A For the 2006 calendar year, or tax year beginning 01-01-2006 and ending 12-31-2006

Form **990**

Department of the Treasury Internal Revenue Service

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

2006

Open to Public Inspection

3 (Check if ap	pplicable	Please	C Name of organization	TALTIL DIAN				D Em	ployer	identification number
_	Address ch		use IRS	KAISER FOUNDATION HE OF THE NORTHWEST	EALTH PLAN				93-	0798	039
- _r	Name char	nge	label or print or		O box if mail is not delivered to	street add	dress) Ro	om/suite	E Tele	phone	number
_	inıtıal retur	,	type. See Specific	ONE KAISER PLAZA SUIT	E 1550L				(51	0)27	1-6611
- _F	- Inal returr	n	Instruc- tions.	City or town, state or co OAKLAND, CA 94612	untry, and ZIP + 4		•			_	nethod Cash 🔽 Accrual
_	Amended r			0,4,2,4,5,7,0,12					(Other (s	pecify) 🕨
_	Application	_									
,	чрисацоп	pending	♣ Section	501(c)(3) organizations	s and 4947(a)(1) nonexempt	charitable	_ на	and I are i	not appli	cable to	section 527 organizations
					Schedule A (Form 990 or 99		_ H(a) Is this	a group	return	for affiliates? Tyes V No
3	Web site	e: ► N/A					·	-			of affiliates 🕨
					. –			C) Are all			ed? Yes No See instructions)
					◀ (insert no)		—∣ н/	·			rn filed by an organization
					orting organization and its gross t if the organization chooses to fi		re		ed by a		
			nplete return	Wietam is not required, bu	the organization encoses to h	ile d Tetam	' I	Grou	pExem	ption	Number 🕨
	Gross ra	cainte	Add lines 6	ih 8h 9h and 10h to	line 12 🕨 2,189,152,191		M	Check	▶ ▼	if the or	ganization is not required to
	art I	•			ges in Net Assets or		Ralance				90, 990-EZ, or 990-PF)
	1			s, grants, and similar a		ruiiu b	oa ia ii C	25 (366	e the	IIISU	uctions.)
	_ a			onor advised funds .	ı	1a					
				ort (not included on lin	•	1b					
		•		pport (not included on i	· · ·	1c					
				ibutions (grants) (not i	· ·	1d					
				, ,	·					4.	
					noncash \$ _	/f==== D=)	0.2.)		1e	2 151 214 826
		_			rnment fees and contracts	•	•	ine 93)	•	3	2,151,214,826
	3		•						•	_	20 240 222
			_		investments				•	5	28,249,222
	5			rest from securities	ı	 		1.20		э	
	6a					6a 6b			0,565		
	b		•	or (loss) subtract line	6b from line 6a				5,413	6.	684,152
a.	7									6c 7	664,152
0 0	8a			n sales of assets		· · · ·					
H H H	Oa			ry	(A) Securities 6,898,000	8a	(D) O ther	87,800		
	Ь			sis and sales expenses	6,898,000	8b			180,787		
	C			ach schedule)	0,030,000	8c			-92,987		
				•	ll nns (A) and (B)					8d	-92,987
	9	_	, ,	ŕ	nedule) If any amount is fr		na.ched	k here 🕨			32,307
	a				_	· g	.		'		
	"			tincluding \$rted on line 1b)	of	9a					
	Ь		•	ises other than fundrai		9b					
					Subtract line 9b from line					9c	
	10a				d allowances	10a					
	ь					10Ь					
	c	Gross pro	ofit or (loss) fi	rom sales of inventory (atta	ı och schedule) Subtract lıne 10b fr	om line 10	a			10c	
	11	Otherr	evenue (fro	m Part VII, line 103)						11	1,411,778
	12	Total re	evenue Add	lines 1e, 2, 3, 4, 5, 6	c, 7, 8d, 9c, 10c, and 11					12	2,181,466,991
	13	Progran	n services	(from line 44, column	(B))					13	2,056,898,868
en U	14	Manage	ement and g	general (from line 44, c	olumn (C))					14	80,510,000
xbenselv Substanta	15	Fundrai	sıng (from	line 44, column (D))					•	15	
ц	16	Paymer	nts to affilia	ites (attach schedule)						16	
	17	Total ex	xpenses A d	d lines 16 and 44, col	umn (A)			<u></u>		17	2,137,408,868
۔	18	Excess	or (deficit)	for the year Subtract	line 17 from line 12					18	44,058,123
Ŋ,	19	Netass	ets or fund	balances at beginning	of year (from line 73, colu	mn (A))			. [19	375,768,788
STUSSET TOPI	20	Otherc	hanges ın ı	net assets or fund bala	nces (attach explanation)	65			.	20	-170,796,249
_	21	Netass	ets or fund	balances at end of ye	ar Combine lines 18, 19, a	nd 20 .				21	249,030,662

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
22a	Grants paid from donor advised funds (attach Schedule) (cash \$0	22a				
22b	Other grants and allocations (attach schedule) (cash \$ 131,070 noncash \$ 0)					
	If this amount includes foreign grants, check here	22b	131,070	131,070		
23	Specific assistance to individuals (attach schedule)	23				
24	Benefits paid to or for members (attach schedule)	24				
25a	Compensation of current officers, directors, key employees etc Listed in Part V-A (attach schedule)	25a				
b	Compensation of former officers, directors, key employees etc listed in Part V-B (attach schedule)	25b				
С	Compensation and other distributions not icluded above to disqualified persons (as defined under section $4958(f)(1)$) and persons described in section $4958(c)(3)(B)$ (attach schedule)	25c				
26	Salaries and wages of employees not included on lines 25a, b and c	26	332,695,475	332,695,475		
27	Pension plan contributions not included on lines 25a, b and c	27	46,625,911	46,625,911		
28	Employee benefits not included on lines 25a - 27	28	113,702,385	113,702,385		
29	Payroll taxes	29	29,036,594	29,036,594		
30	Professional fundraising fees	30				
31	Accounting fees	31	783,714		783,714	
32	Legal fees	32	205,266		205,266	
33	Supplies	33	261,032,025	261,032,025		
34	Telephone	34	707,397	707,397		
35	Postage and shipping	35	5,280,183	5,280,183		
36	Occupancy	36	12,560,395	12,560,395		
37	Equipment rental and maintenance	37	7,039,626	7,039,626		
38	Printing and publications	38	3,509,953	3,509,953		
39	Travel	39	2,916,592		2,916,592	
40	Conferences, conventions, and meetings	40	168,122		168,122	
41	Interest	41	6,650,000	6,650,000		
42	Depreciation, depletion, etc (attach schedule)	42	27,110,950	27,110,950		
43	Other expenses not covered above (itemize)					
а	See Additional Data Table	43a				
b		43b				
c		43c				
d		43d				
e		43e				
f		43f				
g		43g				
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13–15)	44	2,137,408,868	2,056,898,868	80,510,000	0

Pa	rt III Statement of Program Servi	ce Accomplishments (See the instructions.)	
org The	ganization. How the public perceives an organiz	r some people, serves as the primary or sole source of information a ation in such cases may be determined by the information presented e and accurate and fully describes, in Part III, the organization's pro	on its return
All a	organizations must describe their exempt purpose achieve	KAISER FOUNDATION HOSPITALS (HOSPITALS), NORTHWEST PERMANENTE PC AND PERMANENTE DENTAL ASSOCIATES (MEDICAL GROUPS) TO PROVIDE OR ARRANGE FOR HOSPITAL, MEDICAL AND DENTAL SERVICES FOR ITS MEMBERS CONTRACT PAYMENTS TO HOSPITALS AND MEDICAL GROUPS REPRESENT A SUBSTANTIAL PORTION OF THE EXPENSES FOR MEDICAL, DENTAL AND HOSPITAL SERVICES REPORTED IN THIS TAX RETURN PLEASE SEE THE ATTACHMENT, "KAISER PERMANENTE ments in a clear and concise manner State the number of clients served, easurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt	Program Service Expenses (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others)
а	SEE STATEMENT 3		
b	(Grants and allocations \$ 131,070)	If this amount includes foreign grants, check here 🕨 🦵	2,056,898,868
c	(Grants and allocations \$) If this amount includes foreign grants, check here ▶ ┌	
d	(Grants and allocations \$) If this amount includes foreign grants, check here ▶ ┌	
-	(Grants and allocations \$) If this amount includes foreign grants, check here ▶ ┌	
e	Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ▶ ☐	

f Total of Program Service Expenses (should equal line 44, column (B), Program services)

Form 99	0 (2006)
Part I	Balance Sheets (See the instructions.)
Note:	Where required, attached schedules and amounts within

Not	:e:	Where required, attached schedules and amou column should be for end-of-year amounts on		hin the description	(A) Beginning of year		(B) End of year
	45	Cash—non-interest-bearing			9,821,515	45	17,708,206
	46	Savings and temporary cash investments			28,492,477	46	29,924,320
		, ,			· · ·		
	47a	Accounts receivable	47a	73,766,617			
	ь	Less allowance for doubtful accounts	47b	32,190,617	41,681,442	47c	41,576,000
	48a	Pledges receivable	48a				
	ь	Less allowance for doubtful accounts	48b			48c	
	49	Grants receivable	<u> </u>			49	
	50a	Receivables from current and former officei	rs, direc	tors, trustees, and			
		key employees (attach schedule)				50a	
	Ь	Receivables from other disqualified person	•			50b	
	E1-	4958(c)(3)(B) (attach schedule)				SUB	
	51a	Other notes and loans receivable (attach schedule)	51a	1,450,000			
ø	ь	Less allowance for doubtful accounts	51a	1,430,000	0	51c	1,450,000
Assets		Inventories for sale or use			24,862,263	52	23,182,170
Ą	52 53	Prepaid expenses and deferred charges .			3,431,085	53	3,571,795
				Cost FEMA			<u> </u>
	54a	Investments—publicly-traded securities		Cost FMV	3,839,080	54a	4,379,000
		Investments—other securities (attach sch	edule)	Cost FMV		54b	
	55a	Investments—land, buildings, and equipment basis	55a				
	ь	Less accumulated depreciation (attach schedule)	55b			55c	
	56	Investments—other (attach schedule) .				56	
	57a	Land, buildings, and equipment basis	57a	480,075,504			
	ь	Less accumulated depreciation (attach		000 005 570			
		schedule)	57b	220,065,570	245,887,387	57c	260,009,934
	58	Other assets, including program-related in (describe -	vestme	nts			
)	331,448,141	58	385,494,000
	59	Total assets (must equal line 74) Add line	s 45 th	rough 58	689,463,390	59	767,295,425
	60	Accounts payable and accrued expenses			156,235,296	60	151,622,771
	61	Grants payable				61	
	62	Deferred revenue			20,022,625	62	20,979,995
Ø.	63	Loans from officers, directors, trustees, an	d key e	mployees (attach			
-		schedule)				63	
ķ;	64a	Tax-exempt bond liabilities (attach schedu	ıle) .			64a	
	Ь	Mortgages and other notes payable (attach	sched	ule)		64b	
	65	Other liablilities (describe ►)	137,436,681	65	345,661,997
	66	Total liabilities Add lines 60 through 65			313,694,602	66	518,264,763
	Orga	anizations that follow SFAS 117, check here	►	nd complete lines			
υħ	67	67 through 69 and lines 73 and 74				67	
õ	67	Unrestricted		ı		67	
alances	68	Temporarily restricted		ŀ		68	
$\mathbf{\omega}$	69	Permanently restricted		1		69	
Fund	Urga	anizations that do not follow SFAS 117, chec complete lines 70 through 74	F and				
р Р	70	Capital stock, trust principal, or current fur		2,912,722	70	2,912,722	
etso	71	Paid-in or capital surplus, or land, building,				71	
vn –	72	Retained earnings, endowment, accumulate		·	372,856,066		246,117,940
t.As	73	Total net assets or fund balances Add line	· '	, , , , , , , , , , , , , , , , , , , ,	_ <u></u>	1	
ž		through 72 (Column (A) must equal line 19					
		line 21)			375,768,788	73	249,030,662
	74	Tatal liabilities and not assets / found belonger		- 66 - 4 70	689 463 390	74	767 295 425

а	Total revenue, gains, and other sup	port per audited financial stat	tements			а	2,007,142,471
•	A mounts included on line a but not	on Part I, line 12					
1	Net unrealized gains on investment	:s	b1		217,369		
2	Donated services and use of facilit	es	b2				
3	Recoveries of prior year grants .		b3				
4	Other (specify) 💆						
			. b4	-16	6,310,534		455.000.455
	Add lines b1 through b4				• •	Ь	-166,093,165
	Subtract line b from line a					С	2,173,235,636
_	Amounts included on Part I, line 12		1	I			
1	Investment expenses not included 6b	on Part 1, line	d1				
2	Other (specify) 🏂						
			d2		8,231,355		
	Add lines d1 and d2					d	-166,093,165
:	Total revenue (Part I, line 12) Add					_	2,181,466,991
) a rd	d		ncial St	atomonto l	With Evno	e	Doturn
ar t	Total expenses and losses per aud				with Expe	a a	2,133,880,597
	A mounts included on line a but not				· •		2,200,000,00
1	Donated services and use of facilit		Ь1				
2	Prior year adjustments reported on						
	20	,	b2				
3	Losses reported on Part I, line		b3				
4	Other (specify)	•	- 55				
•	Other (specify)		b4		5,402,484		
	Add lines b1 through b4					ь	5,402,484
:	Subtract line b from line a .					с	2,128,478,113
I	Amounts included on Part I, line 17	, but not on line a:					
1	Investment expenses not included	on Part I, line					
	6b		d1				
2	Other (specify)		d2		8,930,755		
	Add lines d1 and d2					d	8,930,755
:	Total expenses (Part I, line 17) Ad	ld lines c and			• •		2,137,408,868
	d					e	2,257,100,000
Part	director, trustee, or key of instructions.)	etors, Trustees, and Ke employee at any time dur			they were r	ot compe	
	(A) Name and address	(B) Title and average hours per week devoted to position		ompensation aid, enter -0)	(D) Contribi employee bend deferred com plan	efit plans & pensation	(E) Expense account and other allowances
NE	STATEMENT KAISER PLAZA SUITE 1550L LAND,CA 94612	SEE STATEMENT 0		0			
			1				

Par	t V-A Current Officers, Director	s. Trustees, and Key	/ Employees (conti	nued)		Yes	No
	Enter the total number of officers, director						110
-	meetings	s, and trustees permittee		r basiliess at board			
h	Are any officers, directors, trustees, or ke			hest compensated			
	employees listed in Schedule A, Part I, or			•			
	contractors listed in Schedule A, Part II-						
	relationships? If "Yes," attach a statemen				75b	Yes	
_	Do any officers, directors, trustees, or key				755	163	
	employees listed in Schedule A, Part I, or			·			
	contractors listed in Schedule A, Part II-			•			
	tax exempt or taxable, that are related to				75c	Yes	
	organization"			· · · · ·	750	165	
	If "Yes," attach a statement that includes						
	Does the organization have a written confit V-B Former Officers, Director				75d	Yes	
. CI	t V-B Former Officers, Director Benefits (If any former office) (described below) during the benefits in the appropriate of the control	cer, director, trustee, e year, list that person	or key employee red below and enter the	eived compensation	or otl	her bei	nefits
	(A) Name and address	(B) Loans and Advances	(C) Compensation (If not paid enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans		oense acc ner allowa	count and ances
	STATEMENT 16A KAISER PLAZA SUITE 1550L	0	0				
) A K	LAND,CA 94612						
)ar	t VI Other Information (See the	instructions)				Yes	No
76	Did the organization make a change in its activities	•	uties? If "Yes " attach a			163	140
0	detailed statement of each change	,	nics in res, attach a		76		N. o
, ,						V	No
77	Were any changes made in the organizing If "Yes," attach a conformed copy of the c	-	but not reported to the .	.KS/	77	Yes	
78-	Did the organization have unrelated business gross		ng the year covered by this	roturn?	78a	Yes	
	If "Yes," has it filed a tax return on Form 9				78b	Yes	
ט 79	Was there a liquidation, dissolution, termination, or				730	162	
_	a statement	canada contraction during t	, 50. If 165, attach		70		N _C
30×	Is the organization related (other than by association	on with a statewide or nationwi	de organization) through cor	nmon membershin	79		No
Ja	governing bodies, trustees, officers, etc , to any oti			штоп тептрегэнір,	90-	V	
			mization.		80a	Yes	<u> </u>
b	If "Yes," enter the name of the organization						
			etheritis 🔽 exempt	or nonexempt			
31a	Enter direct or indirect political expenditu	res (See line 81 instruct	ions) 81a	0			
b	Did the organization file Form 1120-POL fo	orthis year?			81b		No

D	ANT Other Tufe weeking (southweek)			l age /
	t VI Other Information (continued)	1	Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		No
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue			
	in Part I or as an expense in Part II(See instructions in Part III)			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	Yes	
	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	Yes	
	Did the organization solicit any contributions or gifts that were not tax deductible?		103	l Na
		84a		No
Ь	If "Yes," did the organization include with every solicitation an express statement that such contributions or			
	gifts were not tax deductible?	84b		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b		
	If "Yes," was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization			
	received a waiver for proxy tax owed the prior year			
C	Dues assessments, and similar amounts from members			
d	Section 162(e) lobbying and political expenditures 85d			
е	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		
_	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its			
-	reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax			
	year [?]	85h		
86	501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12 86a 0			
	Gross receipts, included on line 12, for public use of club facilities 86b 0			
87	501(c)(12) orgs. Enter a Gross income from members or shareholders 87a 0			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Part IX	88a	Yes	
b	At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes complete Part XI	88b		N o
00-	504/-V2) was a first of American State of the control of the contr	300		
09a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ► 0 . section 4915 ► 0 .			
ь	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		No
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization			
e	All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter			
	transaction?	89e		No.
	AW (D.H.)	89e		IN O
Ť	All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?			
		89f		No
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting			
	organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time			
	adding the year of the first transfer to the first transfer transfer to the first transfer transfer to the first transfer t	_		
		89g		<u> </u>
	List the states with which a copy of this return is filed F OR,WA			
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions)			7,088
91a	The books are in care of NATIONAL DIRECTOR OF TAX Telephone no (510)	271-6	385	
	ONE KAISER PLAZA STE 1550L			
	Located at Located at CAKLAND, CA ZIP + 4 294612			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority			
	over a financial account in a foreign country (such as a bank account, securities account, or other financial		Yes	No
	account)?	91b		No
	If "Yes," enter the name of the foreign country 🕨			
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts			

Part VI Other Information (continued)	Form 9	990 (2006)											Page 8
If Yes,"enter the name of the foreign country	Part	VI Other Information (co	ntinued)									Yes	No
Section 4997(4)(1) more remote character from grant 990 in her of Form JAN4—Check here	c	At any time during the calendar yea	ar, dıd the organızatı	ion m	aıntaın	an office outside (of the United	States	?	L	91c		No
The property of the amount of flars-exempt interest received or accrued during the taxy year		If "Yes," enter the name of the fore	ıgn country ►										
Note: Enter gross amounts unless otherwise andicated. Cooking	92	Section 4947(a)(1) nonexempt charit	able trusts filing Forr	n 990	ın lıeu	of Form 1041— Ch	eck here .						▶ □
Note: Enter grass amounts unless otherwise indivated Subsets		<u> </u>						. ►	92	\perp			
A	Part	VIII Analysis of Income-P	roducing Activi										
Submit S	Note:	Enter gross amounts unless otherwi	ıse ındıcated.			business income	'	ection 512	2, 513,	or 51	4		
a MBR HLTH CARE PREM b SUPPL CHARGE/PHA BM c NON-PLAN SIND REV d OTHER PRGRM SERV d OTHER PRGRM SERV d OTHER PRGRM SERV e				Busi	ness	` '	Exclusion	A			•	exempt f	unction
SUPPL CHARGE/PHARM	93	Program service revenue											
e NON-PLAN & IND REV d OTHER PRORM SERV 17,031,752 f Medicare/Medicaid payments	а	MBR HLTH CARE PREM									┷	1,528	,489,292
d OTHER PRGM SERV f Medicare/Medicaid payments	b	SUPPL CHARGE/PHARM		6214	400	1,475,260					Щ	116	,962,547
## Medicare/Medicaid payments	С	NON-PLAN & IND REV									Д_	4	,885,386
g Rees and contracts from government agencies g Membership dues and assessments hiterest on savings and temporary cash investments hiterest of savings and temporary cash investments hiterest on savings and temporary cash investments hiterest of savings and temporary cash inv	d	OTHER PRGRM SERV										17	,031,752
y Fees and contracts from government agencies 94 Membership dues and assessments	е												
Membership dues and assessments Membership dues and assessments Differed on swings and temporary cosh investments Net rental income or (loss) from seal estate a debt-financed property Not rental income or (loss) from perional property Not income or (loss) from special events Signature of the income or (loss) from special events Not income or (loss) from spe	f	Medicare/Medicaid payments .										482	,370,589
ps Interest on savings and temporary cash investments 14	g	Fees and contracts from governme	ent agencies										
Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.) Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.) Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.) Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) Part X Information Regarding Transfers Associated with Personal Benefit Contract? \(\text{Yes} \text{ No} \)	94	Membership dues and assessmen	ts										
a debt-financed property	95	Interest on savings and temporary cash in	nvestments				14		28,24	1 9,222	:		
a debt-financed property b non debt-financed property consideration of the rental income or (loss) from personal preperty 98 Net rental income or (loss) from special events 100 Gan or (loss) from sales of assets other than inventory 101 Net income or (loss) from special events 102 Gross profit or (loss) from sales of inventory 103 Other revenue a INT INC-AFFILIATE b c d d e 104 Subtotal (add columns (8), (D), and (E)) 105 Total (add line 104, columns (B), (D), and (E)) 106 Total (add line 104, columns (B), (D), and (E)) 107 Total (add line 104, columns (B), (D), and (E)) 108 Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) Part XII Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.) RANGE PERMANENTE OR PUSS ILC (A) Name, address, and ElN of corporation, percentage of wineship interest (A) Name, address, and ElN of corporation, percentage of wineship interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (B) Name, address, and ElN of corporation, ownership interest (B) Name, address, and ElN of corporation, ownership interest (C) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corporation, ownership interest (A) Name, address, and ElN of corp	96	Dividends and interest from secur	ities										
b non debt-financed property	97	Net rental income or (loss) from re	eal estate								Д_		
98 Net rental income or (loss) from personal property 99 O ther investment income 100 Gain or (loss) from sales of assets other than inventory 101 Net income or (loss) from special events 102 Gross profit or (loss) from sales of inventory 103 Other revenue a INT INC-AFFILIATE 104 Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.) 105 Total (add columns (B), (D), and (E)) 106 Total (add line 104, columns (B), (D), and (E)) 107 Total (add line 104, columns (B), (D), and (E)) 108 Total (add line 104, columns (B), (D), and (E)) 109 Total (add line 104, columns (B), (D), and (E)) 109 Total (add line 104, columns (B), (D), and (E)) 100 Total (add line 104, columns (B), (D), and (E)) 101 Total (add line 104, columns (B), (D), and (E)) 102 Total (add line 104, columns (B), (D), and (E)) 103 Total (add line 104, columns (B), (D), and (E)) 104 Subtotal (add columns (B), (D), and (E)) 105 Total (add line 104, columns (B), (D), and (E)) 106 Total (add line 104, columns (B), (D), and (E)) 108 Subtotal (add columns (B), (D), and (E)) 109 Jilla (add line 104, columns (B), (D), and (E)) 109 Jilla (add line 104, columns (B), (D), and (E)) 100 Jilla (add line 104, columns (B), (D), and (E)) 101 Jilla (add line 104, columns (B), (D), and (E)) 102 Jilla (add line 104, columns (B), (D), and (E)) 103 Jilla (add line 104, columns (B), (D), and (E)) 104 Jilla (add line 104, columns (B), (D), and (E)) 105 Jilla (add line 104, columns (B), (D), and (E)) 105 Jilla (add line 104, columns (B), (D), and (E)) 107 Jilla (add line 104, columns (B), (D), and (E)) 108 Jilla (add line 104, columns (B), (D), and (E)) 109 Jilla (add line 104, columns (B), (D), and (E)) 109 Jilla (add line 104, columns (B), (D), and (E)) 100 Jilla (add line 104, columns (B), (D), and (E)) 101 Jilla (add line 104, columns (B), (D), and (E)) 103 Jilla (add line 104, columns (B), (D), and (E) 104 Jilla (add line 104, columns (B), (D), and (E) 105 Jilla (add line 104, columns (B), (D), and (E) 105 Jilla (add line 104, columns (B)	а	debt-financed property											
99 Other investment income	b	non debt-financed property					16		68	34,152	:		
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102 Gross profit or (loss) from sales of inventory 103 Other revenue a INTINC-AFFILIATE 104 1,411,778 105 Total (add columns (B), (D), and (E))	100	Gain or (loss) from sales of assets other t	han inventory				18		- 9	92,987 ——	Щ		
103 Other revenue a INT INC-AFFILIATE 14	101	Net income or (loss) from special	events								—		
b c c d d d d d d d d d d d d d d d d d	102	Gross profit or (loss) from sales of	finventory								┿		
to subtotal (add columns (B), (D), and (E))	103	Other revenue a <u>INT INC-AFF</u>	ILIATE				14		1,43	11,778	1		
d e 104 Subtotal (add columns (B), (D), and (E))	b										┷		
Subtotal (add columns (B), (D), and (E))	c												
Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I. Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.) Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) 93 SEE STATEMENT Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.) (A) (B) Percentage of ownership, or disregarded entity ownership interest ownership interest ownership interest of Nature of activities (See the instructions) KAISER PERMANENTE OR PLUS LLC ONE KAISER PIZAA OAKLAND, CA94612 20-2396517 Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) (a) Did the organization, during the year, receive any funds, directly or indirectly, on a personal benefit contract? Yes No	d												
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Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.) Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) 93 SEE STATEMENT Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.) (A) (B) (C) (D) (E) (D) (E) (D) (E) (D) (E) (D) (E) (D) (D) (E) (D) (D) (E) (D) (D) (D) (D) (D) (D) (D) (D) (D) (D		, , , , , , , , , , , , , , , , , , , ,	.,						. •		2	2,181,4	66,991
Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) 93	Note:	Line 105 plus line 1e, Part I, should o	equal the amount on I	line 12	2, Part I	•							
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Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.) (A) Name, address, and EIN of corporation, partnership, or disregarded entity KAISER PERMANENTE OR PLUS LLC ONE KAISER PLAZA OAK LAND, CA94612 20-2396517 On the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes Voo Nature of activities (See the instructions.) (C) Nature of activities (D) Total income assets Asse	93	-	rposes (other than t	Ју ріо	viuling	ranus for sach par	poses /						
Name, address, and EIN of corporation, partnership, or disregarded entity KAISER PERMANENTE OR PLUS LLC ONE KAISER PLAZA OAKLAND, CA94612 20-2396517 Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes V No Yes V No													
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Name, address, and EIN of corporation, partnership, or disregarded entity KAISER PERMANENTE OR PLUS LLC ONE KAISER PLAZA OAKLAND, CA94612 20-2396517 Percentage of ownership interest 0 % 8,763,304 617,235 Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes V No Yes V No	Part	INTERPOLATION INTERPOLATION	ng Taxable Sub	sidia	ries a	and Disregard	ed Entitie	s (Se	e the	ins	truc	tions.	,
Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) (a) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No Nature of activities 10tal income assets 8,763,304 617,235	Na											•	•
ONE KAISER PLAZA OAKLAND, CA94612 20-2396517			_			Nature of activit	ies	To	otal inc	ome	\perp		•
OAKLAND, CA94612 20-2396517 % Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes V No (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes V No													
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Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.) (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	20-239	96517	0/0					-			+		
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instructions.) (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?													
(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes V No (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes V No	Par		ng Transfers As	soci	ated	with Personal	Benefit C	ontra	cts (See	the		
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes F No		•											<u> </u>
(-)											•		
NOTE: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).						irectly, on a perso	nal benefit c	ontract	?.		•	Yes	l✓ No
	NOTE	: If "Yes" to (b), file Form 8870 an	n d Form 4720 (see ins	struct	ions).								

106	Did the reporting organization make any t the Code? if "Yes," complete the schedul		-	ined in section 51	2(b)(13) of	Yes	No No
	(A) Name and address of each controlled entity	Employer I	(B) dentification mber	(C) Description o transfer		(D) of transf	fer
'	Totals						
107	Did the reporting organization receive any the Code? if "Yes," complete the schedul			defined in section	n 512(b)(13) of	Yes	No No
	(A) Name and address of each controlled entity	Employer I	(B) dentification mber	(C) Description o transfer		D) of transf	l fer
	Totals						
108	Did the organization have a binding writte royalties and annuities described in ques		ect on August 17, 20	06 covering the i	nterests, rents,	Yes	No
Please Sign Here	Under penalties of perjury, I declare that I hat and belief, it is true, correct, and complete Description. Signature of officer DEBORAH STOKES VP, CONTROLLER, CAO Type or print name and title	eclaration of prepare			n of which preparer has a		
Paid	Preparer's signature	1	Date	Check if self-empolyed	Preparer's SSN or PTIN (See Gen I	nst W)
Prepare	Firm's name (or yours L KPMG LLP			•			
Use On	(61 / 5415	-			EIN Þ		

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DLN: 93490317008507

OMB No 1545-0047

SCHEDULE A (Form 990 or 990EZ) 牣

Department of the Treasury Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

2006

Name	of the organization
KAISER	FOUNDATION HEALTH PLAN
OF THE	NORTHWEST

Employer identification number

93-0798039

Part I	Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustee
	(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE STATEMENT ONE KAISER PLAZA OAKLAND, CA 94612	SEE STATEMENT 40 0	0	0	0
Total number of other employees paid over \$50,000	2,626			

Compensation of the Five Highest Paid Independent Contractors for Professional Services (See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000 (b) Type of service (c) Compensation NORTHWEST PERMANENTE PC MEDICAL SERVICES 358,099,862 **500 NE MULTNOMAH STREET** PORTLAND, OR 97232 KAISER FOUNDATION HOSPITALS 336,091,853 HOSPITAL SERVICES **500 NE MULTNOMAH STREET** PORTLAND, OR 97232 PERMANENTE DENTAL ASSOCIATES **DENTAL SERVICES** 41,354,841 **500 NE MULTNOMAH STREET** PORTLAND, OR 97232 ST JOHN MEDICAL CENTER HOSPITAL SERVICES 18,717,392 1615 DELAWARE STREET LONGVIEW, WA 98632 OREGON HEALTH SCIENCE UNIVERSITY 3181 SW SAM JACKSON PARK RD HOSPITAL SERVICES 24,453,960 PORTLAND, OR 97239 Total number of others receiving over \$50,000 for 266

Compensation of the Five Highest Paid Independent Contractors for Other Services Part II-B

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than	n \$50,000	(b) Type of service (c) Compensati			
CAMPBELL-EWALD COMPANY					
30400 VAN DYKE AVENUE	A	DVERTISING SERVICES	2,409,282		
WARREN, MI 48093					
THE CODING SOURCE LLC					
1640 S SEPULVEDA BLVD SUITE 400	M	IEDICAL CODING SVC	1,951,966		
LOS ANGELES, CA 90025					
ROBINSON CONSTRUCTION CO					
21360 NW AMBERWOOD DR	C	ONSTRUCTION SERVICE	1,534,607		
HILLSBORO,OR 97124					
HOWARD S WRIGHT CONSTRUCTION					
425 NW 10TH AVENUE SUITE 200	C	ONSTRUCTION SERVICE	1,498,815		
PORTLAND, OR 97209					
JBLK RISK SERVICES LLC					
220 NW 2ND AVENUE SUITE 800	В	ROKER SERVICES	673,738		
PORTLAND, OR 97209					
Total number of other contractors receiving over	87				
\$50,000 for other services	٥, ا				

Par	Statements About Activities (See page 2 of the instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, include any attempt			
	to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in			ı
	connection with the lobbying activities ► \$ 116,682 (Must equal amounts on line 38, Part VI-A, or line			ı
	ı of Part VI-B)	1	Yes	ı
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other			
	organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the			ı
	lobbying activities			ı
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any			ı
	substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with			ı
	any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or			ı
	principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)			ı
а	Sale, exchange, or leasing property?	2a	Yes	
b	Lending of money or other extension of credit?	2b	Yes	
c	Furnishing of goods, services, or facilities?	2c	Yes	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	Yes	
е	Transfer of any part of its income or assets?	2e		Νo
3a	Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation	ļ	ļ	i
	of how the organization determines that recipients qualify to receive payments)	3a		Νo
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	Yes	
С	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or structures? If "Yes" attach a detailed statement	3с		Νo
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		Νo
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g	4a		Νo
b	Did the organization make any taxable distributions under section 4966?	4b		Νo
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c		Νo
d	Enter the total number of donor advised funds owned at the end of the tax year			
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year			
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts			
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year			

P	art I	N Reason for Non-Private I	oundation Status	(See pages 4 th	rough 7 of the	instructions.)				
 I cer	tify th	hat the organization is not a private foun	dation because it is (P	lease check only C	NE applicable bo	рх)					
5	Ė	A church, convention of churches, or	association of churches	Section 170(b)(1)(A)(ı)	·					
6	Г	A school Section 170(b)(1)(A)(II) (Also complete Part V)									
7	Г	A hospital or a cooperative hospital s	ervice organization. Sec	tion 170(b)(1)(A)	(111)						
8	Г	A federal, state, or local government	or governmental unit Se	ection 170(b)(1)(A)(v)						
9	Г	A medical research organization oper				ı) Enter the ho	spital's name, city				
		and state 🕨	-	·							
10	Г	An organization operated for the bene	fit of a college or univer	sity owned or opera	ated by a govern	mental unit					
		Section 170(b)(1)(A)(iv) (Also comp									
11a	Г	An organization that normally receive	s a substantial part of it	s support from a g	overnmental unit	or from the ge	neral public				
		Section 170(b)(1)(A)(vi) (Also comp	lete the Support Schedu	le in Part IV-A)		_					
11b	Γ	A community trust Section 170(b)(1)(A)(vı) (Also complete	the Support Sched	lule in Part IV-A)					
12	~	An organization that normally receive	s (1) more than 331/3	% of its support fro	m contributions,	, membership fe	ees, and gross				
		receipts from activities related to its	charitable, etc , functior	ns—subject to certa	aın exceptions, a	nd (2) no more	than 331/3% of				
		its support from gross investment inc	ome and unrelated busi	ness taxable incon	ne (less section !	511 tax) from b	ousinesses				
		acquired by the organization after Jun	e 30, 1975 See section	n 509(a)(2) (Also	complete the Su	pport Schedule	ın Part IV-A)				
13	Γ	An organization that is not controlled requirements of section 509(a)(3)		•	_	•	se meets the				
		Type I Type II Typ	e III - Functionally Inte	grated Γ 1	ype III - Other						
		Provide the following informa	tion about the supporte	ed organizations. (s	ee page 7 of the	instructions.)	T				
(a) Name(s) of supported organization(s)		` '	(b) Employer ident if icat ion number	(c) Type of organization (described in lines 5 through 12 above or	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support?				
				IRC section)	Yes	No					
Tota						<u> </u>	•				
14	Г	An organization organized and operato	ed to test for public safe	ty Section 509(a)	(4) (See page 7	of the instruct	ions)				

Schedule A (For	m 990 or 990-EZ) 2006	Page 4
Part IV-A	Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash me	ethod of accounting.
Note: You may u.	se the worksheet in the instructions for converting from the accrual to the cash method of accounting.	

Cale	endar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2	002	(e) Total
15	Gifts, grants, and contributions received (Do not						(
	include unusual grants See line 28)						•
16	Membership fees received						(
17	•						
	sold or services performed, or furnishing of facilities in any activity that is related to the	1,937,360,134	1,734,362,260	1,549,428,692	1,445	5,409,657	6,666,560,743
	organization's charitable, etc , purpose						
18							
	received from payments on securities loans						
	(section 512(a)(5)), rents, royalties, and	10,484,854	5,934,537	3,248,523	8	3,039,919	27,707,833
	unrelated business taxable income (less section					, , , l	, ,
	511 taxes) from businesses acquired by the organization after June 30, 1975						
19	Net income from unrelated business activities						
	not included in line 18						(
20	Tax revenues levied for the organization's benefit						
	and either paid to it or expended on its						(
	behalf						
21	The value of services or facilities furnished to the organization by a governmental unit without						
	charge Do not include the value of services or						(
	facilities generally furnished to the public without						
	charge						
22	Other income Attach a schedule Do not include						(
	gain or (loss) from sale of capital assets	1 047 944 099	1,740,296,797	1,552,677,215	1 45	2 440 576	6 604 369 E7
23	Total of lines 15 through 22 Line 23 minus line 17	1,947,844,988				3,449,576	6,694,268,576
25	Enter 1% of line 23	10,484,854 19,478,450	5,934,537 17,402,968	3,248,523 15,526,772		3,039,919 1,534,496	27,707,833
26	Organizations described on lines 10 or 11: a Er	, ,			26a	1,334,490	
	Prepare a list for your records to show the name of				200		
	than a governmental unit or publicly supported org 2005 exceeded the amount shown in line 26a Do of all these excess amounts	•	-	-	26b		
c	Total support for section 509(a)(1) test Enter line	e 24, column (e)		▶	26c		
c	Add Amounts from column (e) for lines 18		19				
	22		26b	<u> </u>	26d		
•	Public support (line 26c minus line 26d total)				26e		
f	Public support percentage (line 26e (numerator) d	ivided by line 26c	(denominator))	▶	26f		
27	Organizations described on line 12: a For amou		· · · · · · · · · · · · · · · · · · ·	7 that were receiv	ved from a	a "disqua	ulified person."
	prepare a list for your records to show the name of					•	
	Do not file this list with your return. Enter the sur	•		, , , , , , , , , , , , , , , , , , , ,			
	(2005) 0(2004)		(2003)	0	(2002)		C
	For any amount included in line 17 that was receiv		· ′ <u> </u>		` ′_	are a list	
	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 an	iount described if	1 (1) 01 (2	z), enter	the Sum of
	these differences (the excess amounts) for each y		(2002)	•	(2002)		
	(2005) 0(2004)	0	(2003)	0	(2002)_		C
	Add Assessed for a selection (2) for large		0.16	0			
•	Add Amounts from column (e) for lines 15	-	<u> </u>				
	176,666,560,743 20		<u> </u>	0	•	27c	6,666,560,74
c	Add Line 27a total 0	and line 27b tot	al	0	•	27d	(
•	Public support (line 27c total minus line 27d total)			▶	27e	6,666,560,74
f	Total support for section 509(a)(2) test Enter am	ount from line 23,	column (e) 🕨	27f 6,69	4,268,576		
ç	Public support percentage (line 27e (numerator) d	ivided by line 27f	(denominator))	•	27g	•	99 59 %
ŀ	Investment income percentage (line 18, column (e			denominator)) 🕨	27h		0 41 %
28	Unusual Grants: For an organization described in li	ne 10, 11, or 12 t	hat received any	unusual grants di	uring 200	2 throug	h 2005,
	prepare a list for your records to show, for each ye			-	-	_	

description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15

Pa	(To be completed ONLY by schools that checked the box on line 6 in Part IV)			
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws,		Yes	No
	other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its			
	brochures, catalogues, and other written communications with the public dealing with student admissions,			
	programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during			
	the period of solicitation for students, or during the registration period if it has no solicitation program, in a way			
	that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)			
32	Does the organization maintain the following	-		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
ŀ	Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory			
	basis?	32b	i	İ
	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing			
`	with student admissions, programs, and scholarships?	 32c		ĺ
	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
•	Gooples of an inaterial assa by the organization of on its behalf to some continuations	324	l	
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
33	Does the organization discriminate by race in any way with respect to	-		
ā	Students' rights or privileges?	33a		
ŀ	Admissions policies?	33b		
(Employment of faculty or administrative staff?	33c		
	Scholarships or other financial assistance?	33d		
•	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
ŀ	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
ŀ	Has the organization's right to such aid ever been revoked or suspended?	34b		1
	If you answered "Yes" to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05			
	of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No." attach an explanation	35		l

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

Pa	rt VI-A	Lobbying Expenditur (To be completed ONL)						uctio	ns.)	
Che	ck 🟲 a 「	if the organization belong:						nited	ontrol'	provisions apply
		Limits on Lo	bbying Expend	litures			(a)			(b) o be completed
		(The term "expenditures	" means amounts	paid or incurred)		A ffiliated total:			for all electing organizations
36	Total lobb	bying expenditures to influer	nce public opinion ((grassroots lobb	yıng)	36				
37	Total lobb	bying expenditures to influer	nce a legislative bo	ody (direct lobby	ring)	37				
38	Total lobb	bying expenditures (add line	s 36 and 37)			38				
39	Otherexe	empt purpose expenditures				39				
40	Total exe	mpt purpose expenditures (add lines 38 and 3	9)		40				
41	Lobbying	nontaxable amount Enter t	ne amount from the	following table-	_					
	If the am	ount on line 40 is—	The lobbying nont	axable amount	is—					
	Not over \$5	500,000	20% of the amount o	n line 40						
	Over \$500,	000 but not over \$1,000,000	\$100,000 plus 15% o	f the excess over \$	500,000					
	Over \$1,000	0,000 but not over \$1,500,000	\$175,000 plus 10% o	f the excess over \$	1,000,000	41				
	Over \$1,50	0,000 but not over \$17,000,000	\$225,000 plus 5% of	the excess over \$1	,500,000					
	Over \$17,0		\$1,000,000							
42	Grassroo	ts nontaxable amount (ente	25% of line 41)			42				
		line 42 from line 36 Enter -	•	e than line 36		43				0
		line 41 from line 38 Enter -				44				
							I			
		(Some organizations that r See the i	nstructions for line	s 45 through 50		the ins	tructions)			
	Calendar fiscal year	year (or ar beginning in) 🟲		(a) 2006	(b) 2005		(c) 2004		(d)	(e) Total
45	Lobbying	nontaxable amount				+				_
46	Lobbying	ı ceılıng amount (150% of lı	ne 45(e))							
47	Total loh	bying expenditures								
		-,3								
48	Grassroo	ots nontaxable amount								
49	Grassroo	ots ceiling amount (150% of	line 48(e))							
50	Grassroo	ots lobbying expenditures								
	rt VI-B		Nonelectina F	Public Charit	ies					l
		(For reporting only by				A) (Se	ee page 13	of th	e ınstr	uctions.) 🕏
		ır, dıd the organızatıon atten	pt to influence nat	ional, state or l	ocal legislation,			Yes	No	A mount
		uence public opinion on a le	jislative matter or	referendum, thr	ough the use of			162		Amount
_	Voluntee								Νο	
b		ff or management (Include c	ompensation in ex	penses reported	i on lines c throu	ıgh h.)		Yes	NI -	
C		dvertisements . to momboro logiclotoro or	Aba multi-				-		No	
d		to members, legislators, or					-	Yes	No	7 220
e f		ions, or published or broadc o other organizations for lob					-	1 62	No	7,230
ı g		o other organizations for lob ontact with legislators, their	. •	t officials, or a li	egislative hody		-	Yes	IVO	109,452
h		demonstrations, seminars, c				ns	}		Νο	105,452
						-				

116,682

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 13 of the instructions.)

			age 13 of the instructions.)				
			ly engage in any of the following i			sectio	n
) organizations) or in section 527		ns? r		
		g organization to a no	ncharitable exempt organization (of i		Yes	No
	Cash				51a(i)		Νο
	O ther assets				a(ii)		Νο
	transactions			ļ			
	-		narıtable exempt organızatıon		b(i)		Νo
` '	Purchases of assets		, ,		b(ii)		Νο
	Rental of facilities, ed		sets		b(iii)		Νo
	Reimbursement arrar	-			b(iv)		Νo
	Loans or loan guaran				b(v)		Νo
			fundraising solicitations		b(vi)		Νo
			er assets, or paid employees	L	С		Νo
			ete the following schedule Colun				
goods	, other assets, or serv	rices given by the rep	orting organization If the organiz	zatıon received less than fair mai	rket valı	ue in a	ny
transa	ction or sharing arran	igement, show in colu	mn (d) the value of the goods, ot	ner assets, or services received			
(a)	(b)		(c)	(d)			
Line no	A mount involved	Name of noncha	aritable exempt organization	Description of transfers, trans		, and	sharır
				arrangemer	its		
2a Is the	organization directly	or indirectly affiliated	l with, or related to, one or more t	ax-exempt organizations			
descri	bed in section 501(c)) of the Code (other th	nan section 501(c)(3)) or in secti	on 527?	Γ	Yes	~
b If "Yes	s," complete the follow	wing schedule					
	(a)		(b)	(c)			
	Name of organiza	ation	Type of organization	Description of relat	tionship		
			1				

Form **4797**

Department of the Treasury

Internal Revenue Service (99)

Name(s) shown on return

KAISER FOUNDATION HEALTH PLAN

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

Attachment Sequence No 27

Identifying number

<u> </u>	THE NORTHWEST						93-0798	039	
1					for 2006 on Form(s) 10 10, or 20 (see instruct		1		
Pa					de or Business and perty Held More Ti				
((a) Description of property	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cos basi improve	t or other s, plus ments and se of sale	((g) Gain or (loss) tract (f) from the sum of (d) and (e)
2 S	STATEMENT 1	, ,		87,800	·		180,78	7	-92,987
3	Gain, if any, from Fo	rm 4684 lir	ne 42					3	
4	, .,	•		om Form 6252, line 26	or 37		•	4	
5				xchanges from Form 8			• •	5	
					024		• •	6	
6	Gain, if any, from lin	·		·					02.097
7		_	_		appropriate line as foll			7	-92,987
		_			ns. Report the gain or (I Schedule K, line 9 Skip	•	-		
	from line 7 on line 1 section 1231 losse	1 below and s, or they we	skıp lines 8 ere recapture	and 9 Ifline 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	ear		
8	Nonrecaptured net s	section 123	1 losses fror	n prior years (see insti	ructions)			8	
9	below Ifline 9 is mo	ore than zero	o, enter the a		ro, enter the gain from li ine 12 below and enter n (see instructions)			9	
Pa	rt III Ordinary (Gains and	Losses (s	see instructions)					
10	Ordinary gains and	losses not ir	ncluded on li	nes 11 through 16 (ınd	clude property held 1 ye	ear or less)			
								+	
11	Loss, if any, from lin	e 7						11	(92,987)
12	Gain, if any, from lin	e 7, or amoι	ınt from line	8, if applicable				12	
13	Gain, if any, from lin	e 31						13	
14				and 41a				14	
15				orm 6252, line 25 or 3				15	
16	. •			nges from Form 8824				16	
17	Combine lines 10 th	•						17	-92,987
18	For all except indivi	dual returns	, enter the ai		the appropriate line of y	our return	and skip		<u> </u>
а	Enter the part of the	loss from in	ncome-produ	icing property on Sche	umn (b)(11), enter that pa dule A (Form 1040), lin 1040), line 22 Identify	e 27, and t	he part of	ا ءو۔ ا	ı
								18a	
b					, on line 18a Enter her			18b	

(a) Description of section 1245	, 1250, 1252, 1254, or 1255 pro	perty							(b) Date acquired(mo , day, yr)	(c) Date so (mo , day yr)
<u>А</u> В										
3 C										
)										
These columns relate to the propert		•	Property A	P	ropert	у В	Prop	erty C	Pro	perty D
O Gross sales price (Note: See	line 1 before completing)	20								
1 Cost or other basis plus	expense of sale	21								
2 Depreciation (or depletion	on) allowed or allowable	22								
3 Adjusted basis Subtrac	t line 22 from line 21 .	23								
4 Total gain Subtract line	23 from line 20	24								
5 If section 1245 property				+						
a Depreciation allowed or		25a								
b Enter the smaller of line		25b		+						
		250		+						
6 If section 1250 property depreciation was used, e except for a corporation	enter -0- on line 26g,									
a Additional depreciation after 1	.975 (see instructions)	26a								
 Applicable percentage n line 24 or line 26a (see 	nultiplied by the smaller of instructions)	26b								
c Subtract line 26a from li rental property or line 24 26a, skip lines 26d and	4 is not more than line	26c								
d Additional depreciation after 1	.969 and before 1976	26d								
e Enter the smaller of line	26c or 26d	26e		1						
f Sections 291 amount (c	orporations only)	26f								
gr Add lines 26b, 26e, and		26g								
-	: Skip this section if you			+						
	and or if this form is being hip (other than an									
a Soil, water, and land clea	arıng expenses	27a								
b Line 27a multiplied by applicable per	centage (see instructions)	27b								
c Enter the smaller of line	24 or 27b	27c								
If section 1254 property	/:									
a Intangible drilling and descriptions of the expenditures for develop natural deposits, and mit (see instructions)	oment of mines and other ning exploration costs	28a								
b Enter the smaller of line	24 or 28a	28b								
If section 1255 property		 		1						
	f payments excluded from	29a								
b Enter the smaller of line 24 of	or 29a (see instructions)	29b								
Summary of Part III	Gains. Complete prope	erty co	lumns A throug	h D th	rough	ı lıne 2	9b befor	re go	ing to line 3	30.
_	rties Add property column							30		
Add property columns A	through D, lines 25b, 26g	ı, 27c,	28b, and 29b Ent	er her	e and o	n line 1	3.	31		
	e 30 Enter the portion fro casualty or theft on Form 4		•	rm 46	84, line	e 36 E	nter the	32		
Recapture An (see instruction	nounts Under Section	ns 17	9 and 280F(b)	(2) V	Vhen	Busin	ess Use	Dro	ps to 50%	or Les
•	•			ĺ	22		Section 179		(b) Sect 280F(b)	
•	eduction or depreciation a	IIowabl	e in prior years	• •	33				1	
Recomputed depreciation	on (see instructions) .				34				1	

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93490317008507
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TY 2006 Cash Grants Paid Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Class of Activity	Recipient's name	Address	Amount	Relationship
	NW MEDICAL TEAMS	PO BOX 10 PORTLAND, OR 97239	10,000	NA
	OHSU SCHOOL DENTISTRY	611 SW CAMPUS DR 607 PORTLAND, OR 97239	50,000	NA
	PACIFIC UNIVERSITY	2043 COLLEGE WAY FOREST GROVE, OR 97116	10,570	NA
	AMERICAN LUNG ASSOCIATION	7420 SW BRIDGEPORT RD TIGARD, OR 97224	10,000	NA
	BLACK UNITED FUND OR OREGON	2828 NE ALBERTA ST PORTLAND, OR 97211	5,000	NA
	AMERICAN HEART ASSOCIATION	1200 NW NAITO PKWY STE 200 PORTLAND, OR 97209	40,500	NA
	SUSAN G KOMEN BREAST CANCER	1400 SW 5TH AVE PORTLAND, OR 97201	5,000	NA

TY 2006 Gain/Loss from Sale of Public Securities Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

EIN: 93-0798039

Gross Sales Price: 6,898,000

Basis: 6,898,000

Sales Expenses:

Total (net):

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TY 2006 Other Assets Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Beginning of Year Amount	End of Year Amount
DUE FROM KAISER FDN HOSP/OTHER	307,321,426	385,494,000
INTANGIBLE PENSION ASSETS	24,126,715	0

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TY 2006 Other Changes in Net Assets Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Amount
NET UNREALIZED GAIN ON INVESTMENTS	217,369
ADOPTION OF FASB STMT NO 158	171,013,618

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TY 2006 Other Expenses Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Amount
LOSS ON FIXED ASSETS-RECLASS	92,987
INTER-ENTITY REVENUE RECLASS	4,703,084
RENTAL EXPENSE RECLASS	606,413

efile GRAPHIC print	t - DO NOT PROCESS	As Filed Data -	DLN: 93490317008507

TY 2006 Other Expenses Not Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Amount
BAD DEBT EXPENSE-RECLASS	8,930,755

efile GRAPHIC print - DO NOT PROCESS As Filed Data - DLN: 93490317008507

TY 2006 Other Liabilities Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Beginning of Year Amount	End of Year Amount
RESERVE FOR UNCLAIMED PROPERTY	145,311	223,223
RESERVE FOR SELF INSURED RISKS	7,969,086	7,530,035
RESERVE FOR PROF & PUBLIC LIAB	14,548,146	13,635,018
RESERVE FOR WORKERS COMP RISK	2,310,175	2,273,050
POST RETIREMENT BENEFIT-LT	96,231,523	302,930,452
POST RETIREMENT BENEFIT-CURRT	5,975,000	7,079,000
OTHER LIABILITIES & DEPOSITS	10,257,440	11,991,219



TY 2006 Other Notes/Loans Receivable Short Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Category/Name	Amount
KAISER PERMANENTE HEALTH ALTERNATIVES	1,450,000

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93490317008507

TY 2006 Other Revenues Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Amount
INTER-ENTITY REVENUE - RECLASS	4,703,084
ADOPTION OF FASB STMT NO. 158	-171,013,618

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93490317008507

TY 2006 Other Revenues Not Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

Description	Amount
LOSS ON FIXED ASSETS-RECLASS	-92,987
BAD DEBT RECLASS	8,930,755
RENTAL EXPENSE RECLASS	-606,413

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - DLN: 93490317008507

TY 2006 Non Electing Public Charities Statement

Name: KAISER FOUNDATION HEALTH PLAN

OF THE NORTHWEST

EIN: 93-0798039

Statement:



TY 2006 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 2006 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			1,937,360,134	10,484,854					1,947,844,988
2004			1,734,362,260	5,934,537					1,740,296,797
2003			1,549,428,692	3,248,523					1,552,677,215
2002			1,445,409,657	8,039,919					1,453,449,576

Form 8453-EO

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2006, or tax year beginning _ , 2006, and ending ____ 2006 For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868 Department of the Treasury ▶ See instructions on back. Internal Revenue Service Employer identification number Name of exempt organization KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST 93-0798039 Type of Return and Return Information (Whole Dollars Only) Check the box for the return for which you are using this Form 8453-EO and enter the applicable amount from the return if any If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (that is, do not enter -0-) But, if you entered -0on the return, then enter -0- on the applicable line below Do not complete more than 1 line in Part I b Total revenue, if any (Form 990-EZ, line 9) 2b 2a Form 990-EZ check here ▶ 3a Form 1120-POL check here > b Tax based on investment Income (Form 990-PF, Part VI, line 5) 4b 4a Form 990-PF check here ▶ 5a Form 8868 check here ▶ Part II Declaration of Officer I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies) Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2006 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund Sign eloud 11-12-2007 Here Signature of officer Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions) I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Publication 4206, Information for Authorized IRS e-file Providers of Exempt Organization Filings If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge FRO's SSN or PTIN Date Check if Check ERO s also paid if self-ERO's signature employed P00297006 12 NEW . 2007 preparei Use CYNTHIA DARSEN, CPA KFHP, INC EIN Firm's name (or Only yours if self-employed) ONE KAISER PLAZA, address, and ZIP code OAKLAND CA 94612 Phone no 510-271-6385 Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge Preparer's SSN or PTIN Check CA Preparer's 16007 if self-Paid P00576936 employed signature Preparer's KPMG LLP 13-5565207 FIN

For Privacy Act and Paperwork Reduction Act Notice, see back of form.

55 SECOND STREET

SAN FRANCISCO

Form 8453-EO (2006)

Phone no 415.963.5100

Use Only

CA 94105

Firm s name (or

yours if self-employed).

address, and ZIP code

Form 8868 (Re		<u>-</u>		Page 2
• If you ar	re filing for an Additional (not automatic) 3-Month Extension, complete only	Part II an	d check this box.	▶ X
Note. Only	y complete Part II if you have already been granted an automatic 3-month ex	xtension o	n a previously file	d Form 8868
	e filing for an Automatic 3-Month Extension, complete only Part I (on page			
Part II	Additional (not automatic) 3-Month Extension of Time. You m	nust file	original and o	ne copy.
Type or	Name of Exempt Organization KAISER FOUNDATION HEALTH PLAN		Employer identif	ication number
print	OF THE NORTHWEST	<u> </u>	93-079803	39
File by the	Number, street, and room or suite no. If a P.O. box, see instructions	1	For IRS use only	
extended due date for	ONE KAISER PLAZA, SUITE 1550L	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		
filing the	City, town or post office, state, and ZIP code. For a foreign address, see instructions	```		
return See Instructions	OAKLAND, CA 94612			
Check typ	pe of return to be filed (File a separate application for each return)			<u> </u>
	m 990 Form 990-PF		Form 1041-A	Form 6069
	m 990-BL Form 990-T (sec. 401(a) or 408(a) trust)		Form 4720	Form 8870
Fori	m 990-EZ Form 990-T (trust other than above)		Form 5227	
	Do not complete Part II if you were not already granted an automatic 3-mo	onth exter		usly filed Form 8868.
	ooks are in the care of NATIONAL DIRECTOR OF TAX			
	none No ► 510 271.6385 FAX No. ► 51	0 271 2		
	ganization does not have an office or place of business in the United States, of			
	for a Group Return, enter the organization's four digit Group Exemption Numb			nis is
	lole group, check this box [If it is for part of the group, check this bo			
	d EINs of all members the extension is for		_ and attach ans	st with the
	uest an additional 3-month extension of time until	11/1	15 00 07	
•		and end	15 ,20 <u>07</u>	_
	calendar year <u>2006</u> , or other tax year beginning	,and end Final retu		,20 ge in accounting period
	e in detail why you need the extension <u>THIS ENTITY IS A MEMBER</u>			e in accounting period
				.
	EGRATED MANAGED HEALTH CARE DELIVERY PROGRAM AND RE			· · · · · · · · · · · · · · · · · · ·
	E TO VERIFY THAT EACH MEMBER'S TAX RETURN DATA IS C			
	s application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the efundable credits. See instructions.	e tentative	e tax, less any	0-16
		lo orodito	and actimated	8a \$
	s application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundab			
-	payments made Include any prior year overpayment allowed as a credificusly with Form 8868	Lanu any	amount paid	8 b \$
	nce Due. Subtract line 8b from line 8a Include your payment with this form		nured deposit	90 3
	FTD coupon or, if required, by using EFTPS (Electronic Federal Tax		• •	
		rayment	System) See	00 6
	uctions Signature and Verificatio	n		8c \$
Under penalt	dies of perjury, I declare that I have examined this form, including accompanying schedules a		its, and to the best o	of my knowledge and belief,
it is true, corr	ect, and complete, and that I am authorized to prepare this form		•	
0	Delanh Staten Title VP, Co	OMBOT T	TID GRO Date	8-6-07
Signature >	Notice to Applicant. (To Be Complete	ONTROLL	IER, CAU Date	F 0 0 0 1
		u by the	e ikoj	
	have approved this application. Please attach this form to the organization's return have not approved this application. However, we have granted a 10-day grace peri	and from th	a later of the date	shown bolow or the due
dat dat	e of the organization's return (including any prior extensions). This grace period is c	onsidered	to be a valid exten	sion of time for elections
1 1	erwise required to be made on a timely return. Please attach this form to the organization			
	have not approved this application. After considering the reasons stated in item 7, file. We are not granting a 10-day grace period.	we cannot	grant your request	for an extension of time
				4
	e cannot consider this application because it was filed after the extended due date of t	the return to	or which an extensio	n was requested
U Oth	ner			
	_			
	By			Date
Director	Market and the second s	<u> </u>	14 1 0	
	Mailing Address. Enter the address if you want the copy of this application	ior an add	uluonal 3-month e	xiension
returned	to an address different than the one entered above			
	Name			
Type or				
print	Number and street (include suite, room, or apt. no.) or a P.O. box number			
•				
	City or town, province or state, and country (including postal or ZIP code)			
				r 9 9 C 9 //
				Form 8868 (Rev 4-2007)

Form 8868

(Rev December 2006)

Department of the Treasury

Application for Extension of Time To File an Exempt Organization Return

► File a separate application for each return.

OMB No 1545-1709

Internal Revenue S	emice File a separate application for each return.	
 If you are f 	ling for an Automatic 3-Month Extension, complete only Part I and check this box	x
•	lling for an Additional (not automatic) 3-Month Extension, complete only Part II (on page	•
	te Part II unless you have already been granted an automatic 3-month extension on a prev	viously filed Form 8868.
Paril Auto	matic 3-Month Extension of Time. Only submit original (no copies needed).	
Section 501(c) and complete	(3) corporations required to file Form 990-T and requesting an automatic 6-month extens Part I only	sion - check this box
	rations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to r me to file income tax returns.	request an
Electronic Fili	ng <i>(e-file)</i> . Generally, you can electronically file Form 8868 if you want a 3-month auto	omatic extension of time to file
Form 8868 el 8870, g r oup re	urns noted below (6 months for section 501(c)(3) corporations required to file Form 9 ectronically if (1) you want the additional (not automatic) 3-month extension or (2) you turns, or a composite or consolidated From 990-T. Instead, you must submit the fully con For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-	ou file Forms 990-BL, 6069, or mpleted and signed page 2 (Part II)
Type or	Name of Exempt Organization KAISER FOUNDATION HEALTH PLAN	Employer identification number
print	OF THE NORTHWEST	93-0798039
File by the	Number, street, and room or suite no If a P.O. box, see instructions.	
due date for filing your return See	ONE KAISER PLAZA, SUITE 1550L City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
instructions	OAKLAND, CA 94612	
Check type o	f return to be filed (file a separate application for each return):	
X Form 990	` ' ' ' 	m 4720
Form 990		m 5227
Form 990		m 6069
Form 990	-PF Form 1041-A Form	m 8870
 If the organ If this is for for the whole g 	No. ► 510 271.6385 FAX No ► 510 271.2611 ization does not have an office or place of business in the United States, check this box a Group Return, enter the organization's four digit Group Exemption Number (GEN) iroup, check this box ►	
1 Trequest	an automatic 3-month (6 months for a section 501(c)(3) corporation required to file Form	990-T) extension of time
until	08/15, 2007 , to file the exempt organization return for the organization namorganization's return for	
▶ x	calendar year 2006 or	
▶ □	tax year beginning, and ending	··
2 If this tax	year is for less than 12 months, check reason: Initial return Final return	Change in accounting period
-	plication is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, dable credits. See instructions.	less any 3a \$
	plication is for Form 990-PF or 990-T, enter any refundable credits and estimated tax p	
	clude any prior year overpayment allowed as a credit.	3 b \$
	Due. Subtract line 3b from line 3a Include your payment with this form, or, if required,	deposit S.
	coupon or, if required, by using EFTPS (Electronic Federal Tax Payment Syste	E 3
instructio	ns	3c \$
Caution. If you	are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EC	o and Form 8879-EO
for payment in	structions	
For Privacy A	et and Paperwork Reduction Act Notice, see Instructions.	Form 8868 (Rev 12-2006)

KAISER FOUNDATION HEALTH PLAN OF NORTHWEST INC. FORM 990 TAX YEAR 2006

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 OF INVESTMEN	NOTE #1 NTS					
Cargill, Inc	6/18/04	5/1/06	5,500,000	5,500,000	0	-
US Treasury Bond Strip	11/17/04	11/15/06	548,000	548,000	0	-
Federal Home Loan Bank Note	11/30/04	11/15/06	850,000	850,000	0	
GAIN OR LOSS ON SALE OF INVESTMENTS	6		6,898,000	6,898,000	0	0
GAIN AND LOSS ON SALES AND OTHER D	SPOSITIONS:					
Medical Equipment	Various	Various	83,725	956,216	832,163	(40,328)
Autos and Trucks	Various	Various	2,925	49,619	49,619	2,925
Miscellaneous Furniture	Various	Various	1,095	24,488	24,342	949
Miscellaneous Equipment	Various	Various	55	3,486	3,486	55
Miscellaneous Equipment Retirements	Various	Various	0	266,314	233,027	(33,287)
Miscellaneous Equipment Write-Offs	Various	Various	0	4,951,836	4,928,535	(23,301)
LOSS ON SALE OF FIXED ASSETS			87,800	6,251,959	6,071,172	(92,987)
GRAND TOTAL - LOSS ON SALE OF FIXED	ASSETS & IN	VESTMENTS	6,985,800	13,149,959	6,071,172	(92,987)
RECAP OF NET GAIN/(LOSS)						
ORIGINAL COST AND EXPENSE OF SALE				13,149,959		
ACCUMULATED DEPRECIATION				6,071,172		
NET BOOK VALUE				7,078,787		
LESS GROSS SALES PROCEEDS				(6,985,800)		
NET GAIN/(LOSS)				(92,987)		

NOTE SALES NOTED ARE ARMS-LENGTH TO UN-RELATED THIRD PARTY

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

TIN: 93-0798039 DECEMBER 31, 2006

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 not-for-profit community.
- Also by preparing written and oral testimony, these individuals appear at legislative hearings, monitor legislative proceedings and meet with legislators and/or their staffs regarding issues pertinent to the mission of Health Plan. Those individuals appearing at such hearings and meetings for and on behalf of Health Plan often are representing the interests of common interest groups as well as the interests of the members of Health Plan.
- Other employees and officers perform services by delivering speeches at various public and private functions and in serving as faculty in healthcare related educational programs throughout the community.

KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST 93-0798039 DECEMBER 31, 2006

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.

December 31, 2006

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

000000000000000000000000000000000000000	(A) NAME	(B) TITLE/ HOURS* WEEKLY	(C1) COMPENSATION PRE 2006	(C2) COMPENSATION 2006	(D1) (D2) BENEFIT BENEFIT 2006 PAID 2007	(E) EXP ACCT/ OTHER ALLOW.
Drector of Charman Description 0 0 0 Director of Charman 6 0 0 0 0 Director of Charman 6 0 0 0 0 0 Director of Charman 6 0 <td>see note 2 DIRECTORS</td> <td>*see note 7</td> <td>See Notes 3 & 4</td> <td>See Notes 3 & 4</td> <td>& 5 See Notes 3, 4 &</td> <td></td>	see note 2 DIRECTORS	*see note 7	See Notes 3 & 4	See Notes 3 & 4	& 5 See Notes 3, 4 &	
Director from April 2006 Director Director Found April 2006 Director Dire	George C Halvorson Daniel P Garcia	Director & Chairman Director	00	00		00
Director Direct	Judith A Johansen	Director from April 2006		0		0
Director Director 0	Christine K Cassel Thomas W Chapman	Director Director		00		00
Director Director 0	Willam R Graber	Director		0		0
Director 5 0 0 0 Director Director 0 0 0 0 Director 0 0 0 0 0 Director 0 0 0 0 0 Director 0 0 0 0 0 0 Director 0 0 0 0 0 0 0 Director 0 0 0 0 0 0 0 0 Director 0 </td <td>J Eugene Gngsby III</td> <td>Director</td> <td></td> <td>0</td> <td></td> <td>0</td>	J Eugene Gngsby III	Director		0		0
Director Dir	Kim J Kaiser	Director		0		0
Director Director 0	J Neal Purcell	Director		0		0
Director from April 2006 B 0 0 0 Director from December 2006 5 0 0 0 Director 0 0 0 0 Director 0 0 0 0 Director 0 0 0 0 Regional President from November 2006 40 0 0 0 Acting Regional President Four Movember 2006 40 0 0 0 0 Senior Vice President Four Movember 2006 40 0 0 0 0 0 Senior Vice President Four March 2006 40 0 0 0 0 0 Senior Vice President Four March 2006 40 0 0 0 0 0 0 Senior Vice President Four March 2006 40 0	Philip A Manneau	Director		0		0
Director Director 0	Edward Pei	Director from April 2006		0		0
Director Director 0	Cynthia Telles	Director		0		0
Director	Jenny Ming	Director from December 2006		0		0
Regional President to August 2006 40 0 0 0 Acting Regional President-Northwest August 2006 to November 2006 40 0 0 0 0 Regional President-Northwest from November 2006 40 0 0 0 0 Senior Vice President-Northwest from November 2006 40 0 0 0 0 Senior Vice President from March 2006 40 0 0 0 0 Vice President/Treasurer 40 0 0 0 0 Vice President/Treasurer 40 0 0 0 0 Senior Vice President/Controller 40 0 0 0 0 Senior Vice President Vice President 40 0 0 0 0 Assistant Secretary 40 0 0 0 0 0 Assistant Secretary 40 0 0 0 0 0 Assistant Secretary 40 0 0 0 0 0 <t< td=""><td>Sandra Thompkins</td><td>Director</td><td></td><td>0</td><td></td><td>0</td></t<>	Sandra Thompkins	Director		0		0
Regional President to August 2006 40 0	OFFICERS AND KEY EMPLO	YEES:	c	c		c
Acting Regional President-Northwest August 2006 to November 2006 40 0 0 0 Regional President-Northwest from November 2006 40 0 0 0 Senior Vice President from March 2006 40 0 0 0 Senior Vice President from March 2006 40 0 0 0 Vice President/Treasurer 40 0 0 0 Senior Vice President from March 2006 40 0 0 Vice President/Controller 40 0 0 Senior Vice President 40 0 0 Assistant Secretary 40 0 0 Assistant Secretary 40 0 0 Assistant Secretary 40 0 0	Cynthia A Finter*	Regional President to August 2006		00		00
Regional President-Northwest from November 2006 40 0 0 0 Senior Vice President 40 0 0 0 0 Senior Vice President from March 2006 40 0 0 0 0 Vice President/Treasurer 40 0 0 0 0 0 Senior Vice President/Controller 40 0 0 0 0 0 Senior Vice President/Controller 40 0 0 0 0 0 Assistant Secretary 40 0 0 0 0 0 Assistant Secretary 40 0 0 0 0 0 Assistant Secretary 40 0 0 0 0 0	Patncia Peters	Acting Regional President-Northwest August 2006 to November 2006		0		0
Senior Vice President 40 0 0 Senior Vice President from March 2006 40 0 0 Vice President Treasurer 40 0 0 Senior Vice President 40 0 0 Vice President/Controller 40 0 0 Senior Vice President 40 0 0 Assistant Secretary 40 0 0 Assistant Secretary 40 0 0 Assistant Secretary 40 0 0	Andrew McCulloch	Regional President-Northwest from November 2006		0		0
Senior Vice President from March 2006 40 0 0 0 Vice President/Treasurer 40 0 0 0 Senior Vice President 40 0 0 0 Vice President/Controller 40 0 0 0 Senior Vice President 40 0 0 0 Assistant Secretary 40 0 0 0 Assistant Secretary 40 0 0 0 Assistant Secretary 40 0 0 0	Kathryn Lancaster	Senior Vice President		0		0
Vice President/Treasurer 40 0 0 0 Senior Vice President 40 0 0 0 Vice President/Controller 40 0 0 0 Senior Vice President 40 0 0 0 Assistant Secretary 40 0 0 0 Assistant Secretary 40 0 0 0 Assistant Secretary 40 0 0 0	Christine Malcolm	Senior Vice President from March 2006		0		0
Senior Vice President 40 0 0 0 Vice President/Controller 40 0 0 0 Senior Vice President 40 0 0 0 Assistant Scretary 40 0 0 0 Assistant Secretary 40 0 0 0 Assistant Secretary 40 0 0 0	Thomas R Meier	Vice President/Treasurer		0		0
Vice President/Controller 40 0 0 0 0 Senior Vice President 40 0 0 0 0 nann Assistant Secretary 40 0 0 0 0 Assistant Secretary 40 0 0 0 0 0 r Assistant Secretary 40 40 0 0 0	Arthur M Southam, MD	Senior Vice President		0		0
Senior Vice President 40 0 0 0 0 nam Assistant Secretary 40 0 0 0 0 0 Assistant Secretary 40 40 0 0 0 0 r Assistant Secretary 40 40 0 0 0	Deborah Stokes	Vice President/Controller		0		0
nann Assistant Secretary 40 0 0 0 Assistant Secretary 40 0 0 0 r Assistant Secretary 40 40 0	Steven R Zatkın	Senior Vice President		0		0
Assistant Secretary 40 0 0 0 0 r Assistant Secretary 40 40 0	William N Wiechmann	Assistant Secretary		0		0
Assistant Secretary	Victoria B Zatkin	Assistant Secretary		0		0
	Jennifer Gardner	Assistant Secretary	Q			

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 2006. 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 2005 and 2006. For instance, column C1 includes distributions from retirement, savings, and deferred compensation plans that were earned in prior years, and column D2 includes incentive payments scheduled for 2007 for performance goals achieved in 2006.

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 2006 accruals for future benefits under Plan A are included in column D1.

For other benefit plans available to executives which provide future benefits earned during 2006 (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 2006 is reported based on individual records for Directors Kaiser, Chapman, Graber, Telles, Johansen, Marineau and Pei; 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 2006.

KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST 93-0798039 December 31, 2006

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 2006	2006	2006	PAID 2007	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	0	2,656,950	1,698,387	2,530,000	0
Daniel P Garcia	105,348	556,890	271,849	435,409	0
Judith A Johansen	0	134,701	0	0	0
Christine K Cassel	0	170,000	0	0	0
Thomas W Chapman	0	203,259	0	0	0
William R Graber	0	193,032	0	0	0
J Eugene Grigsby III	0	191,002	0	0	3,240
Kım J Kaiser	0	190,500	0	0	0
J. Neal Purcell	0	220,943	0	0	0
Philip A Marineau	0	144,532	0	0	0
Edward Pei	0	136,000	0	0	0
Cynthia Telles	0	182,109	0	0	0
Jenny Ming	0	3,036	0	0	0
Sandra Thompkins	0	115,425	0	0	0
Cynthia A Finter	131,378	1,397,298	105,348	3,019	0
Patricia Peters	46,878	234,752	103,375	94,421	0
Andrew McCulloch	0	23,202	16,074	0	12,000
Kathryn Lancaster	181,081	835,249	223,860	600,279	0
Christine Malcolm	0	23,202	16,074	0	12,000
Thomas R Meier	229,630	337,939	118,013	211,978	0
Arthur M Southam, MD	1,146,160	1,193,155	330,131	968,555	0
Deborah Stokes	74,678	385,377	107,626	219,492	0
Steven R Zatkin	609,081	780,787	547,768	595,664	0
William N Wiechmann	0	415,343	74,888	38,790	12,000
Victoria B Zatkin	3,768	209,383	67,343	70,718	0
Jennifer Gardner	0	76,694	21,440	5,774	0

KAISER FOUNDATION HEALTH PLAN NORTHWEST, INC EMPLOYEE COMPENSATION FOR FORM 990 REPORTING PURPOSES FOR TAX YEAR 2006

	TOP FIVE EN	IPLOYEES					
NAME	TITLE	HOURS	(C1) COMPENSATION PRE-2006	COMPENSATION 2006	(D1) BENEFITS 2006	(D2) BENEFITS PAID 2007	(E) EXP ACCT/ OTHER ALLOW.
		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	VP	40	0	212,587	103,631	67,902	0
MARGATER P MCCLURE	VP	40	104,393	133,883	139,175	13,334	0
LARRY WHEELER	VP	40	0	239,631	64,982	33,692	0
SUSAN HENNESSY	VP	40	81,988	144,838	127,767	55,389	0
JON H. SANDERS	VP	40	0	280,751	53,715	0	0

NOTES: See Statement for notes applicable to the above reporting. # 18

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.

	СО	ST	ACCUMULATED DEPREC/AMORT		2006
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR	DEP/AMORT EXPENSE
LAND LAND IMPROVEMENTS BUILDINGS LEASEHOLD IMPROVEMENTS EQUIPMENT CAPITALIZED SOFTWARE CAPITALIZED LEASES	30,179,681 9,219,253 289,682,967 18,970,710 87,638,561 2,940,350	30,179,681 9,219,253 310,716,550 24,545,183 90,769,272 2,091,197	0 8,800,358 135,535,072 9,563,942 46,719,058 2,005,543	0 8,894,947 148,192,044 11,929,216 49,552,257 1,497,106 0	0 94,587 12,635,582 2,365,274 11,386,206 607,909 0
CONSTRUCTION IN PROGRESS	9,879,838	12,554,368	0	0	0
OTHER AMORTIZATION - START UP	AND DEFERRED CO	OSTS -			0
TOTALS TO: PART IV, LINE 57(A) PART IV, LINE 57(B) PART IV, LINE 57(C)	448,511,360 245,887,387	480,075,504 260,009,934	202,623,973	220,065,570	
PART II, LINE 42 COLUMN (B)					27,089,558

DECEMBER 31, 2006

ATTACHMENT FOR: FORM 990 PART VI, QUESTION 80 - RELATED AND AFFILIATED ENTITIES

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, 2006:

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	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST		100%
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO		100%
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC		100%
52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC		100%
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO		100%
23-7425486	COMMUNITY HEALTH PLAN		100%
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC		100%
93-0954562	KAISER HEALTH ALTERNATIVES		100%
94-3299123 93-0480268	CAMP BOWIE SERVICE CENTER OHP		100%
91-2171891	LOKAHI ASSURANCE, LTD		100% 100%
	ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION N, INC. THAT ARE TAXABLE FOR FEDERAL AND STATE INCOME TAX PURPOSES: OAK TREE ASSURANCE, LTD		100%
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES, INC		100%
94-3259432	KAISER PROPERTIES SERVICES, INC		100%
91-1814507	CHP COMPANIES, INC		100%
	IDATION HEALTH PLAN, INC. IS AFFILIATED WITH THE FOLLOWING ENTITIES EXEMPT AL INCOME TAX UNDER IRC SECTION 501(C)(3): KAISER FOUNDATION HOSPITALS KAISER HOSPITALS ASSET MANAGEMENT, INC	*(1) *(2)	N/A N/A
KAISED FOUR	IDATION HEALTH DLAN ING IS AFFILIATED WITH THE FOLLOWING		
	IDATION HEALTH PLAN, INC. IS AFFILIATED WITH THE FOLLOWING IT ARE NOT EXEMPT FROM FEDERAL INCOME TAX.		
94-3245176	KAISER PERMANENTE INTERNATIONAL	*(2)	N/A
94-3292262	KAISER PERMANENTE VENTURES	*(2)	N/A
68-0444615	CARETOUCH, INC	*(2)	N/A
91-2166347	KP ONCALL, LLC (elected to be treated as a disregarded entity for tax purposes)	*(2)	N/A
20-3774729	ARCHIMEDES, INC	*(2)	N/A
20-3924985	HEALTH CARE MANAGEMENT SOLUTIONS, LLC	*(2)	N/A
94-3203402	KAISER PERMANENTE INSURANCE COMPANY	*(3)	50%
N/A	HAMI - COLORADO, LLC (elected to be treated as a disregarded entity for tax purposes)	*(4)	N/A
20-2961620	KP CAL		100% 100%
20-2712661 20-2396517	KPCAL, LLC (elected to be treated as a disregarded entity for tax purposes) KAISER PERMANENTE OREGON PLUS, LLC	*(5)	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		
NOTE *(5)	KAISER PERMANENTE OREGON PLUS, LLC - THE SOLE MEMBER OF THIS LIMITED LIABILITY COMPANY IS KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST		

THE COMMON ADDRESS FOR ALL ENTITIES LISTED ABOVE IS

C/O KAISER FOUNDATION HEALTH PLAN, INC PROGRAM OFFICE CONTROLLER'S DEPARTMENT - TAX ONE KAISER PLAZA, 1550 ORDWAY OAKLAND, CA 94612 KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST FEIN: 93-0798039 FORM 990, SCHEDULE A, PART III 12/31/2006

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

FEIN: 93-0798039 December 31, 2006

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 24** 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 2006, 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 24**. KFHP relationships with such organizations are conducted at a price which is not less than cost or more than fair market value.

Schedule A, Part III, Question 2b:

Statement 25 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 2006, KFHP did not engage in the lending of money or other extension of credit with any of these persons in 2006. 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 18** provides information regarding officer and key employee loans made by KFHP, Inc. as disclosed in the KFHP, Inc. 2006 Form 990, Part IV and Schedule A, Part III, question 2b.

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Based on the COI questionnaires for 2006, **Statement 27 (attached)** lists non-affiliated taxable organizations which did business with KFHP in 2006 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 2006. Based on a review of COI statements for these directors, officers and key employees for 2006, **Statement 25** 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 2006, KFHP did not engage in the furnishing of goods, services, or facilities with any of the persons in 2006.

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 24** generally describes the transactions between KFHP and those entities.

Based on the COI questionnaires for 2006, **Statement 27** lists non-affiliated taxable organizations, which did business with KFHP in 2006 and on which KFHP officers, directors, key employees or their families served as an officer, director, or owner. **Statement 27** 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.

FEIN: 93-0798039 December 31, 2006

FORM 990, SCHEDULE A, PART III

NON-AFFILIATED TAXABLE ORGANIZATION RELATIONSHIPS

NAME	NON-AFFILIATED TAXABLE ORG	TRANSACTIONAL RELATIONSHIP
PHILIP A MARINEAU	LEVI STRAUS & CO	NONE
J. NEAL PURCELL	KPMG INTL - RET.	AUDIT & TAX ADVISOR AIR AMBULANCE
	OMNI FLIGHT EMORY HEALTHCARE	SERVICES NONE
EDWARD PEI	FIRST HAWAIIAN BANK	BANKING SERVICES IN HAWAII

KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST FEIN. 93-0798039 December 31, 2006

FORM 990, SCHEDULE A, PART III

TAXABLE ORGANIZATION FAMILY RELATIONSHIPS

NAME	NON-AFFILIATED TAXABLE ORG	TRANSACTIONAL RELATIONSHIP	FAMILY RELATIONSHIP
KATHRYN LANCASTER	TOP TIER CONSULTING	IT CONSULTING SERVICES	SIBLING, BENIFICIAL BUSINESS OWNER
STEVEN ZATKIN	ARLEN GROUP	BENEFITS CONSULTANT/BROKER	IN-LAW
VICTORIA ZATKIN	ARLEN GROUP	BENEFITS CONSULTANT/BROKER	IN-LAW

2006 COMMUNITY BENEFIT REPORT FORM 990, PART III 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 2006, Kaiser Permanente served 8 6 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 with 126,347 full time employees, more than 13,000 physicians and 119 dentists. The Northwest Health Plan served 483,552 medical members and another 181,503 dental members through 848 Permanente physicians, 119 Permanente dentists and 6,429 full-time 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 Oregon and Washington, Permanente Physicians and Permanente Dental Associates accept responsibility for professional care of Northwest Health Plan members and are responsible for their own physician and dentist recruitment, selection and staffing; they are legally separate entities independent from Northwest Health Plan, KFH and each other. Northwest Permanente Physicians and Permanente Dental Associates generally treat members in facilities owned, leased or contracted by Northwest 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 8.6 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 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 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 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 high-technology 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.
- Benefit 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 893,400 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 more than 148,400 Medicaid managed-care members and in addition serve a large number of Medicare and Medicaid patients on a fee-forservice basis. KFHP also participates in the State Child Health Insurance Program (SCHIP) and served an additional 112,360 in 2006.

THE COMMUNITY BENEFIT PROGRAM IN THE NORTHWEST REGION

In 2006, Kaiser Permanente spent approximately \$807 million, or approximately 2.3% of revenue, to support the Community Benefit Program in the community. The Northwest Region spent \$36.4 million, of which \$21.8 million is attributable to the Northwest Health Plan and \$14.6 million is attributable to KFH. A breakdown of the 2006 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 \$27.5 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, \$21.4 million is attributed to the Northwest Health Plan and \$6.1 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 the Financial Assistance Program (FAP) and Charitable Coverage Program In 2006, the Northwest Health Plan spent \$4.0 million and KFH spent \$1.1 million on 10,510 under- and uninsured residents in Oregon and Washington.

Financial Assistance Program

This program helps pay the medical and dental expenses of patients, both member and non-member, who meet qualifying guidelines by paying for services at facilities owned and/or operated by the Northwest Health Plan and KFH. The length of financial assistance is based on individual need. At the end of the financial assistance award period, the patient may apply for an extension. In 2006, Northwest Health Plan and KFH spent \$1.5 million on this program to serve 7,685 applicants who qualified for medical assistance. Of this amount, \$1.3 million is attributed to Northwest Health Plan and \$0.2 million is attributed to KFH in Oregon and Washington.

Charitable Coverage Program

The Northwest Health Plan provided coverage and services valued at \$2.7 million and KFH committed nearly \$1 million to provide subsidized coverage to 2,825 low-income adults and children who are not eligible for standard Medicaid or privately funded coverage. The Charitable Coverage Program consists of the Transitions, and Child Health Program.

- Transitions Individuals must be actively enrolled in Portland Community College classes and have to be eligible for this program. The annualized income of the subscriber's household must be less than 250% of applicable federal income guidelines during the enrollment period. Students must not be eligible for any other health plan benefit coverage. To be eligible for the program, each individual must reside within the Northwest Health Plan' service area and maintain a 2.0 grade point average. Graduates who become employed are eligible for an additional six months or until the employer-paid coverage is activated Enrollment by year-end was 857.
- Child Health Plan Northwest Health Plan offers full subsidy health insurance for eligible low-income children in 129 Multnomah and Salem-Keizer elementary schools. The participating school districts act as the administrator for the program and are responsible for outreach, eligibility determination and enrollment. Children are referred to the program based on medical need identified through school nurses or school staff. The annualized household income of the children must be at least 250% of the applicable federal income guidelines and between the ages of 3 through 18, or in their senior year of school. Total enrollment for year-end 2006 was 1,968.

Participation in Medicaid and Other Publicly Financed Programs

The Northwest Health Plan and KFH provided coverage and services valued \$20 million (in excess of reimbursement) for members and nonmembers participating in government sponsored programs. Of this amount, \$17.1 million is attributed to the Northwest Health Plan and \$2.9 million is attributed to KFH.

- Oregon Health Plan During 2006, the Northwest Health Plan and KFH served approximately 4,373 enrollees on a prepaid basis. Northwest Health Plan receives monthly capitated premiums determined by claims experience provided to the OHP. Division of Medical Assistance Program (DMAP) determines all eligibility and provides enrollment electronically to KPOP
- Washington Basic Health Plus (BHP-Plus) This is Washington's Medicaid program for children, under the age of 19 Northwest Health Plan offers coverage to those eligible members in Clark and Cowlitz counties. These are children less than 19 years of age whose parent(s) are enrolled in WA Basic Health (non-Medicaid) or coverage to adult women through the "Maternity Benefits"

Program" that are on Basic Health and become pregnant. If the women do not apply for Maternity Benefits program within 30 days of confirmation of pregnancy, prenatal care and delivery will not be covered. If they apply for the Maternity Benefits Program and are rejected by Medicaid, the WABH (non-Medicaid) will extend their coverage for prenatal care and delivery beyond the 30 days. By year-end, enrollment totaled 1,084.

- The Washington Basic Health Plan This health care coverage program administered by the Washington State Health Care 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 2,986 individuals enrolled in this program.
- Medicaid to Nonmembers Northwest Health Plan and KFH provided \$2.4 million in subsidized care to Medicaid Fee-for-Service patients. When a Medicaid nonmember receives services from Kaiser Permanente providers at contract hospitals or outpatient services as a result of hospital visit follow-up, or in-patient services for Medicaid members in Oregon, these expenses are recorded as non-capitated services and are reported as professional and non-professional losses for Medicaid nonmembers.
- The Oregon and Washington Medical Insurance Pools are high-risk insurance pools for the State of Oregon and Washington Legislation allows the states to spread a portion of the program expenses for enrollees across the individuals who are insured wholly or in part by all health insurers, re-insurers and stop-loss carriers licensed in the state. Assessments fund less than half of the program expenditures. The Oregon Medical Insurance Pool distributes the responsibility for paying the assessment among the health insurers based on the total number of Oregonians that each insures. The Northwest Health Plan contributed \$4.8 million to the Oregon program and \$1.7 to the Washington Medical Insurance Pool.

Grants and Donations for Medical Care Services

During 2006, KFH spent \$0.9 million to support 15 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:

- Outside In received a \$90,000 grant through the Northwest Region's Safety-net Partnership
 Initiative Outside In addresses the changing needs of homeless youth and other low-income and
 marginalized people as they work toward self-sufficiency and improved health by providing them
 innovative social, medical and mental health services and material resources. The grant was
 used to provide medical visits for the homeless population. The clinic provides urgent, primary
 and preventive health care for homeless and low-income people, with an emphasis on youth and
 young adults.
- Multnomah County Health Department also received a \$100,000 grant the Safety-net Partnership Initiative. The majority of the funds provided referral services for uninsured patients who receive specialty services from community providers at deep discounts (>50%). Most of the visits are imaging for pregnant women. The remainder of the grant supported direct medical services to homeless families via a medical outreach van. The mobile medical van operates five days a week. In the first six months of the project, the outreach van provided 1,541 medical encounters to 824 clients, 543 of them had no previous access to primary medical care
- Tucker Maxon Oral School received a \$10,000 grant through the Civic Engagement Initiative to
 provide 38 children with hearing loss who were beginning preschool with a personal wireless FM
 system. The two main goals of the project were to provide students with the most appropriate
 assistive listening technology and concomitant professional support and replicate and affirm

- research regarding critical distance as it relates to children who utilize sound field versus individual FM assistive listening
- Through the Civic Engagement Initiative, the Free Clinic of SW Washington received a \$25,000 grant for general operating support. The clinic addresses basic health problems before they turn into medical emergencies and serves low-income people who do not have health insurance or state medical assistance. The clinic relies on volunteer doctors, nurses, and other medical professionals to meet the urgent care needs of patients.
- Northwest Region in partnership with the Northwest Health Foundation and other funders created a new fund to support community coalitions in Oregon and southwest Washington working to promote physical activity and healthy eating locally. Coalitions are encouraged to design and implement multifaceted public health interventions that take place in multiple settings neighborhoods, schools, worksites and health systems. Grants will be awarded in mid-September for projects that last up to four years. A maximum of \$25,000 will be available for the first year, with the possibility of increased funding in subsequent years for coalitions that demonstrate significant progress. KFH in the Northwest donated \$500,000 to support the community partnership

COMMUNITY-BASED PROGRAMS FOR VULNERABLE POPULATIONS

During 2006, KFH donated \$0.4 million in charitable contributions to 15 community organizations that provide a variety of program and services for vulnerable populations in Oregon and Washington. Examples of community-based organizations receiving funding included:

- The Oregon Food Bank (OFB) was selected on behalf of the Northwest Region's MLK Day Committee to receive a \$45,000 grant for the "make it a day on, not a day off" volunteer service day. The Oregon Food Bank is the hub of a statewide network of 894 huger relief agencies that serve an estimated 194,000 people per month. It distributes approximately 60.8 million pounds of food annually Oregon Food Bank's mission is to eliminate hunger and its root causes ...because no one should be hungry. OFB distributes food, primarily donated by the food industry, to 17 independent regional food banks around Oregon, and to more than 300 local, direct-service agencies in Multnomah, Clackamas, Washington, Harney, Malheur and Clark (WA) counties. Low wages, high housing costs and reduced government support have led people to need "emergency" food at an increasing rate. In addition to responding to this need, OFB operates programs (including gleaning, cooking classes, and supplemental food programs) designed to help people acquire food through regular channels OFB also works with legislators, government administrators and other non-profit groups to advocate for public policies (including earned income tax credits, minimum wage increases, childcare and healthcare supports, food stamps, etc), which help low-income people buy their own food.
- A \$10,000 general operating grant was awarded to the Oregon Council for Hispanic Advancement to support programs that prepare at-risk Latino youth for post-secondary education and careers. The program objectives introduce students to careers that have a high demand for a diverse workforce such as health care, banking, insurance and many others.
- The Senior Nutrition Project was awarded a \$200,000 grant to provide meals to seniors. Awards were proportionately distributed four different centers: Loaves & Fishes Centers Inc. (includes Washington, Multnomah and Clark (WA) Counties) received \$102,000, Social Services of Clackamas Co (Clackamas County) received \$34,000, Senior Townhouse, Inc (Salem area) received \$32,000 and Lower Columbia Community Action Council (Longview/Kelso, WA area) received \$32,000. The grant supported home delivered meals to homebound seniors, also known as "Meals on Wheels" programs and congregate meals offered at community centers.
- Portland Workforce Alliance was awarded a \$70,000 grant to develop strategic and systemic
 partnerships to prepare high school students for employment success and to meet the City's
 future workforce needs. The program provides opportunities for high school students through job
 shadowing, mentoring, apprenticeships and early entrance to college

EVIDENCE-BASED MEDICINE

In Oregon and Washington, KFH spent \$4.9 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 current health issues and 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 2006, KFH spent \$3.4 million to support CHR in conducting 222 new or continuing research projects. The following highlights a few of the studies:

Study. Recovery Group Pilot Project

The purpose of this project was to develop and evaluate a low-cost, consumer/counselor-led health education and support intervention to foster self-care and recovery among adults with mental illness. The project accomplished all proposed aims, including: demonstrating the feasibility, acceptability, and value of the group intervention, identifying a reasonable length for the intervention (16 weeks), recruiting and retaining participants from minority groups, further refining the facilitators' manual, and collecting three waves of participant data (baseline, post-group follow-up, and 10 months post-baseline). Results showed statistically significant reductions in mental health symptoms and significant improvements in functioning, self-reported mental health, self-reported quality of life, and self-reported sense of control over important areas of life. Analyses also suggest that individuals who were experiencing more difficulties at baseline and who had lower Recovery Assessment Scale scores benefited more from the group intervention than those who had better scores in these same areas.

Study. Latino Family Health

The objective of this project was to develop a culturally appropriate primary care-based intervention to prevent obesity in Latino children. In 2005, work included qualitative interviews with 21 Latino mothers about weight, feeding practices, and receptivity to obesity prevention interventions. In 2006, two pediatric care providers from Federally Qualified Health Centers serving Latino families and four Community Health Workers from participating clinics and Latino-specific organizations were recruited to develop a culturally appropriate group well-child visit curriculum to prevent overweight and obesity in Latino children. Working with a bi-lingual facilitator trained in popular education methods, the group developed a draft curriculum for delivering well-child visits to Latino children aged birth to two. The curriculum incorporated ideas from the 2005 parent interviews, and it included popular education methods to increase its cultural appropriateness and included enough structure to allow it to deliver guideline-based care and meet the needs of clinics to be able to bill for services. Review of the final product for cultural appropriateness will be completed early in 2007. As part of this project, primary care clinics formed collaborative relationships with Latino community-based organizations to recruit community health workers in future program development.

• Study: Family Cost

The purpose of this project was to measure time and monetary costs among low-income (Medicaid) families with children who have mental health and developmental conditions (e.g., autism). The survey was developed in 2005 through funding from the National Institute of Mental Health (NIMH). Partnering with Lifeworks NW (a community mental health agency serving more than 6,500 low-income people in the Portland area), 16 low-income community residents, all of whom had public insurance were recruited and interviewed to pilot a survey instrument Interviews revealed that the survey instruments need to better clarify the meaning of terms such as "day treatment", where to include time costs of school-related activities and other unidentified costs needed due to a child's condition. The survey will be revised and tested in a privately insured population and a preliminary comparison between the two groups will be conducted to understand if time and monetary costs differ.

Health Sciences and Medical Libraries

KFH in Oregon and Washington spent \$0.3 million to support 10,635 requests for clinical, health and related information services. In 2006, 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. Besides being a statistical database utilized by clinicians and researchers within the region, the registry submits statistics to the National Cancer Data Base annually. The Cancer Program, which oversees the registry, is surveyed for accreditation every three years by the American College of Surgeons Commission on Cancer.

EDUCATION

Northwest Health Plan and KFH spent \$3.5 million to educate consumers and health care professionals during 2006 in Oregon and Washington, of which \$0.1 million is attributed to Northwest Health Plan and \$3.4 million is attributed to KFH.

CONSUMERS

Northwest Health Plan and KFH spent \$1.2 million on community wellness and health education programs for consumers in Oregon and Washington, of which \$0.1 million is attributed to Northwest Health Plan and \$1.1 million is attributed to KFH.

Community Health Education and Prevention Programs

During 2006, Northwest Health Plan and KFH in Oregon and Washington supported the following community health education activities:

- KFH in the Northwest collaborated with Community Choices 2010 to provide Clark County residents with "Walkaround Guides." This guide highlights the county's trails and provides information on how the residents affected by poor nutrition, diabetes, obesity and asthma can lead a healthy life and enjoy walking on the local trails. KFH worked on creation, production, distribution, evaluation of the guides and provided funding to more than 50,000 guides
- The City of Portland Transportation Options Division's "Ten Toe Express" promotes physical activity by increasing the number of bicycling, walking, transit, carpool and care sharing trips taken by residents. KFH donated Kaiser Permanente pedometer which were included specially designed kit with walking maps of the area and other various information guides supporting physical activity. As a result of this community event, over 6,000 residents received pedometers, more than 700 people participated in guided walks and 8,000 walking maps distributed

• KFH designed and printed school posters, supplemental educational resources and parent materials for parents for Kids On The Block (KOTB), a national non-profit organization that stages puppet shows to K-3 schoolchildren. The production is a community component to Kaiser Permanente's clinical emphasis on pediatric obesity. KOTB's "Healthy Choices Reducing Childhood Obesity" program features an original puppet performance entitled. "Spinach Punch" and is the most popular performance of over 15 topics. The program is provided free to schools in Oregon and SW Washington and was performed 182 times for 35,415 children in the four county areas in 2006.

Educational Theatre Programs

KFH in the Northwest launched Educational Theatre Programs (ETP) in 2006. In collaboration with the Oregon Children's Theatre, an organization with high quality professional staff, established relationships with public schools, the Northwest Region laid the ground work for the two productions: "What Would You Do?" and "If". "What Would You Do?" was performed for over 12,000 children in 63 public elementary schools. "If" involves middle school students, who audition for roles, rehearse the production, and then perform it for their peers, family, and community. "If" performances began January 2007.

Grants and Donations for Consumer Education

KFH made a charitable contribution to the Oregon Public Broadcasting's (OPB) on "Meth: The Oregon Front". This documentary explains how methamphetamine use started as a fad among West Coast motorcycle gangs in the 1970's and has now spread across the United States. This program explores the devastating effect on many Oregonians' lives. OPB will expand upon this work with a series of programs on OPB TV, OPB Radio and OPB.org that track the impact of methetamines on individuals, families and communities, and what is being done to combat the problem.

HEALTH CARE PROFESSIONALS

KFH in Oregon and Washington spent \$2.4 million to support the training and education of physicians and other healthcare providers.

Continuing Medical Education

KFH spent \$.03 million to provide 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 2006, with attendees earning 29,045 CME units.

Graduate Medical Education

In Oregon and Washington, KFH spent \$1.7 million on graduate medical education and educated 171 residents and fellows (27 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. An additional 80 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, allopathic medicine, nurse practitioner, midwife, optometrist, physician assistant, CRNA and behavioral health programs. During fiscal year 2006, the Graduate Medical Education Department provided administrative support for 215 students from outside institutions pursuing a career in the health care field. The sponsoring institutions depend upon Northwest Health Plan and KFH to provide the clinical setting and mentors for the practical aspect of their education.

Grants and Donations for the Education of Health Care Professionals

KFH spent \$0.4 million to support the training and education of health care professionals in the Northwest Region. Five nonprofit agencies and academic institutions received community benefit funds

- Oregon Healthcare Workforce Institute received a \$100,000 general operating grant. The institute
 built relationships to expand the number of graduates in the healthcare profession and address
 challenges such as clinical capacity, regulatory barriers, retention and educational capacity. The
 institute identifies and analyzes data to determine specific occupational and regional workforce
 needs; develops and prioritizes a plan to address the shortage areas; develop policies and
 initiatives to inform and advocate with industry and government on changes needed
- Oregon Consortium for Nursing Education was given a \$100,000 grant to develop a new model of
 clinical education which creates opportunities for a greater number of students to obtain
 necessary and appropriate clinical experiences in the community, provide clinical experiences
 that better prepare nurses for current and future practice; reduce staff nurse strain and risks to
 patient safety that plague the current model of acute-care clinical education.
- A \$105,000 grant was awarded to the Oregon Health Career Center to fund the Medical
 Assistance Pathways project. This project trained a cohort of 20 bi-lingual students in the
 medical assistance program at Clackamas Community College. Curriculum included second
 language training materials for the students. Bi-lingual medical assistants are in such a high
 demand most of the students were offered jobs by their clinical placement training site employers.
- Oregon Center for Nursing received a \$125,000 general operating grant. The project's purpose was to double enrollment in Oregon nursing programs by 2006. Develop, implement, and evaluate staffing models that make the best use of the available nurse workforce. Redesign nursing education to more directly meet the changing health care needs of Oregonians. Recruit into and retain nurses in the profession. Create the Oregon Center for Nursing (OCN) to coordinate implementation and ongoing evaluation of this plan. Expected Outcomes are to promote leadership development in nursing. Identify best practice models of leadership development. Develop a Nursing Leadership Academy for first line charge nurses and nurse managers with the focus on retention of nurses., recruit men and minority candidates into nursing; expand regional nurse clinical placement software; promote leadership development at all levels; promote and build community partnerships.

PUBLIC POLICY

During 2006, 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:

- The Senate Commission on Health Care Access and Affordability developed a comprehensive health care reform proposal for consideration by the 2007 Oregon Legislature. The Commission outlined a broad proposal for dramatically changing the way Oregonians purchase and receive health care services. The committee studied the problems of providing health care coverage for the uninsured and underinsured. As part of the work, Kaiser Permanente arranged a demonstration of HealthConnect to educate committee members about the importance of electronic medical record systems in the delivery of health care. Kaiser Permanente's Mary Durham, PhD. served on the panel throughout 2006 as it fine-tuned plans to expand access, control costs and improve quality.
- Investigators at the Center for Health Research served on Oregon's Evidence-based Practice
 Center to assess the scientific evidence for screening and preventive treatments in primary care.
 Their work is sponsored by the Agency for Healthcare Quality and Research for the U.S
 Preventive Services Task Force.

Norwest Health Plan and KFH supported Measure 26-80 for Natural Areas, Parks and Streams.
 Measure 26-80 shares many of the same principles guiding Kaiser Permanente's Community
 Health Initiative and that regular physical activity is a critical component of healthy living.
 Measure 26-80 will put into action our advocacy for innovative community designs that
 incorporate opportunities for more physical activity. Specifically, Measure 26-80 will increase the
 infrastructure for walking and biking.

OTHER COMMUNITY BENEFITS

In 2006, Northwest Health Plan and KFH also spent \$0.5 million 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:

Other Grants and Donations

Health Plan in Oregon and Washington donated surplus equipment to the following community-based organizations that received donations:

- Domestic Violence Resource Center, a program that addresses the needs of battered women in Washington County, Oregon.
- Clackamas Community College Nursing Program, an Associate of Applied Science in Nursing, degree program.
- Janus Youth Program, a residential care center for homeless adolescent substance abusers.

Community Giving Campaigns

KFH supported an employee giving campaign to assist local organizations such as the Black United Fund, Earthshare of Oregon, United Way of Columbia Willamette, United Way of Cowlitz County and United Way of the Mid-Willamette Valley and Community Health Charities (CHC) Employee donations are used to support these member charities and provide research, patient services and outreach in local communities.

ATTACHMENT A

2006 NATIONAL DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM

The following charts summarize 2006 Community Benefit investments nationally for KFHP and for KFH. The investments in the community reflected in the charts are unaudited.

CB PRIORITY AREAS	NATIONAL HEALTH PLAN TOTAL	NATIONAL HOSPITAL TOTAL	NATIONAL* CB TOTAL
VULNERABLE POPULATIONS			
Medical Care Services	\$401,001,035	\$256,776,183	\$660,777,217
Community-Based Programs	2,250.523	15,552,601	17,803,124
Other Vulnerable Populations	5,892,479	10,261,422	16,153,901
Subtotal:	412,144,036	282,590,206	694,734,242
EVIDENCE-BASED MEDICINE			<u> </u>
Research	1,650,394	15,443,415	17,093,809
Medical Libraries	80,121	3,783,359	3,863,480
Other	318,633	1,607,585	1,926,218
Subtotal.	2,049,148	20,834,359	22,883,507
EDUCATION			
Consumer	3,651,037	10,036,963	13,688,000
Health Professionals	3,956,700	61,229,431	65,186,131
Subtotal:	7,607,737	71,266,394	78,874,131
PUBLIC POLICY			
Public Policy Grants/Expenses	1,331,511	843,305	2,174,816
Subtotal:	1,331,511	843,305	2,174,816
OTHER COMMUNITY BENEFITS			
Other CB Grants/Expenses	932,649	6,398,001	7,330,650
Community Giving Campaign	398,308	189,352	587,660
Subtotal:	1,330,957	6,587,353	7,918,,310
TOTAL	\$424,463,389	\$382,121,617	\$806,585,006

ATTACHMENT B

DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM IN OREGON AND WASHINGTON 2006 COMMUNITY BENEFIT FINANCIALS

The following chart summarizes 2006 community benefit investment by the Northwest Health Plan and KFH regionally. The investments in the community reflected in the chart are unaudited

CB PRIORITY AREAS	REGION HEALTH PLAN	REGION KFH TOTAL*	REGION . CB TOTAL
, 256 × 500 × 5	TOTAL	Carly Marie Lough State Land	into the second
VULNERABLE POPULATIONS			
Medical Care Services	\$21,1 <u>32,</u> 322	\$5,016,563	\$26,148,885
Community-Based Programs	0	409,033	<u>40</u> 9,033
Other Vulnerable Populations	267,016	652,667	919,683
Subtotal:	21,399,338	6,078,263	27,477,601
EVIDENCE-BASED MEDICINE			
Research	0	3,407,893	3,407,893
Medical Libraries	0	300,429	300,429
Other	0	1,222,441	1,222,441
Subtotal:	0	4,930,763	4,930,763
EDUCATION			
Consumers	84,340	1,079,349	1,163,689
Health Professionals	0	2,368,995	2,368,995
Subtotal:	84,340	3,448,344	3,532,684
PUBLIC POLICY			
Public Policy Grants/Expenses	0	0	0
Subtotal:	0	0	0
OTHER COMMUNITY BENEFITS			
Other CB Grants & Donations/Expenses	331,297	75,000	406,297
Community Giving Programs	0	42,352	42,352
Subtotal:	331,297	117,352	448,649
TOTAL	\$21,814,975	\$14,574,722	\$36,389,697

KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST OFFICER'S CERTIFICATE

I, the undersigned, Victoria B. Zatkin, Assistant Secretary of Kaiser Foundation Health Plan of the Northwest, an Oregon public benefit corporation (the "Corporation"), do hereby certify that:

Attached hereto is a full, true, and correct copy of the Amended Bylaws of the Corporation, as of September 30, 2006.

IN WITNESS WHEREOF, I have hereunto set my hand.

Victoria B. Zatkin, Assistant Secretary

September 18, 2007

BYLAWS OF

KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST

ARTICLE A

PURPOSES

Section A-1. Principal Purpose.

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

Section A-2. Related Purposes.

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

Section A-3. Nonprofit Character.

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

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

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

Upon the corporation's liquidation or dissolution, the Board of Directors shall, after paying or adequately providing for the corporation's liabilities, distribute the corporation's assets to one or more organizations exempt from tax under §501(c)(3) of the Internal Revenue Code of 1954 or any amendment or successor thereto. The corporation's assets may not be distributed so as to inure directly or indirectly to the benefit of any Director or officer of the corporation, or to any other individual, or to any corporation, trust or organization whose net earnings inure to the benefit of any individual.

Section A-5. Non-discrimination.

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

ARTICLE B

OFFICES

Section B-1. Principal Office.

The principal place of business and home office of this corporation shall be located at 500 N.E. Multnomah Street, Suite 100, Portland, Multnomah County, Oregon. This corporation shall keep therein accurate and complete accounts and records of its assets, transactions and affairs in accordance with the provisions of the Oregon Insurance Code.

Section B-2. Other Offices.

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

ARTICLE C

MEMBER

Section C-1. Status of Membership.

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

Section C-2. Changes in Membership.

Changes in membership may be effected in such manner as the member shall determine. Only the member has the power to make changes in membership.

Section C-3. Termination.

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

Section C-4. Dues, Assessments and Liabilities.

The member of this corporation shall not be subject to any charge for dues or assessments, nor shall the member be in any way liable for any debt, liability or obligation of the corporation.

Section C-5. Meetings

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

Section C-6. Other Action by the Member.

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

<u>Section C-7.</u> <u>Power and Authority of the Member.</u>

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

ARTICLE D

DIRECTORS

Section D-1. Power and Authority of Directors.

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

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

- (a) Commence, conduct and defend legal proceedings;
- (b) Adopt, use and alter a corporate seal, but failure to affix a seal shall not affect the validity of any act or instrument of the corporation;
- (c) Adopt, amend and repeal Bylaws to the extent and in the manner provided in Section H-3.
- (d) Select, remove and prescribe powers, duties and compensation of officers, agents and employees, and require security for faithful service; provided however, that removal of the Chairman of the Board, President or the Regional President shall require the affirmative vote of the member;

- (e) Qualify to conduct, and conduct activities anywhere in the world;
- (f) Acquire, hold, lease, encumber, convey, exchange, transfer upon trust, or otherwise dispose of real and personal property anywhere in the world, and receive and accept inter vivos or testamentary gifts of real or personal property, or both;
- (g) Borrow money, contract debts and issue bonds, debentures, notes or other evidences of indebtedness therefor, and secure the performance of obligations by mortgage or otherwise;
- (h) Acquire, subscribe for, hold, own, pledge and otherwise dispose of and represent shares of stock, bonds and securities of any other corporation, domestic or foreign;
- (i) Purchase or acquire its own bonds, debentures or other evidences of its indebtedness or obligations;
 - (j) Make donations for charitable purposes;
- (k) Act as trustee under any trust incidental to the principal objects of the corporation, and receive, hold, administer and expend funds and property subject to such trust;
- (I) Participate with others in any partnership, joint venture or other association, transaction or arrangement of any kind, whether or not such participation involves sharing or delegation of control with or to others;
- (m) Enter into any contracts, assume any obligations or do any other acts incidental to the conduct of corporate affairs or the attainment of corporate purposes;
- (n) Do all other acts necessary or expedient for administration of the affairs and attainment of the purposes of the corporation.

Section D-2. Number.

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

Section D-3. Vacancies.

A vacancy shall exist whenever a Director resigns, for any reason becomes unable to serve, is not re-elected as provided in Section D-4, is removed in accord with law, or is removed by the member at a meeting of the member's Board of Directors provided that the notice of the meeting of the member's Board of Directors indicates the purpose of the meeting. Additional vacancies shall arise whenever and to the extent that the number of Directors is increased as provided in Section D-2. Any Director may be removed by the member, at any time, either with or without cause. All vacancies in the Board of Directors shall be filled by the member.

Section D-4. Election and Term of Office.

The twelve Directors other than the Chairman of the Board and the Director designated by the Chairman of the Board shall be divided into three classes of four Directors each. At the first regularly scheduled meeting of the member's Board of Directors

each year, upon the expiration of the term of a class of Directors, Directors of that class shall be elected for a term which shall end at the later of the first regularly scheduled meeting of the member's Board of Directors in the third year following their election or when their successors are elected except that in any event the term of a Director shall end on December 31 of the year in which he or she attains age 70, unless the Chairman of the Board specifically requests a Director to remain on the Board for an interim transition period which may continue for up to twelve months, and the Chairman of the Board, upon his or her retirement or resignation as Chairman of the Board, shall be precluded from continuing to serve as a Director. Any vacancy may be filled only by the member, acting through its Board of Directors or its Executive Committee. Each Director shall hold office until the end of his or her term, or until he or she shall resign, become unable to serve as a Director, or be removed in accord with Section D-3.

Section D-5 Meetings.

- (a) <u>Place of Meetings.</u> Meetings shall be held at such place as the Board of Directors shall designate in the notice of the meeting, or if not so designated, all meetings shall be held at the principal office, or at One Kaiser Plaza, Oakland, California.
- (b) <u>Call of Meetings.</u> Meetings of the Board of Directors may be called at any time by the Chairman of the Board, or by any two Directors.
- (c) <u>Notice</u>. Notice of meetings shall be mailed, personally delivered, or delivered by electronic transmission to each Director, at his or her usual business address. Special meetings shall be held upon at least four days' notice by first class mail or forty-eight hours' notice delivered personally or by telephone, including a voice message system or other system or technology designed to record and communicate messages, telegraph, facsimile,

electronic mail, or other electronic means. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.

- (d) <u>Proof of Notice.</u> A statement showing service of any notice pursuant to Section D-5(c) may be entered in the minutes of the meeting, and such entry shall be conclusive evidence that notice was duly given. All waivers, consents and approvals given in lieu of regular notice shall be entered in the minutes of the meeting.
- (e) Quorum. A majority of the Directors then in office shall constitute a quorum for the transaction of business. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.
- (f) Meetings Without Notice. If all Directors are present at any meeting, or if a quorum is present and all Directors not present sign a waiver of notice of such meeting, sign a consent to the holding thereof, whether prior to or after the meeting, or approve the minutes thereof, the transactions of such meeting shall be as valid as if conducted at a meeting regularly noticed.
- (g) <u>Adjourned Meetings</u>. A majority of the Directors present at any meeting, although less than a quorum, may adjourn the meeting from time to time, without further notice, until a quorum shall attend.

(h) Participation in Meetings. Members of the Board may participate in the meeting through use of conference telephone, electronic video screen communication or other communications equipment. Participation in a meeting through use of conference telephone or electronic video screen communication or other communications equipment constitutes presence in person at that meeting as long as all members participating in the meeting can communicate with all other members concurrently, and all have means to participate in all matters.

Section D-6. Action Without a Meeting.

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

ARTICLE E

OFFICERS

Section E-1. Officers.

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

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

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

Section E-3. Subordinate Officials.

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

pursuant to authority conferred by the Board of Directors, may from time to time determine.

These officials shall not be officers of the corporation. Such officials holding the title of Vice President shall have authority to sign contracts and other documents on behalf of the corporation.

Section E-4. Removal and Resignation.

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

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

Section E-5. Vacancies.

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

Section E-6. Chairman of the Board.

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

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

Section E-7. President.

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

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

Section E-8. National Senior Vice President.

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

Section E-9. Secretary.

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

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

Section E-10. Chief Financial Officer.

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

of the Chief Financial Officer.

ARTICLE F

COMMITTEES

Section F-1. Provision for Committees.

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

<u>Section F-2</u> <u>Participation in Meetings.</u>

Committee members may participate in committee meetings through use of conference telephone, electronic video screen communication or other communications equipment. Participation in a meeting through use of conference telephone or electronic video screen communication or other communications equipment constitutes presence in person at that meeting as long as all members participating in the meeting can communicate with all other members concurrently, and all have the means to participate in all matters. Minutes shall be kept of each meeting of any Board Committee, and shall be filed with the corporate records.

Section F-3. Action Without a Meeting.

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

be filed with the minutes of the proceedings of the committee.

Section F-4. Executive Committee.

- (a) <u>Composition</u>. The Executive Committee shall consist of up to seven (7)

 Directors, who shall be selected by the Board of Directors, and who shall continue as members of the Committee at the pleasure of the Board. The Committee shall be comprised of one Director who shall serve as Chair, and in addition, only the chairs of the Board's other standing committees. The Committee shall be comprised solely of Directors who are independent. An independent Director is one who:
 - Has no personal services contract or material relationship with Kaiser Foundation
 Health Plan, Inc., Kaiser Foundation Hospitals or any of their subsidiaries (a
 Kaiser entity) except for Board service;
 - 2. Is not a partner, executive officer, principal shareholder or director of any entity that (a) has a contract to provide goods or services to a Kaiser entity, and (b) receives more than 1% of its gross revenues from one or more Kaiser entities;
 - Is not currently and has not been for the past three years employed by a Kaiser entity;
 - 4. Has not during the last three years been part of an interlocking directorate in which an executive of a Kaiser entity served on the compensation committee of another company that concurrently employs the director;
 - 5. Has not during the last one year been affiliated with or employed as a corporate officer, partner, or an audit related employee by a present or former auditor of any Kaiser entity;
 - 6.. Is not closely related to any person described above; and

7. Is free of any other relationship which would interfere with the exercise of independent judgment.

Notwithstanding the above, the Directors who are independent, after consideration of all of the relevant circumstances, may determine whether a relationship is material or immaterial and whether a Director would therefore be considered independent. The Board of Directors shall document the basis for such a determination.

- (b) <u>Authority and Duties.</u> The Committee will assist the Board in fulfilling its oversight responsibility relating to (1) strategic direction and public positioning, (2) public policy, (3) tax exemption, and (4) executive compensation and succession. In addition, the Committee will have the authority to act for the Board between meetings as provided herein. The Committee may seek the assistance and counsel of outside advisors, at the company's expense, as the Committee determines is appropriate.
 - 1. <u>Strategic Direction and Public Positioning</u>.

The Committee shall have the following responsibilities regarding strategic direction and public positioning:

- a. Review and provide oversight of the strategic direction of the Program and significant strategy issues, and provide advice and counsel to the Chief Executive Officer on these issues.
- b. Review and provide oversight of Kaiser Permanente's performance.
- c. Review and provide oversight of the Kaiser Permanente brand, including development, communication and protection of the brand.
- d. Review and provide oversight of product development and market management activities.

2. Public Policy.

The Committee shall receive periodic reports from senior management on major government relations and other public policy issues of interest to Kaiser Permanente.

3. <u>Tax Exemption</u>.

The Committee shall have the following responsibilities regarding tax exemption:

- a. Provide oversight of legal and regulatory compliance with respect to tax exemption, including review of operational policies and practices.
- b. Obtain periodic updates concerning laws, regulations, and government policies regarding tax exemption and tax-exempt status.
- c. Review and make recommendations regarding major operational policies, practices and strategies that may create risk or enhance compliance with tax exemption requirements.
- Board Compensation and Executive Selection, Performance Appraisal,
 Compensation, and Succession.

The Committee shall have the following responsibilities regarding Board compensation and executive selection, performance appraisal, compensation and succession:

a. Board Compensation.

Review and make recommendations to the Board regarding compensation of Directors.

b. <u>Executive Compensation</u>.

- Review and approve proposed changes in the annual compensation of disqualified person executives;
- (2) Review and approve all compensation plans for disqualified person executives, including incentive and retirement plans;
- (3) Review an annual report on Board and executive compensation prior to inclusion in the corporation's Form 990 tax returns; and
- (4) Review and recommend for Board approval goals and objectives for the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of such goals and objectives, and recommend to the Board the Chief Executive Officer's compensation based on this evaluation.

c. Executive Selection and Succession.

- (1) Review with the Chief Executive Officer the selection, hiring and present performance of officers, executives, and other key personnel;
- (2) Review management succession plans and processes for assuring development and timely assignment of individuals qualified to assume the responsibilities of key executive positions; and
- (3) Provide input on the selection and evaluation of senior executives.

5. Acting for Board Between Meetings.

The Committee shall have authority to act for the Board between Board meetings. Unless otherwise provided by law, the Board, the Articles of Incorporation, or the Bylaws, any action taken by the Committee shall have the same force and effect as though taken by a majority of Directors present at a meeting of the Board duly called and held pursuant to the Bylaws, except that the Committee shall have no authority to:

- a. Fill vacancies on the Board or the Committee;
- Fix the compensation of Directors for serving on the Board or any committee;
- c. Adopt, amend or repeal Bylaws;
- d. Amend or repeal any resolution of the Board which by its express terms
 cannot be amended or repealed by the Executive Committee;
- e. Appoint committees of the Board or appoint the members thereof; and
- f. Approve any aspect of a transaction involving the company when a

 Director has a material financial interest in that transaction, except as
 expressly provided by law.
- (c) <u>Conduct of Business</u>. A quorum of the Committee shall consist of a majority of the Committee members. The Committee shall report to the Board regarding its recommendations, actions and decisions. The Committee shall annually assess and report to the Board on the performance and effectiveness of the Committee.

Section F-5. Other Committees.

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

ARTICLE G

MISCELLANEOUS

Section G-1. Inspection of Corporate Records.

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

Section G-2. Execution or Endorsement of Checks.

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

Section G-3. Execution of Contracts.

The Board of Directors may authorize any officer or officers and any agent or agents to enter into any contract or execute any instrument in the name of, and on behalf of, the corporation, and such authority may be general or limited to specified instances. No officer,

agent or employee shall have any power or authority to bind or obligate the corporation by any commitment, contract or engagement, or to pledge its credit or render it liable for any purpose or in any amount unless duly authorized by the Board of Directors.

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

The original or a certified copy of the Bylaws in writing or in any other form capable of being converted into clearly legible tangible form, together with all amendments thereto, and the minute book shall be kept at One Kaiser Plaza, Oakland, California and shall be subject to inspection as provided in Section G-1.

The Bylaws shall be reviewed periodically by the Secretary of the corporation and amended, as appropriate, in accord with Section H-3.

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

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

Section G-6. Fiscal Year.

The fiscal year of this corporation shall be the calendar year.

<u>Section G-7.</u> <u>Indemnification of Directors, Members, Officers and Employees.</u>

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

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

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

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

Section G-9. Insurance.

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

Section G-10. Annual Report.

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

ARTICLE H

AMENDMENT AND EFFECT OF BYLAWS

Section H-1. Previous Bylaws Superseded.

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

Section H-2. Effect of Bylaws.

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

Section H-3. Manner of Amendment.

- (a) <u>In Any Legal Way.</u> These Bylaws may be amended in any manner now or hereafter provided by the applicable provisions of the laws of the State of Oregon, except as provided in Section H-3(b) of this Article.
- (b) <u>By Directors.</u> These Bylaws may be amended by majority vote of the Board of Directors at any meeting, provided a quorum of the Board is present and voting, except that those portions of Article D, Section D-4 of these Bylaws regarding election of Directors may be amended only by the member, acting through its Board of Directors.

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 BASIC CONTRACT PAYMENTS	43a	810,228,349	810,228,349		
b PURCHASED MEDICAL SVCS-OUTSIDE	43b	242,414,901	242,414,901		
c PURCHASED SERVICES - OTHER	43c	27,268,751	27,268,751		
d BANK SERVICE CHARGE	43d	483,729		483,729	
e PROF & PUBLIC LIABLITY INS	43e	7,268,820	2,652,672	4,616,148	
f OTHERINSURANCE	43f	568,594	568,594		
g BAD DEBT EXPENSE	43g	8,930,755	8,930,755		
h BUSINESS LICENSE & TAXES	43h	7,308,880	7,308,880		
i PROPERTY TAXES	43i	4,645,288	4,645,288		
j EMPLOYEE DEVELOPMENT	43j	2,275,845	2,275,845		
k EMPLOYEE RELATED EXPENSE	43k	741,929	741,929		
I ADVERTISING & MARKETING	431	17,173,513	17,173,513		
m INTER-REGIONAL CHARGES	43m	43,511,957		43,511,957	
n DUES & SUBSCRIPTION	43n	631,792	631,792		
o INTERREGION CHARGE-MBR MED SVC	43o	7,014,642	7,014,642		
p INFORMATION TECH CHARGES	43р	92,387,221	64,671,055	27,716,166	
q EMPLOYEE RELOCATION, PARKING	43q	108,306		108,306	
r EQUIPMENT, SMALL TOOLS	43r	3,609,480	3,609,480		
s PREMIUM TAX	43s	4,217,348	4,217,348		
t MISCELLANEOUS	43t	6,463,110	6,463,110		