislators, their staffs, government officials, or a legislative body}$
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h.)

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

_	. Of the moductions.)						
	Yes	No	A mount				
		Νo					
	Yes						
		Νo					
		Νo	4,32				
		Νo					
		Νo					
	Yes		133,32				
		Νo					
		•	137,64				

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 11 of the instructions.)

a Transf	ers from the reporting	g organization to a no	ncharitable exempt organization	of		Yes	No
(i)	Cash				51a(i)		Νo
	O ther assets				a(ii)		Νo
-	transactions						
			narıtable exempt organization		b(i)		No
	Purchases of assets		· -		b(ii)		No
	Rental of facilities, ed		sets		b(iii)		No
	Reimbursement arrar	-			b(iv)		No
	Loans or loan guaran		fundraising solicitations		b(v) b(vi)		No No
			er assets, or paid employees		c D(VI)		No
			ete the following schedule Colur	nn (h) should always show the fa		t valu	
transa	ction or sharing arran	ngement, show in colu	mn (d) the value of the goods, ot (c)				
ne no	A mount involved	Name of noncha	aritable exempt organization	arrangeme			
descri	•	of the Code (other th	with, or related to, one or more to the section 501(c)(3)) or in sect	· •	Г	Yes	<u> </u>
	(a) Name of organiza	ation	(b) Type of organization	(c) Description of rela	ationship		

Additional Data

Software ID:

Software Version: EIN: 93-0798039

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Form 990, Part II, Line 43 - Other expenses not covered above (itemize):

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
a PURCHASED MEDICAL SVCS	43a	722,402,550	722,402,550		
b PURCHASED MEDICAL SVCS-OUTSIDE	43b	121,703,017	121,703,017		
c PURCHASED MEDICAL SVCS-OTHER	43c	87,973,979	87,973,979		
d PURCHASED SERVICES	43d	20,031,414	20,031,414		
e PROF & PUBLIC LIABLITY INS	43e	17,939,053	17,939,053		
f OTHERINSURANCE	43f	6,212,674	6,212,674		
g BAD DEBT EXPENSE	43g	5,641,012	5,641,012		
h BUSINESS LICENSE & TAXES	43h	12,937,463	12,937,463		
i PROPERTY TAXES	43i	4,424,190	4,424,190		
j EMPLOYEE DEVELOPMENT	43j	2,761,482	2,761,482		
k EMPLOYEE RELATED EXPENSE	43k	1,114,033	1,114,033		
I ADVERTISING & MARKETING	431	17,760,964	17,760,964		
m INTER-REGIONAL CHARGES	43m	29,102,805	29,102,805		
n DUES & SUBSCRIPTION	43n	598,567	598,567		
• INTER-REGIONAL CHARGES	43o	98,023,786	98,023,786		
p ALLOCATED ADMIN EXPENSES	43p	71,401,765		71,401,765	

Additional Data

Software ID:

Software Version:

EIN: 93-0798039

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Form **4797**

Department of the

Internal Revenue Service (99)

Name(s) shown on return

Treasury

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

► Attach to your tax return.

► See separate instructions.

OMB No 1545-0184

Sequence No 27

Identifying number

	SER FOUNDATION H THE NORTHWEST	EALTH PLA	A N				93-0798	n 3 a	
1	Enter the gross proc				for 2005 on Form(s) 1			033	
	<u> </u>			<u> </u>	10, or 20 (see instruct		1		
Pa					de or Business an perty Held More T				
	FIOIII Othe	(b) Date			(e) Depreciation		t or other	15ti ut	,tions)
((a) Description of property	acquired (mo , day,	(c) Date sold (mo , day, yr)	(d) Gross sales price	allowed or allowable since	bası ımprove	s, plus ments and		(g) Gain or (loss) tract (f) from the sum of (d) and (e)
2 \	/ARIOUS FIXED ASSETS	yr)	1 7 7	348,312	acquisition	expens	se of sale 474,77	1	-126,462
	ARIOUS FIXED ASSETS			340,312			474,77	4	-120,402
3	Gain, if any, from Fo	rm 4684, lii	ne 42					3	
4	Section 1231 gain f	rom ınstallr	nent sales fro	om Form 6252, line 26	or 37			4	
5	Section 1231 gain o	or (loss) fro	m like-kind e	xchanges from Form 8	824			5	
6	Gain, if any, from line	e 32, from o	other than ca	sualty or theft				6	
7	Combine lines 2 thro	ough 6 Ent	er the gain or	r (loss) here and on the	e appropriate line as fol	lows .		7	-126,462
					ns. Report the gain or (I Schedule K, line 9 Skip				
8	from line 7 on line 1 section 1231 losses capital gain on the S	1 below and s, or they wo schedule D	l skip lines 8 ere recapture filed with you	and 9 If line 7 is a ga ed in an earlier year, er	line 7 is zero or a loss, in and you did not have iter the gain from line 7 8, 9, 11, and 12 below	any prior y as a long-t	ear	8	
9	•				ro, enter the gain from l	ına 7 an lını	. 12	_	
9	below If line 9 is mo	ore than zer	o, enter the a		ine 12 below and enter			9	
Pa	rt III Ordinary G	Sains and	Losses (s	see instructions)					
10			•		clude property held 1 ye	ear or less)			
								+	
11	Loss, if any, from lin	e 7						11	(126,462)
12	Gain, if any, from line		unt from line	8, if applicable				12	
13								13	
14								14	
15					6			15	
16				•				16	
17	Combine lines 10 th	•		_				17	-126,462
18	For all except individ	dual returns	, enter the a		the appropriate line of y				
а	Enter the part of the	loss from I	ncome-produ	ıcıng property on Sche	umn (b)(II), enter that p dule A (Form 1040), IIr 1040), IIne 22 Identify	ne 27, and t	he part of		
		•		,				18a	
b					, on line 18a Enter her			18b	

Part III Gain From Disposition of Propert (see instruction)	y Und	ler Sections 12	45, 1	L250,	1252	, 1254,	and	1255	
19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 pro	perty							(b) Date acquired(mo , day, yr)	(c) Date solo (mo , day, yr)
В									
c									
D			1						
hese columns relate to the properties on lines 19A through 19D		Property A	P	ropert	у В	Prop	erty C	Pro	perty D
20 Gross sales price (Note: See line 1 before completing)	20								
21 Cost or other basis plus expense of sale	21								
Depreciation (or depletion) allowed or allowable	22								
23 Adjusted basis Subtract line 22 from line 21 .	23		-						
24 Total gain Subtract line 23 from line 20	24								
25 If section 1245 property:									
a Depreciation allowed or allowable from line 22	25a								
b Enter the smaller of line 24 or 25a	25b								
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291									
a Additional depreciation after 1975 (see instructions)	26a								
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b								
c Subtract line 26a from line 24 If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c								
d Additional depreciation after 1969 and before 1976	26d								
e Enter the smaller of line 26c or 26d	26e								
${f f}$ Sections 291 amount (corporations only)	26f								
g Add lines 26b, 26e, and 26f	26g								
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership)									
a Soil, water, and land clearing expenses	27a								
b Line 27a multiplied by applicable percentage (see instructions)	27b								
c Enter the smaller of line 24 or 27b	27с								
8 If section 1254 property:									
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a								
b Enter the smaller of line 24 or 28a	28b		1						
29 If section 1255 property:									
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a								
b Enter the smaller of line 24 or 29a (see instructions)	29b								
Summary of Part III Gains. Complete prope	erty c	olumns A throug	h D th	nrougl	h line 2	9b befor	e go	ing to line 3	
30 Total gains for all properties Add property column	ıs A th	rough D, line 24					30		
Add property columns A through D, lines 25b, 26	ј, 27с,	28b, and 29b Ent	er her	e and o	n line 1	. 3	31		
32 Subtract line 31 from line 30 Enter the portion from portion from other than casualty or theft on Form 4						nter the	32		
Part IV Recapture Amounts Under Sectio (see instructions)	ns 17	'9 and 280F(b)	(2) V	Vhen	Busin	ess Use	Dro	ps to 50%	or Less
22 Cookion 170 overses deductive and access	lla!	lo in prior ver-		33	(8	a) Section 179			ection (b)(2)
Section 179 expense deduction or depreciation aRecomputed depreciation (see instructions) .	nowab	ie ili pilot years .	•	34				1	
Recomputed depreciation (see instructions) . Recapture amount Subtract line 34 from line 33 See the ins	tniction	c for where to report	•	35				1	

Additional Data

Software ID:

Software Version:

EIN: 93-0798039

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

TY 2005 Cash Grants Paid Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Class of Activity	Recipient's name	Address	Amount	Relationship
	SEE STATEMENT	ONE KAISER PLAZA OAKLAND, CA 94612	128,995	NONE

TY 2005 Gain/Loss from Sale of Public Securities Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

EIN: 93-0798039

Gross Sales Price: 1,400,000

Basis: 1,400,000

Sales Expenses:

Total (net):

TY 2005 Investments - Securities Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Book Value	Cost/FMV
MARKETABLE SECURITIES	3,839,080	F

TY 2005 Other Assets Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Beginning of Year Amount	End of Year Amount
DUE FROM KAISER AFFILIATED HP	270,997,023	307,321,426
INTANGIBLE PENSION ASSETS	37,104,438	24,126,715
OTHER LONG TERM ASSETS	376,006	0

TY 2005 Other Changes in Net Assets Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Amount
NET UNREALIZED LOSS ON INVESTMENTS	103,673
PRINCIPLE	559,189

TY 2005 Other Expenses Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Amount
LOSS ON FIXED ASSETS-RECLASS	126,462



TY 2005 Other Expenses Not Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Amount
BAD DEBT EXPENSE-RECLASS	5,641,012

TY 2005 Other Liabilities Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Beginning of Year Amount	End of Year Amount
RESERVE FOR UNCLAIMED PROPERTY	105,377	145,311
RESERVE FOR SELF INSURED RISKS	2,369,525	7,969,086
RESERVE FOR PROF & PUBLIC LIAB	15,041,791	14,548,146
RESERVE FOR WORKERS COMP RISK	3,037,447	2,310,175
POST RETIREMENT BENEFIT-LT	69,122,477	96,231,523
POST RETIREMENT BENEFIT-CURRT	5,129,000	5,975,000
OTHER LIABILITIES & DEPOSITS	2,961,670	10,257,440

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93490319011566
•		

TY 2005 Other Revenues Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Amount
ACCOUNTING PRINCIPLE	-559,189
BAD DEBT EXPENSE-RECLASS	-5,641,012



TY 2005 Other Revenues Not Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Amount
LOSS ON FIXED ASSETS-RECLASS	-126,462

TY 2005 Non Electing Public Charities Statement

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

EIN: 93-0798039

Statement:



TY 2005 Self Dealing Statement

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Line Number	Explanation
2a	

Line Number	Explanation
2b	

Line Number	Explanation
2c	

Line Number	Explanation
2d	FORM 990, PART V

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2005 Supplemental Support Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Year	Gifts, Grants and Contributions Received	Membership Fees Received	Gross Receipts From Admissions, Etc.	Gross Investment Income And Post 1975UBI	Net UBI Pre 1975	Tax Revenues Levied For Organization's Benefit	Value Of Services, Facilities Furnished By Government	Other Income	Total
2005			1,734,362,260	5,934,537					1,740,296,797
2004			1,549,428,692	3,248,523					1,552,677,215
2003			1,445,409,657	8,039,919					1,453,449,576
2002			1,254,881,529	13,855,517					1,268,737,046

Form 8868 (Rev. 12-2004) Page 2										
		filing for an Additional (not automatic) 3-Month Extension, complete only								
	•	complete Part II if you have already been granted an automatic 3-month ext filing for an Automatic 3-Month Extension, complete only Part I (on page 1	•							
Part	Α	dditional (not automatic) 3-Month Extension of Time - Must	File Original and One Copy.							
Type or		Name of Exempt Organization KAISER FOUNDATION HEALTH PLAN	Employer identification number							
print File by the		OF THE NORTHWEST	93-0798039							
		Number, street, and room or suite no. If a P.O. box, see instructions.	For IRS use only							
extended due date for		ÖNÈ KAISER PLAZA, SUITE 1550L								
filing the return See		City, town or post office, state, and ZIP code. For a foreign address, see instructions.								
instruction		OAKLAND, CA 94612								
Check type of return to be filed (File a separate application for each return):										
x	Form	990 Form 990-T(sec. 401(a) or 408(a) trust)	Form 5227							
	Form	990-BL Form 990-T (trust other than above)	Form 6069							
	Form	990-EZ Form 1041-A	Form 8870							
		990-PF Form 4720								
STOP:	: Do	not complete Part II if you were not already granted an automatic 3-mor	th extension on a previously filed Form 8868.							
		ks are in the care of ▶ <u>NATIONAL DIRECTOR OF TAX</u>								
		ne No. ▶ <u>510 271-6385</u> FAX No. ▶ <u>510</u>								
		inization does not have an office or place of business in the United States, c								
		r a Group Return, enter the organization's four digit Group Exemption Numb								
		le group, check this box	x ▶ and aπach a list with the							
		EINs of all members the extension is for.								
	•	est an additional 3-month extension of time until 11/15/2006	and anding							
	For calendar year <u>2005</u> , or other tax year beginning <u>and ending</u> . If this tax year is for less than 12 months, check reason: <u>Initial return</u> Final return <u>Change in accounting period</u>									
		in detail why you need the extension <u>THIS ENTITY IS A MEMBER</u>								
		GRATED MANAGED HEALTH CARE DELIVERY PROGRAM AND REC								
_		TO VERIFY THAT EACH MEMBER'S TAX RETURN DATA IS CO								
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										
		application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable								
	tax payments made. Include any prior year overpayment allowed as a credit and any amount paid									
	•	pusly with Form 8868	•							
		Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit								
		FTD coupon or, if required, by using EFTPS (Electronic Federal Tax								
		ctions	•							
		Signature and Verification	1							
Under p	penaltie e, corre	es of perjury, I declare that I have examined this form, including accompanying schedules ar ect, and complete, and that I am authorized to prepare this form.								
Signatui	re 🕨	Notice to Applicant - To Be Complete	NTROLLER Date ▶ 8-1-06							
		Notice to Applicant - To Be Complete	d by the IRS							
		nave 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 of therwise 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 extended due date of the return for which an extension was requested. Other										
			Date							
Director Date										
Alterna te Mailing Address - Enter the address if you want the copy of this application for an additional extension returne of to an address different than the one entered above.										
returne d to an address different than the one entered above.										
		Name	AUG 2 2 2 2 0 0 6							
Туре о	or I	Number and street (include suite, room, or apt. no.) or a P.O. box number								
print			LINDA WEISKOPF, FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN							
		City or town, province or state, and country (including postal or ZIP code)	OCESSING, OGDEN							

Form 8868 (Rev. 12-2004)

JSA 5F8055 1 0 🔾 0 Form

(Rev. December 2004)

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury

OMB No. 1545-1709

Internal Revenue S	ervice	File a separate a	pplication for each return.		
If you are fi	iling for an Automatic	3-Month Extension, complete	only Part I and check this	box	× x
 If you are fi 	iling for an Additional :	(not automatic) 3-Month Exte	nsion, complete only Part	II (on page 2	of this form).
		ve already been granted an au			usly filed Form 8868.
Part Auto	matic 3-Month Exte	e nsion of Time - Only submi	t original (no copies nee	eded)	
	•	an automatic 6-month extensi		•	· · · · · · · · · · · · · · · · · · ·
		m 990-C filers) must use Form oust use Form 8736 to request			
returns noted (not automatic	below (6 months for c) 3-month extension,	3 can be filed electronically if corporate Form 990-T filers). instead you must submit the form, visit www.irs.gov/efile.	However, you cannot file	ıt electronica	lly if you want the additional
Type or		nization KAISER FOUNDATI	ON HEALTH PLAN	E	mployer identification number
print	OF THE NORT				93-0798039
File by the		om or suite no. If a P.O. box, see ins	structions.		
due date for	ONE KAISER	PLAZA, SUITE 1550L			
filing your return. See		e, state, and ZIP code. For a foreigr	address, see instructions.		
instructions.	OAKLAND, CA	94612			
Check type o	f return to be filed (file	a separate application for each	ch return):		
X Form 990)	Form 990-T (corporation)		Form 4	1720
Form 990	-BL	Form 990-T(sec. 401(a) o	r 408(a) trust)	Form 5	5227 .
Form 990	-EZ	Form 990-T (trust other th	an above)	Form 6	6069
Form 990	-PF	Form 1041-A	ι	Form 8	3870
 If the organ If this is for for the whole names and Ell 	a Group Return, enter group, check this box Ns of all members the	an office or place of business r the organization's four digit G ▶ If it is for part of th	roup Exemption Number (C	this box GEN) and	
•		return for the organization nam	•		
▶ 🗓	calendar year 2005	-			
	tax year beginning	-	, and ending		,
2 If this tax	year is for less than 1	2 months, check reason:	Initial return Final	return (Change in accounting period
		990-BL, 990-PF, 990-T, 4720			
non refun	dable credits. See inst	ructions			\$
b If this ap	oplication is for Form 9	990-PF or 990-T, enter any ref	undable credits and estim	ıated tax payı	ments
made. In	clude any prior year ov	verpayment allowed as a credit			\$
		from line 3a. Include your pa			
	•	uired, by using EFTPS (Elec			
C aution. If you for paym ent ir		electronic fund withdrawal with	i uns futili oodo, see fot	III 0403-EU 8	IIIG 1 01111 007 5-EU
		luction Act Notice, see Instruc			Form 8868 (Rev. 12-2004)

KAISER FOUNDATION HEALTH PLAN OF NORTHWEST INC. FORM 990 TAX YEAR 2005

93-0798039

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

DESCRIPTION	DATE & HOW ACQ'RD	DATE SOLD	SALES PRICE	COST/ EXPENSE OF SALE	ACCUM DEPREC	GAIN OR (LOSS)
GAIN AND LOSS ON SALES AND OTHER DI	SPOSITIONS:					
Land - Vancouver Dental Land			163,002	289,744	0	(126,742)
Various dental equipment	Various	Various	24,302	223,727	207,330	7,905
Various equipment - Trade In	Various	Various	43,786	63,704	19,918	-
Various equipment	Vanous	Vanous	117,222	1,516,971	1,392,124	(7,625)
GAIN ON SALE OF FIXED ASSETS			348,312	2,094,146	1,619,372	(126,462)
RECAP OF NET GAIN/(LOSS)						
ORIGINAL COST AND EXPENSE OF SALE				2,094,146		
ACCUMULATED DEPRECIATION				1,619,372		
NET BOOK VALUE				474,774		
LESS GROSS SALES PROCEEDS				(348,312)		
NET GAIN/(LOSS)				(126,462)		

NOTE #1 THE FOREGOING FIXED ASSETS AND OTHER EQUIPMENT WERE ALL ACQUIRED BY PURCHASE BY THE ORGANIZATION FOR USE IN ITS TAX-EXEMPT PURPOSE

2005
Kaiser Foundation Health Plan
NW Division
KFHP Summary

Account Number Account Title	Account Title	Donce	Donee's Address	Date	Contributions
08 049 7243 8725	08 049 7243 8725 Government Relations	Healthy Indoor Air for All Washington Ballot Measure Contribution	130 Nickerson St. Seattle, WA 98109	Oct	5,000.00
08 049 7237 8726	08 049 7237 8726 Comm & Gov Relations	Vancouver National Historic Reserve Trust Sponsorship of Civilian/Home	750 Anderson St. Vancouver, WA 98661	7/27/05	10,000.00
		African American Health Coalthon AAHC Support 10th Annual Wellness	2800 N. Vancouver Ave Portland, OR 97227	Sept	10,000.00
		Urban League of Portland 2005 Equal OPP Dy Dinner Sponsorship	Ten N. Russell St. Portland, OR 97227	Sept	5,000.00
		Race for the Cure/Susan Komen Breast Cancer FND Race for the Cure Sponsorship Fee	1400 SW 5th Ave Portland, OR 97201	Nov	5,008.00
•		The Food Alkance Sponsorship Food Alliance Recog Dinner	1829 NB Albert Portland, OR 97211	Dec	5,000.00
Various	Various	Other-Less than \$5,000	Various	various	88,994.54
	-		Total Contributions		128.994 54

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.

	cc	ST	ACCUMULATED	DEPREC/AMORT	2005
	BEGINNING	END OF	BEGINNING	END OF	DEP/AMORT
	OF YEAR	YEAR	OF YEAR_	YEAR	EXPENSE
			_		_
LAND	30,179,681	30,179,681	0	0	0
LAND IMPROVEMENTS	9,219,254	9,219,253	8,640,135	8,800,358	160,225
BUILDINGS	270,094,242	289,682,965	123,116,862	135,535,072	11,879,577
LEASEHOLD IMPROVEMENTS	17,821,690	18,970,710	7,568,816	9,563,942	1,995,126
EQUIPMENT	83,048,671	87,638,561	52,722,136	46,719,058	9,658,305
CAPITALIZED SOFTWARE	4,734,756	2,940,350	3,434,194	2,005,543	678,374
CAPITALIZED LEASES	0	0	0	•	0
CONSTRUCTION IN PROGRESS	8,940,166	9,879,838	0	0	0
OTHER AMORTIZATION - START UP A	ND DEFERRED C	OSTS -			0
TOTALS TO:					
PART IV, LINE 57(A)	424,038,460	448,511,358			
PART IV, LINE 57(B)			195,482,143	202,623,973	
PART IV, LINE 57(C)	228,556,317	245,887,385			
PART II, LINE 42 COLUMN (B)					24,371,607

KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST 93-0798039 December 31, 2005

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

(A) NAME	(B) TITLE/ HOURS* WEEKLY		(C1) COMPENSATION PRE 2005	(C2) COMPENSATION 2005	(D1) BENEFIT 2005	(D2) BENEFIT PAID 2006	(E) EXP ACCT/ OTHER ALLOW.
see note 2 DIRECTORS:	*see note 7		See Notes 3 & 4	See Notes 3 & 4	See Notes 3, 4 & 5	See Notes 3, 4 & 5	see notes 3, 4 & 6
George C Halvorson	Director & Chairman		0	0	0	0	0
Daniel P Garcia	Director		0	0	0	0	0
Barbara D Blum	Director to March 2005	2	0	0	0	0	0
Christine K Cassel	Director	=	0	0	0	0	0
Thomas W Chapman	Director	æ	0	0	0	0	0
William R. Graber	Director	9	0	0	0	0	0
J Eugene Grigsby III	Director	æ	0	0	0	0	0
Kim J Kaiser	Director	7	0	0	0	0	0
J Neal Purcell	Director	8	0	0	0	0	0
Philip A Manneau	Director	5	0	0	0	0	0
Robert L Ridgley	Director retired December 2005	2	0	0	0	0	0
Cynthia Telles	Director	9	0	0	0	0	0
Hans Tjian	Director to August 2005	5	0	0	0	0	0
Sandra Thompkins	Director from June 2005	ო					
OFFICERS AND KEY EMPLOYEES:	ES:		c	c	c	c	c
* * * * * * * * * * * * * * * * * * *		9	0 0	o C		0 0	9 0
Robert F Roos *	Sector Vice President to February 2005	5 4		0 0		0 0	o C
Kathryn Lancaster	Senior Vice President	9 9	•	•	•	•	•
Thomas R Meier	Vice President/Treasurer	40	0	0	0	0	0
Arthur M Southam, MD	Senior Vice President	40	0	0	0	0	0
Deborah Stokes	Vice President/Controller	40	0	0	0	0	0
Steven R Zatkın	Senior Vice President	40	0	0	0	0	0
Victoria B Zatkın	Assistant Secretary	40	0	0	0	0	0
Jennifer Gardner	Assistant Secretary	40					

KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST 93-0798039 December 31, 2005

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

(A) NAME	(C1) COMPENSATION	(C2) COMPENSATION	(D1) BENEFIT	(D2) BENEFIT	(E) EXP ACCT/
	PRE 2005	2005	2005	PAID 2006	OTHER ALLOW.
see note 2	See Notes 3 & 4	See Notes 3 & 4	See Notes 3, 4 & 5	See Notes 3, 4 & 5	see notes 3, 4 & 6
George C Halvorson	2,605,083	2,817,749	1,592,563	1,570,000	0
Daniel P Garcia	564,016	632,352	423,952	261,962	10,891
Barbara D Blum	0	29,625	0	0	0
Christine K Cassel	0	133,000	0	0	0
Thomas W Chapman	0	161,173	14,000	0	0
William R Graber	0	156,333	0	0	0
J. Eugene Grigsby III	0	159,975	0	0	0
Kim J. Kaiser	0	167,500	0	0	0
J. Neal Purcell	0	158,000	14,000	0	0
Philip A. Marineau	0	139,833	0	0	0
Robert L Ridgley	0	151,182	0	0	0
Cynthia Telles	0	162,475	0	0	0
Hans Tjian	0	86,222	0	22,000	0
Sandra Thompkins	0	91,917	0	0	0
Cynthia A Finter	706,048	588,180	138,937	0	0
Robert E Briggs *	3,798,344	3,893,545	114,996	3,334	0
Kathryn Lancaster	156,539	577,854	240,701	323,499	0
Thomas R Meier	166,555	330,101	123,589	154,818	0
Arthur M Southam, MD	1,308,033	1,364,458	359,644	533,681	0
Deborah Stokes	184,465	387,744	125,771	114,031	0
Steven R Zatkin	512,031	815,098	657,832	333,189	0
Victoria B Zatkin	33,467	225,589	60,622	66,581	0
Jennifer Gardner	0	73,936	9,320	4,625	0

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

Note #1 - This Organization is one of the corporate entities listed on Part VI, 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 Ordway 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 2005. This compensation is effectively reported in Part V 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 2004 and 2005. For instance, column C1 includes amounts paid in 2005 for achievement of performance goals for prior years, and column D2 includes payments scheduled for 2006 for performance goals achieved in 2005.

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-A line 75 c 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 2005 accruals for future benefits under Plan A are included in column D1.

93-0798039

For other benefit plans available to executives which provide future benefits earned during 2005 (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 future 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.

Certain officers, directors and key employees are eligible for post-retirement medical and life insurance benefits if they meet certain eligibility requirements. Payments are not made to these post-retirement benefit plans on behalf of individuals until retirement, and thus, payments to these plans are not reported on Part V, column D. However, when the retiree benefits are actually paid, they are reported on Part V-B of the Form 990.

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 2005 is reported based on individual records for Directors Kaiser, Ridgley, Graber, Cassel, Grigsby, Chapman, Thompkins, Purcell and Telles; for the other directors the time 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, Inc., Kaiser Foundation Hospitals, Kaiser Foundation Health Plan of the Northwest, Kaiser Foundation Health Plan of Colorado, and Kaiser Foundation Health Plan of Ohio have the same Directors. The hours reported for outside Directors for Part V represent the total average weekly time spent by each Director on all of these organizations' affairs during 2005.

KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST 93-0798039 December 31, 2005

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

EXP ACCT/ OTHER ALLOW.	0 0 0
BENEFIT PAID 2006 See Notes 3, 4 &	
(D1) BENEFIT 2005 See Notes 3, 4 & 5	12,399 12,399
(C2) COMPENSATION 2005 See Notes 3 & 4	00
(C1) COMPENSATION PRE 2005 See Notes 3 & 4	0 0
(B) LOANS AND ADVANCES	00
(A) NAME see note 2	MERWYN GREENLICK WILLIAM COOPER

KAISER FOUNDATION HEALTH PLAN OF OHIO

FEIN: 34-0922268 December 31, 2005

NON-AFFILIATED TAXABLE ORGANIZATION RELATIONSHIPS

NAME	NON-AFFILIATED TAXABLE ORG	TRANSACTIONAL RELATIONSHIP
PHILIP A MARINEAU	LEVI STRAUS & CO	NONE
HANS TIJAN	WESTAMERICA BANCORPORATION	NONE
ROBERT RIDGLEY	NORTHWEST NATURAL GAS COMPANY	GAS SUPPLIER FOR NORTHWEST REGION

FEIN: 93-0798039

12/31/05

FAMILY AFFILIATIONS REPORTED

NAME	FAMILY MEMBER AFFILIATION
STEVE R ZATKIN	SPOUSE EMPLOYEE OF KFHP INC.
VICTORIA B ZATKIN	SPOUSE, SR. VP, GENERAL COUNSEL AND SECRETARY OF KFH, KFHP INC AND REGIONAL HEALTH PLANS
CYNTHIA TELLES	COUSIN, PHYSICIAN SOUTHERN CALIFORNIA MEDICAL GROUP

KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST 93-0798039 DECEMBER 31, 2005

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, 2005:

EMPLOYER ID#	ENTITY NAME		DIRECT & INDIRECT % CONTROLLED BY KFHP, INC
	ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION N, INC , THAT ARE ALSO EXEMPT FROM FEDERAL INCOME TAX UNDER IRC 501(C)(3):		
93-0798039 84-0591617 58-1592076 52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST 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 OHIO		100% 100% 100%
34-0922268 23-7425486 94-3299124 93-0954562 94-3299123 93-0480268 91-2171891	COMMUNITY HEALTH PLAN KAISER HEALTH PLAN ASSET MANAGEMENT, INC KAISER HEALTH ALTERNATIVES CAMP BOWIE SERVICE CENTER OPP LOKAHI ASSURANCE, LTD		100% 100% 100% 100% 100% 100%
SUBSIDIARY	ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION N, INC. THAT ARE TAXABLE FOR FEDERAL AND STATE INCOME TAX PURPOSES.		100 /8
03-0329760 94-3113684 94-3259432 91-1814507	OAK TREE ASSURANCE, LTD KAISER PERMANENTE HEALTH ALTERNATIVES, INC KAISER PROPERTIES SERVICES, INC CHP COMPANIES, INC		100% 100% 100% 100%
	NDATION HEALTH PLAN, INC IS AFFILIATED WITH THE FOLLOWING ENTITIES EXEMPT IAL INCOME TAX UNDER IRC SECTION 501(C)(3)		
94-1105628 94-3299125	KAISER FOUNDATION HOSPITALS KAISER HOSPITALS ASSET MANAGEMENT, INC	*(1) *(2)	N/A N/A
	NDATION HEALTH PLAN, INC. IS AFFILIATED WITH THE FOLLOWING AT ARE NOT EXEMPT FROM FEDERAL INCOME TAX:		
94-3245176 94-3292262 68-0444615 91-2166347 94-3203402 N/A 20-2961620 20-2712661	KAISER PERMANENTE INTERNATIONAL KAISER PERMANENTE VENTURES CARETOUCH, INC KP ONCALL, LLC (elected to be treated as a disregarded entity for tax purposes) KAISER PERMANENTE INSURANCE COMPANY HAMI - COLORADO, LLC (elected to be treated as a disregarded entity for tax purposes) KP CAL KPCAL, LLC (elected to be treated as a disregarded entity for tax purposes)	*(2) *(2) *(2) *(2) *(3) *(4)	N/A N/A N/A N/A 50% N/A 100%
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		

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

TIN: 93-0798039 DECEMBER 31, 2005

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 NORTHWEST, INC EMPLOYEE COMPENSATION FOR FORM 990 REPORTING PURPOSES FOR TAX YEAR 2005

	TOP FIVE EMPLOYEES	IPLOYEES					
NAME	TITLE	HOURS	(C1) COMPENSATION PRE-2005	(C2) COMPENSATION 2005	(D1) BENEFITS 2005	(D2) BENEFITS PAID 2006	(E) EXP ACCT/ OTHER ALLOW.
		see note 7	see note 7 see notes 3 & 4	see notes 3 & 4	see notes 3, 4 & 5	see Notes 3, 4 & 5	see notes 3, 4 & 6
DONNA MCCLELLAN	٩	40	100,278	261,329	95,719	27,615	0
FRANK E. HEMEON	٩	40	79,878	268,454	81,590	0	0
PATRICIA PETERS	٩	40	119,452	247,364	91,731	31,157	0
SUSAN HENNESSY	ď	40	107,173	219,264	85,470	21,978	0
MARY DURHAM	ΛÞ	40	89,489	218,251	44,986	20,740	0

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

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Schedule A, Part III, Question 2a:

Kaiser Foundation Health Plan of the Northwest (KFHP) is organized for the public benefit and provides health and medical care services for its members. KFHP and Kaiser Foundation Health Plan, Inc. (KFHP Inc.) and Kaiser Foundation Hospitals (KFH) have common Boards of Directors. KFHP, KFHP, Inc. and KFH are operated as separate charitable corporations. See **Statement 18** for a list of tax-exempt and non-exempt related entities.

Based on a review of KFHP records and Conflict of Interest (COI) statements for these directors, officers and key employees for 2005, KFHP did not engage in the sale, exchange, or leasing of property with any of the persons listed on Form 990, Part V.

Based on a review of the records of the affiliated taxable entities for transactions with these individuals, none of these taxable entities engaged in any sale, exchange or lease of property with KFHP individual directors or officers.

In the normal course of business in carrying out its charitable purposes, KFHP may have entered into the sale, exchange, or leasing of property with some of the related entities described in **Statement 18**. KFHP relationships with such organizations are conducted at a price which is not less than cost or more fair market value.

Schedule A, Part III, Question 2b:

Statement 17, page 2 provides a list of the directors, officers and key employee family members with whom KFHP did business or who were employed by KFHP or any KFHP affiliate. KFHP does not have trustees, creators or substantial contributors.

Based on a review of KFHP records and COI statements for these directors, officers and key employees for 2005, KFHP did not engage in the lending of money or other extension of credit with any of these persons in 2005. KFHP, Inc. has a program that provides loans to relocate executives. The program was modified in August 2002 to take into consideration the Section 402 provisions of the Sarbanes Oxley Act, limiting certain employees' eligibility for loans. **Statement 16** provides information regarding officer and key employee loans made by KFHP, Inc. as disclosed in the KFHP, Inc. 2005 Form 990, Part IV and Schedule A, Part III, question 2b.

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Based on the COI questionnaires for 2005, **Statement 17, page 1** lists non-affiliated taxable organizations which did business with KFHP in 2005 and on which KFHP officers, directors, key employees or their families served as an officer, director, or owner. KFHP relationships with such organizations are conducted on a fair market value basis and the KFHP officer director or key employee abstained from voting on any such matter.

Schedule A, Part III, Question 2c:

Form 990, Part V lists the officers, directors and key employees of KFHP in 2005. Based on a review of COI statements for these directors, officers and key employees for 2005, **Statement 17, page 2** provides a list of their family members with whom KFHP did business or who were employed by KFHP or any KFHP affiliate. KFHP does not have trustees, creators or substantial contributors. Any such transactions are conducted on a fair market value basis.

Based on a review of KFHP records and COI statements for these directors, officers and key employees for 2005, KFHP did not engage in the furnishing of goods, services, or facilities with any of the persons in 2005.

In the normal course of business in carrying out its charitable purposes, KFHP may have entered into the furnishing of goods, services, or facilities with some of the related taxable entities. **Statement 23** generally describes the transactions between KFHP and those entities.

Based on the COI questionnaires for 2005, **Statement 17, page 1** lists non-affiliated taxable organizations, which did business with KFHP in 2005 and on which KFHP officers, directors, key employees or their families served as an officer, director, or owner. **Statement 17, page 1** also provides a general summary of the transactional relationship (if any) between KFHP and such organizations. KFHP relationships with such organizations are conducted on a fair market value basis and the officer, director or key employee abstained from voting on any such transaction.

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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 may have 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 not intervened in any political campaign.

Health Plan has several employees and/or may retain a 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 Interest 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 notfor-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.

<u>TAXABLE ENTITY RELATIONSHIPS</u> KAISER FOUNDATION HOSPITALS AND HEALTH PLAN INC.

EMPLOYER TAX ID #	ENTITY NAME		Purpose of Entity
KAISER FOUN	KAISER FOUNDATION HOSPITAL SUBSIDIARIES (TAXABLE):		
94-3245176	KAISER PERMANENTE INTERNATIONAL	Txbi	An International consulting company
94-3292262	KAISER PERMANENTE VENTURES	Txbl	Inactive
68-0444615	CARETOUCH, INC.	Txbl	Retail health products (web based) enterprise Winding up its business affairs.
91-2166347	KP ONCALL, LLC	rrc	Owns & operates nurse telemedicine services call center
KAISER FOUR	KAISER FOUNDATION HEALTH PLAN INC. SUBSIDIARIES (TAXABLE):		
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES	Txbl	Provides dental plans and Point of Service medical plans in Washington state to groups/individuals
94-3259432	KAISER PROPERTIES SERVICES, INC	Txbl	Holds a CA real estate brokerage license
94-3203402	KAISER PERMANENTE INSURANCE COMPANY	Txbl	Insurance company offering indemnity benefit plans
03-0329760	OAK TREE ASSURANCE, LTD	Txbl	Captive insurance company to insure workers compensation & auto insurance coverage
91-2171891	LOKAHI ASSURANCE LTD	Txbl	A captive insurance company to insure and secure reinsurance for property & casualty risks
	ORDWAY INTERNATIONAL, LTD.	Txbl	A holding company to provide offshore risk management tools
	ORDWAY INDEMNITY, LTD	Txbl	An offshore company used as a risk management tool
91-1814507	CHP COMPANIES, INC	Txbl	Holding company, sole member of CHP CHP is an inactive health plan in New York
ST			

2005 COMMUNITY BENEFIT REPORT KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST

Kaiser Foundation Health Plan of the Northwest or "Northwest Health Plan" is a tax-exempt subsidiary health plan of Kaiser Foundation Health Plan, Inc. (KFHP). 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 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 or "Kaiser Permanente."

This report describes the structure of Kaiser Permanente and documents the National Community Benefit activities, programs and services of KFHP, its subsidiaries, and KFH, combined, as well as the specific community benefit provided by Health Plan and KFH in the Northwest Region.

In 2005, Kaiser Permanente served over 8.4 million people in nine states: California, Colorado, Georgia, Hawaii, Maryland, Ohio, Oregon, Virginia, Washington and the District of Columbia. This program is the largest private nonprofit health care program in the United States and has more than 148,000 employees and over 13,000 physicians and 120 dentists. The Northwest Health Plan served 477,929 medical members and another 175,011 dental members through 850 Permanente physicians, 120 Permanente dentists and 4,994 clinical, administrative and technical personnel.

Kaiser Permanente 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 transportation, preventive services, health education, and certain prescribed drugs. More comprehensive drug coverage is also provided through a separate coverage rider.

In Oregon and Washington, four separate legal organizations comprise Kaiser Permanente: Northwest Health Plan, an Oregon nonprofit corporation 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); Northwest Permanente Physicians, PC, an independent multispecialty group of physicians organized as a professional corporation; and the Permanente Dental Associates, PC, an independent multi-specialty group of dentists organized as a professional corporation.

Persons enroll in Kaiser Permanente through KFHP or one of the Health Plan subsidiaries or "Health Plan." Health Plan provides and arranges comprehensive health care services for members on a predominantly prepaid basis and fulfills its contractual obligations to group and individual members by contracting with KFH, and a Permanente Medical Group to provide required health care services.

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

KFHP and KFH are separate corporations governed by identical boards of directors. KFH accepts responsibility to provide or arrange necessary hospital services and facilities for Health Plan members. In Oregon, KFH owns and operates the Kaiser Permanente Sunnyside Medical Center, a nonprofit community hospital, which provides emergency and inpatient services to all persons in the community. Staff privileges are available on a nondiscriminatory basis to physicians in the communities served. KFH

also contracts with other community hospitals to provide hospital services to members for specialized care and other services.

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

KAISER PERMANENTE'S COMMITMENT TO THE COMMUNITY

Through the Kaiser Permanente mission, the organization contributes to the health of the communities in two related ways. First, Kaiser Permanente strives for excellence in serving its more than eight million members through market-leading performance in quality, service and affordability. By doing so, Kaiser Permanente provides a discipline in the marketplace by demonstrating meaningful value and affordability, and generating resources to reinvest in the community's health.

Second, Kaiser Permanente directly invests in improvements to community health by working to increase access for the underserved, disseminating care improvements, altering the social determinants of health, educating healthcare workers and consumers, and informing public policy.

This latter approach, which Kaiser Permanente calls the Direct Community Benefit Investment (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 an intentional, planned, budgeted, measurable, accountable creation for better health in our communities. It is done in collaboration with, not in isolation from, the community. DCBI serves to fulfill Kaiser Permanente's social purpose, justify its tax-exempt status, and differentiate it from other health care organizations.

This tradition of community benefit dates from the earliest days of the Program, when charitable care to non-employees, and later, nonmembers, 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, Safety Net Partnerships, Community Health Initiatives and Charitable Health Coverage 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 to solve major health challenges
- Create a program that engages the creativity and spirit of the people of Kaiser Permanente at all levels
- Meet the requirements placed on KFH, KFHP, and its subsidiary health plans as tax-exempt organizations that return value to the communities served beyond the provision of health care to members

The Board directed that this new DCBI program be guided by a national strategy, with continued local flexibility and implementation. The program is 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 due to socioeconomic status, illness, ethnicity, age, or other disabling factors
- Evidence-based Medicine Develop and communicate the evidence base 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 in managing their own health and obtaining health care
 services
- Public Policy Develop and disseminate public policy information that reflects the interests of the nation as a whole

The Board elaborated that at least 75% of total community benefit funding will be directed to the 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 approved the formation of a National Community Benefit Governance Council, and established a standing Community Benefit Committee of the Board of Directors to oversee the new program. The Board also 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 for Community Benefit, reporting to the CEO and Chairman of the Board.

COMMUNITY BENEFIT PROVIDED BY KAISER FOUNDATION HEALTH PLAN, INC.

KFHP provides 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 reinvested in the program to improve facilities and service, increase benefits, fulfill our charitable mission, and provide affordable rates rather than to pay dividends to stockholders.

KFHP provides care that emphasizes prevention to minimize medical indigence and contributes to quality of life in the communities we serve. To best serve the community by providing affordable, comprehensive health care and support in 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. Our members
 typically have all the services and professional care they require available in one place, which
 facilitates a coordinated approach to care. Equipment and supporting personnel are shared and hightechnology services such as neurosurgery, open-heart surgery, and cancer treatment 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 member payment on a budgeted, prepaid basis that does not vary with the amount of service provided. Permanente Medical Group physicians are generally not compensated on a fee-for-service.
- Benefits Plans KFHP offers a variety of coverage options for unlimited hospital days, physician
 visits, preventive services, immunizations, well-baby care and prenatal care. In order to maximize
 affordability and encourage people at different income levels to purchase coverage, KFHP offers a
 variety of cost-sharing options. Comprehensive, prepaid coverage with differing levels of premium
 and cost-sharing 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.
- 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 for group members 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 896,000 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-1960s. Currently, KFHP and certain of its subsidiaries provide care to over 139,000 Medicaid managed-care members and in addition serve a large number of Medicare and Medicaid patients on a fee-for-service basis. KFHP also participates in the State Child Health Insurance Program (SCHIP) and served an additional 91,000 children in 2005.

THE COMMUNITY BENEFIT PROGRAM IN THE NORTHWEST REGION

In 2005, KFHP and KFH spent approximately \$668 million, or approximately 2.2% of revenue, to support the Community Benefit Program in the community. The Northwest Health Plan spent \$30.3 million, of which \$15.2 million is attributable to the Northwest Health Plan and \$15.1 million is attributable to KFH. A breakdown of the 2005 DCBI dollars attributable to KFHP and KFH nationally is described in Attachment A and those dollars attributable to Northwest Health Plan and KFH in Oregon and Washington in Attachment B.

The following identifies many of the signature community benefit programs and services funded by both Northwest Health Plan and KFH in Oregon and Washington grouped according to the national focus areas.

VULNERABLE POPULATIONS

The Northwest Health Plan and KFH spent nearly \$20.5 million to address the financing and delivery of health care for populations vulnerable due to socio-economic status, illness, ethnicity, age or other factors. Of that amount, \$14.8 million is attributed to the Northwest Health Plan and \$5.7 million is attributed to KFH. Following are highlights of the programs and services provided to vulnerable populations in Oregon and Washington.

MEDICAL CARE SERVICES

The Northwest Health Plan and KFH provide medical care services for vulnerable populations in many ways. These include Charitable Care Programs, participation in public programs for low-income individuals such as Medicaid and the State Children's Health Insurance Program (SCHIP).

Charitable Care (Financial Assistance Program and Charitable Health Coverage)

In Oregon and Washington, Northwest Health Plan and KFH provide charity care to low-income vulnerable populations through two programs — the Financial Assistance Program (FAP) and Charitable Health Coverage Program. In 2005, the Northwest Health Plan spent \$3 million and KFH spent \$1.7 million on under- and uninsured residents in Oregon and Washington.

Financial Assistance Program

This program helps cover medical and dental expenses of patients, including nonmembers who meet qualifying guidelines that are unable to meet all or part of the cost of health care services and supplies provided at any facilities owned and operated by Kaiser Permanente in Oregon and Washington. In 2005, Northwest Health Plan and KFH spent \$1.5 million on this program to serve 807 patients who qualified for medical assistance. Of this amount, \$751,000 is attributed to Northwest Health Plan and \$767,000 is attributed to KFH in Oregon and Washington.

In addition, KFH in Oregon and Washington provided charitable dental care services and supplies to 744 low-income patients during 2005. The region codified their commitment to serve low-income dental patients by signing a formal agreement to provide urgent dental care services for up to five patients monthly at each of their 14 primary care dental offices. Qualified patients are uninsured residents of Multnomah, Clackamas and Washington counties. The charitable dental program also provided urgent dental care services to more than 180 patients screened and referred during the African American Health Coalition's annual health fair.

Charitable Health Coverage Programs

The Northwest Health Plan provided coverage and services valued at \$2.2 million and KFH committed \$1 million to provide subsidized coverage to 1,687 low-income adults and children who are not eligible for standard Medicaid or privately funded coverage. The Charitable Health Coverage Program consists of the Transitions, and Child Health Program.

- Transitions This program provides health care coverage to displaced homemakers and their dependents when enrolled in a select few of Oregon's community colleges. It extends benefits for a 24-month period, not to exceed 48 months in total. To be eligible for the program, each homemaker must be actively completing coursework and maintain a 2.0 grade point average. In addition, family income must be 200% or below the federal income guidelines, not eligible for any other private or public health coverage program, and reside with the Northwest Health Plan's service area. Graduates of the program are eligible for an additional six months if employed and until the employer-paid coverage is activated. Nearly 700 women and children were covered in 2005.
- Child Health Program This fully subsidized health coverage is offered to eligible low-income children from certain elementary schools in the Multnomah and Salem-Keizer School Districts. This charitable program offers comprehensive medical benefits to medically needy students whose family income is at or below 250% of the current federal income guidelines. Each school district supports the program by providing outreach, eligibility determination and enrollment services. In 2005, 1,010 children were enrolled in this program.

Participation in Medicaid and Other Publicly Financed Programs

The Northwest Health Plan and KFH provided coverage and services valued \$6.4 million (in excess of reimbursement) for members and nonmembers participating in government sponsored programs. Of this amount, \$3.8 million is attributed to the Northwest Health Plan and \$2.6 million is attributed to KFH.

- Oregon Health Plan During 2005, the Northwest Health Plan and KFH served approximately
 4,811 enrollees on a prepaid basis. Kaiser Permanente members who had been enrolled in the
 Oregon Health Plan prior to June 30, 2003 maintained their coverage through the year on a
 Medicaid Fee-for-Service basis under an agreement with Oregon's Office of Medical Assistance
 Programs. The Northwest Health Plan re-entered the Oregon Health Plan prepaid program in
 May, 2005.
- Washington Basic Health Plus (BHP-Plus) This is Washington's Medicaid program for children, under the age of 19. Some people who qualify for Washington State Medicaid (Healthy Options) are enrolled in the Washington Basic Health Plan to keep families together in a single, prepaid program. During 2005, the Northwest Health Plan and KFH served, on average 1,381 BHP-Plus members.
- The Washington Basic Health Plan This health care coverage program administered by the Washington State HealthCare Authority is not associated with Medicaid. This plan provides basic health care coverage to low-income persons who do not qualify for Medicaid or Medicare and fall below 200% federal income guidelines. The Northwest Health Plan provides a subsidy for eligible participants who reside in either Clark or Cowlitz counties. At year-end, the Northwest Health Plan and KFH provided care for 2,684 individuals enrolled in this program.

Grants and Donations for Medical Care Services

During 2005, KFH spent \$928,000 to support 24 organizations that deliver medical and/or dental care services to uninsured people in a community setting, mainly safety net clinics in Oregon and Washington. Below are examples of the medical care organizations supported by these grants:

- In 2005, Central City Concern's (CCC) primary care clinics received a \$450,000 grant from KFH in Washington. The clinics provide primary health care services to primarily single, homeless men and women in the metro area of Portland. Full medical and preventive care, minor surgery, women's health exams, disability exams and alcohol and drug treatment support are available. CCC estimates that 45% of its patients are uninsured. Regular medical visits average 3.3 per year per person, but for the homeless the need for additional alcohol and drug treatment increases the total number visits per individual to 11.4.
- KFH donated \$5,000 to the Salud Medical Center (SMC) in Woodburn, Oregon. SMC is one of the 25 clinics in Washington and Oregon affiliated with Yakima Valley Farm Workers Clinic (YVFWC). This community clinic provides a variety of primary care services migrant farm workers, many of which are uninsured and Latinos.
- KFH made charitable contributions to support two safety net programs operated by the Southwest Washington Medical Center: Healthy Steps Women's and Children Center and Family Medicine Southwest Washington's clinic. Healthy Steps meets the needs of low-income pregnant women and their newborns. Healthy Steps provides 30,000 outpatient visits per year and 750 deliveries; 41% of the patient base is uninsured or low-income women and children unable to meet the all the cost of their care. The Family Medicine Southwest Washington is a three-year family practice residency program affiliated with the University of Washington Medical School. As part of this program, the residents operate a community clinic serving predominantly low-income patients. Annually, they provide 37,000 patient visits. The charitable contribution was directed at expanding program services.

COMMUNITY-BASED PROGRAMS FOR VULNERABLE POPULATIONS

During 2005, KFH donated \$204,000 to 36 community organizations that provide a variety of program and services for vulnerable populations in Oregon and Washington.

Grants and Donations for Community-Based Programs

The following are highlights of community-based organizations that received funding:

- Friends of People with AIDS (FPWA) was awarded a general operating grant to provide emergency services and supportive care to people living with AIDS. Among the services FPWA offers are payment for eyeglasses, contact lenses, and durable medical equipment. FPWA also covers co-pays and insurance premiums for clients in need.
- The Northwest Health Plan and KFH provided financial, medical and other in-kind support to the Stand for Children Project. The Stand for Children Project provides academic enrichment, health, and physical fitness activities through an after school program at Lot Whitcomb Elementary, a high needs, underserved school in North Clackamas County. Currently, 531 students are participating in the program and the majority of them live at or below poverty level and are likely to be also enrolled in the school's English Language Learner program. Expected outcomes from the partnership include increasing the numbers of students meeting academic benchmarks, improved physical fitness, greater family involvement and improved collaboration among various neighborhood partners. At least 20 of Kaiser Permanente physicians and staff were actively involved in this project.
- KFH also supported the Morrison Child and Family Services' (MCFS) Connections for Children Project. The funds supported the development of a centralized electronic client tracking system and a project manager position to oversee the tracking system's implementation. The electronic tracking system will allow MCFS to improve on the timeliness, consistency, and coordination of care for seriously emotionally disturbed children and families. The electronic tracking system will also have the capability store other important data, such as client demographics, risk factors, services provided, clinician notes, clinician availability and schedules. The staff at MCFS will be able to efficiently and securely tracking the services and programs of the children with the enhanced ability to increase continuity and coordination of their treatment.
- Janus Youth Program received a charitable contribution from KFH in Washington to support their Annex Crisis Shelter which serves as a "point position" for Downtown Portland homeless youth. The shelter serves over 500 homeless young people with services aimed primarily at providing a respite from the streets, food, hygiene and safety.

EVIDENCE-BASED MEDICINE

In Oregon and Washington, KFH spent \$6.2 million to support clinical and health research activities and medical libraries. Research is a core value at Kaiser Permanente. Studies addressed important medical and social needs, such as preventing violence, infectious disease, and improving health care for adolescents, youth and underserved populations.

Health Services Research

For more than 40 years, Kaiser Permanente researchers have leveraged modest grants financed through the Community Benefit Program into major discoveries that have served our communities, influenced national policy, and informed medical practice throughout the nation and the world. Many of the research studies address problems of current health policy interest and 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.

The Center for Health Research (CHR), the primary research department for Kaiser Permanente in Oregon and Washington, partnered with more than 50 academic institutions, nonprofit agencies and private foundations. Academic partners included Duke University, Oregon Health & Science University, Oregon Research Institute, Portland State University, Penn State, University of California San Francisco, University of North Carolina at Chapel Hill and University of Washington. Nonprofit and private foundation partners included Self-Enhancement, Inc., Oregon Community Health Information Network (OCHIN), Robert Wood Johnson Foundation, Group Health Cooperative/Center for Health Studies (CHS),

and the National Institutes of Health. In 2005, KFH spent \$4.7 million to support CHR in conducting 178 new or continuing research projects. The following highlights a few of the studies:

Study: Women's Health Initiative (WHI)

• This is the largest study of women's health issues to be undertaken in the United States. A 40-center study, the WHI started in late 1994 and enrolled 163,000 postmenopausal women nationwide in two studies: a multi-factor randomized clinical trial and an observational study. The clinical trial examines the effects of low-fat diets in preventing heart disease and breast and colon cancer; the effects of hormone replacement therapy on heart disease and osteoporotic fractures; and the effects of calcium and vitamin D in preventing colon cancer and osteoporotic fractures. The observational study examines how genetics, environmental factors, and lifestyle affect women's health, and it attempts to identify biological markers that predict heart disease, cancer, and osteoporosis. Final results are expected to be available in 2007. Two arms of the study – the use of estrogen and Progestin and the use of estrogen alone for women without a uterus – have been stopped early because results showed that the risks of long-term hormone use outweighed the benefits. Because of these findings, use of hormones is now recommended for short-term relief of severe menopausal symptoms and is not recommended for long-term use to prevent heart disease.

Study: Oregon Community Health Information Network (OCHIN) Descriptive Study

• This project aimed to describe utilization patterns in clinics in the network, stratified by socio-demographic variables such as race/ ethnicity, age, gender, language, income, and insurance status and to structure data from OCHIN's Epic Practice Management database for use in analyses of care in clinics serving vulnerable populations. Realizing these objectives required considerable developmental efforts, OCHIN and CHR collaborated to support this project and to enable future research to progress without significant administrative burden. As a result, using 2004 encounter-based diagnostic and sociodemographic data, the study found that 65,774 persons had 309,724 clinic visits among the two largest clinics in the network. Findings also indicated that utilization often differed by insurance type or income level, by race/ethnicity, age, gender, and primary languages as well as associated with different morbidities.

Study: Community-Partnered Interventions to Reduce Health Disparities (Diffusion)

• This was a planning grant from the National Institute of Nursing Research to develop and provide a program that stresses weight loss and community involvement to reduce the risk of cardiovascular disease for African-Americans. African-Americans continue to disproportionately suffer from cardiovascular disease (CVD). The behavioral risk factors survey and other studies show that African-Americans have higher behavioral and genetic risk factors for CVD. CHR researchers collaborated with African-American community organizations to promote the adoption and maintenance of CVD preventive behaviors. Fifty African-Americans who are heads of household will first participate in a six-month weight loss program previously shown to be effective for African American women. This program will be followed by a family-based program intended to a maintain weight loss behaviors and extend the diffusion of these same behaviors to family members.

Study: Family-Based Care for Frail Older Persons (PREP II)

• Families contribute substantial time and financial resources to care for their frail elders. While there are several studies documenting the high costs of care giving for elders with diseases such as Alzheimer's and Parkinson's, little is known about the cost or types of family care activities that occur in a general Medicare-aged population in the United States. The Family Care Study is an ongoing, randomized, controlled, efficacy trial of PREP (Preparedness, Enrichment, and Predictability), a home health intervention designed to help caregivers and care receivers. PREP is distinguished by its family focus and has three parts: (1) the family and nurse working together on family care issues, (2) a 24-hour PREP advice line, and (3) follow-up contact by a nurse. A description of the care issues identified by PREP families will be produced to develop strategies for resolving issues, and determine if PREP increases a caregiver's skill as compared to two other usual care interventions. An earlier PREP pilot study at the CHR refined the model that is now being tested by the Family Care Study.

Health Sciences and Medical Libraries

KFH in Oregon and Washington spent \$293,000 to support 10,627 requests for clinical, health and related information services. In 2005, the Kaiser Permanente Northwest Regional Library supported the community benefit strategy by supplying articles to other health sciences libraries, providing orientation and support for nutrition interns, pharmacy interns, nursing students, medical students, interns and residents and supplying consumer health information to our members and the community.

Tumor Board and Cancer Registry

KFH spent \$1.2 million to support the Tumor Board and Cancer Registry. In Oregon, the collection of specific cancer patient data is sent to the state at particular intervals after diagnosis. Each patient is followed on an annual basis for the remainder of his or her life. The information is electronically sent each month to the National Cancer Database and Oregon State Cancer Registry.

EDUCATION

Northwest Health Plan and KFH spent \$3.1 million to educate consumers and health care professionals during 2005 in Oregon and Washington. Of which, \$0.4 million is attributed to Northwest Health Plan and \$2.6 million is attributed to KFH. A descriptive breakdown of the contributions follows:

CONSUMERS

Northwest Health Plan and KFH spent \$1.2 million on community health and education programs for health care consumers in Oregon and Washington. Of which \$0.4 million is attributed to Northwest Health Plan and \$0.8 million is attributed to KFH.

Community Health Education and Prevention Programs

During 2005, KFH in Oregon and Washington spent \$330,000 to provide health education classes, events and services to both members and the general public. The Health Education Department staffed booths at local health fairs; conducted smoking cessation, weight loss and parenting classes; and hosted a series of seminars on health-related topics, such as diabetes, stress management, and managing chronic illness. The following are examples of other health education activities:

- The Healthy Kids Watch Less TV Coalition Kaiser Permanente partnered with this coalition and engaged the community on the issue of screen time and the link with obesity, focusing on TV-Turnoff Week. KPNW provided informational materials and the coalition distributed more than 50,000 copies to children and their families through more than 100 schools and all Multnomah County Public library branches, all YMCAs in the region, both public and private health care offices, plus community events that attract over 3,000 participants; as well as other networks.
- Kids on the Block (KOTB) This national non-profit organization stages puppet shows to K-3 school children. KOTB's "Healthy Choices: Reducing Childhood Obesity" program features an original puppet performance entitled "Spinach Punch." The program is provided free to schools in Oregon and Southwest Washington. The show was performed for 22,494 children in a four-county area. The Regional Health Education Department in Northwest designed their school posters, supplemental educational resources and take-home materials for parents and students.
- The Northwest Regional Health Education Services sponsored 1,373 classes/events, and served approximately 223,442 individuals in community, schools or job-based programs on a wide range of health issues and topics.

Educational Theatre Programs

The Educational Theatre Programs (ETP) uses live theatre, music, comedy and drama to inspire children, teens and adults to make healthier choices and better decisions about their well-being. ETP's award-winning programs are as entertaining as they are educational. The programs were developed with the advice of teachers, parents, students, health educators, medical professionals, and professional theatre

artists. All performances are delivered by professional actors who are also trained as peer health educators.

In 2005, the Northwest Health Plan and KFH committed to bring ETP back as a signature Community Benefit Program and signed a service contract with Oregon Children's Theatre to perform two Kaiser Permanente Educational Theatre Productions: *What Would You Do?* and *Thrive, The Musical*. Performances will begin in 2006. KFH spent \$358,000 to support their commitment to re-establish their Educational Theatre.

Grants and Donations for Consumer Education

Together, Northwest Health Plan and KFH donated \$500,000 to 21 community-based organizations to support health education programs in Oregon and Washington. Following are highlights of community programs and services funded during 2005:

- A.C. Gilbert's Discovery Village, an interactive exhibit for children focusing on the human body.
 The exhibit introduced visitors to a wide range of body processes and functions and increased
 their appreciation for the complex machines that our bodies are. Curriculum on childhood obesity
 was also developed. As rates of obesity, diabetes, and other often preventable diseases in
 children continue to rise, children need to know the primary functions of the human body before
 they can understand more complex healthy choices. This exhibit helped educate children and
 others of the primary functions of the human body.
- The Oregon Food Bank was given a grant to research and identify barriers on the use of food stamps at farmer's markets in Oregon. Oregon ranks among the highest nationally in terms of hunger and obesity. This project will help low-income residents have an opportunity to have healthy fresh foods. Research was conducted on 100 respondents who are Oregon Trail food-stamp users. Areas of the study included were constraints to use, eating habits, grocery shopping habits, farmers' market perceptions, cost price perceptions, general health of the client.

HEALTH CARE PROFESSIONALS

KFH in Oregon and Washington spent \$1.9 million to support the training and education of physicians and other healthcare providers.

Continuing Medical Education

KFH spent \$250,000 and provided continuing medical education to community physicians and providers, and to the physicians affiliated with the Permanente Medical Groups and other health care providers. A wide range of continuing medical education (CME) programs were offered during 2005, with attendees earning 18,132 CME units.

Graduate Medical Education

In Oregon and Washington, KFH spent \$1.6 million on graduate medical education and educated 165 residents and fellows (28 FTE). Over 50% of these residents and fellows are studying within the primary care medicine areas of Internal Medicine, Pediatrics, Obstetrics & Gynecology, and Public Health, with the balance in specialty care, such as General Surgery, Pathology, Dermatology, Podiatry and Urology. Included in the above paid rotations were 12 fellows who received training in the areas of Gastroenterology, Internal Medicine, Critical Care Medicine and Mental Health. An additional 104 unpaid residents and fellows received training in Dermatology, Endocrinology, Family Practice, Internal Medicine, Geriatrics, Genetics, Obstetrics & Gynecology, Otolaryngology, Pathology, Pediatrics and Podiatry.

Nurse Practitioner and Other Non-Physician Training Programs

KFH provided non-compensated on-site clinical training for students in podiatry, nurse practitioner, midwife, optometrist, physician assistant and behavioral health programs in Oregon and Washington. During fiscal year 2005, the Graduate Medical Education Department provided administrative support of 248 students pursuing a career in the health care field.

PUBLIC POLICY

During 2005, the Northwest Health Plan and KFH used its expertise and convening power to develop and disseminate information on health policy issues that reflect both the interest of the country and residents of Oregon and Washington. The following demonstrates a few of the boards and advisory committees that Northwest employees and physicians served on to influence and/or improved health care public policy:

- Oregon Partnership is a statewide nonprofit agency promoting healthy kids and communities
 through drug and alcohol awareness prevention programs, and a 24-hour crisis line for treatment
 referrals. KFH made a donation to support the partnership's work with schools and community
 coalitions statewide. The Hospital Administrator and CEO of Kaiser Permanente Sunnyside
 Medical Center is a member of the Board of Directors.
- Portland Public Schools is the largest school district in the Northwest Health Plan's service area.
 In 2005, the district undertook a major initiative to develop a district wellness policy and ongoing
 advisory committee. This committee works to promote student wellness to help students learn
 and to establish and maintain lifelong healthy eating and activity patterns. Kaiser Permanente
 provided support for creation of the wellness policy and will be an active participant in the work of
 the advisory committee. Jean Rystrom and Keith Bachman, MD, are representing the Northwest
 region in this work.

Grants and Donations for Public Policy

KFH in Oregon and Washington spent \$40,000 to support 11 nonprofit organizations that inform public policy to improve community health. The following is an example of the organizations funded in 2005:

Community Choices 2010 (CC2010) is a community-based, broadly supported non-profit
organization which works to increase awareness and mobilize resources to improve the overall
health of Clark County, Washington citizens. Community Choices 2010 accomplishes this
through collaboration with a broad range of community organizations including government,
business, community, education and health care.

OTHER COMMUNITY BENEFITS

In 2005, KFH also spent \$512,000 on other community benefits beyond the national areas of focus. Examples of other community benefit programs and services in Oregon and Washington are listed below:

Community Giving Campaigns

Each year, KFH supports its employees by organizing employee-giving campaigns to support organizations, such as the United Way, Black United Fund, and Earthshare. The cost reported under this category represents the administrative cost incurred by KFH and is not representative of the amounts raised by employees and physicians.

 KFH spent \$444,000 to support fundraising efforts for United Way of the Willamette/Columbia, Earth Share of Oregon and Washington, and the Black United Fund. For every dollar pledged below \$500, the Northwest Region donated \$.50 cents. For pledged or contributed gifts greater than \$500, a dollar-for-dollar match was given. Year-end contributions increased by 12%, relative to the prior year.

ATTACHMENT A

2005 NATIONAL DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM

The following charts summarize 2005 Community Benefit investments nationally for KFHP and for KFH. The investments in the community reflected in the charts are unaudited.

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VULNERABLE POPULATIONS			
Medical Care Services	\$317,528,265	\$202,427,756	\$519,956,021
Community-Based Programs	930,380	13,391,455	14,321,835
Other Vulnerable Populations	20,957,834	6,663,432	27,621,266
Subtotal:	\$339,416,479	\$222,482,643	\$561,899,122
EVIDENCE-BASE			
Research	1,272,089	15,144,352	16,416,441
Medical Libraries	91,309	3,614,633	3,705,942
Tumor Board & Cancer Registry	309,976	1,833,846	2,143,822
Subtotal:	1,673,374	20,592,831	22,266,205
EDUCATION			
Consumer	3,516,584	8,082,297	11,598,881
Health Professionals	4,250,165	55,304,203	59,554,368
Subtotal:	7,766,749	63,386,500	71,153,249
PUBLIC POLICY			
Public Policy Grants/Expenses	1,314,750	1,066,257	2,381,007
Subtotal:	1,314,750	1,066,257	2,381,007
OTHER COMMUNITY BENEFITS			<u> </u>
Other CB Grants/Expense	3,142,977	6,371,103	9,514,080
Community Giving	215,468	560,304	775,772
Subtotal:	3,358,445	6,931,407	10,289,852
TOTAL	\$353,529,797	\$314,459,638	\$667,989,435

ATTACHMENT B

DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM IN OREGON AND WASHINGTON 2005 COMMUNITY BENEFIT FINANCIALS

The following chart summarizes 2005 community benefit investment by the Northwest Health Plan and KFH regionally. The investments in the community reflected in the chart are unaudited.

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VULNERABLE POPULATIONS			
Medical Care Services	\$6,711,446	\$5,247,250	\$11,958,696
Community-Based Programs	0	204,359	204,359
Other Vulnerable Populations	8,085,151	238,392	8,323,543
Subtotal:	14,796,597	5,690,001	20,486,598
EVIDENCE-BASED MEDICINE			
Research	0	4,732,726	4,732,726
Medical Libraries	0	293,047	293,047
Other	0	1,183,596	1,183,596
Subtotal:	_ 0	6,209,369	6,209,369
EDUCATION			
Consumers	432,165	754,261	1,186,426
Health Professionals	0	1,870,285	1,870,285
Subtotal:	432,165	2,624,546	3,056,711
PUBLIC POLICY			
Grants/Donations	0	40,384	40,384
Subtotal:	0	40,384	40,384
OTHER COMMUNITY BENEFITS			
Other CB Grants/Expenses	0	67,340	67,340
Community Giving Programs	0	444,250	444,250
Subtotal:	0	511,590	511,590
TOTAL	\$15,228,761	\$15,075,890	\$30,304,651