

Form 990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

1998

This Form is
Open to Public
InspectionDepartment of the Treasury
Internal Revenue ServiceUnder section 501(c) of the Internal Revenue Code (except black lung benefit
trust or private foundation) or section 4947(a)(1) nonexempt charitable trust

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

A For the 1998 calendar year, OR tax year period beginning 1998, and ending 19

B Check if:
☐ Change of
address
☐ Initial
return
☐ Final
return

☐ Amended
return
(required
also for
state
reporting)Please
use IRS
label or
print or
type.
See
Specific
Instruc-
tions.

C Name of organization

KAISER FOUNDATION HEALTH PLAN OF NEW YORK

D Employer identification number

13-2847437

Number and street (or P.O. box if mail is not delivered to street address)

Room/suite

E Telephone number

ONE KAISER PLAZA, 1521 ORDWAY

(510) 271-6385

City or town, state or country, and ZIP + 4

OAKLAND, CA 94612

F Check ☐ if exemption application

is pending

G Type of organization ☒ Exempt under section 501(c) (3) (insert number) OR ☐ section 4947(a)(1) nonexempt charitable trust

Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H (a) Is this a group return filed for affiliates? ☐ Yes ☒ No ☐ If either box in H is checked "Yes," enter four-digit
group exemption number (GEN) ☐(b) If "Yes," enter the number of affiliates for which this return is filed: ☐J Accounting method: ☐ Cash ☒ Accrual(c) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ NoOther (specify) ☐K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS;
but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 13.)

1	Contributions, gifts, grants, and similar amounts received:		
a	Direct public support	1a	
b	Indirect public support	1b	
c	Government contributions (grants)	1c	
d	Total (add lines 1a through 1c) (attach schedule of contributors)	1d	
	(cash \$ noncash \$)		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	28,272,784.
3	Membership dues and assessments	3	
4	Interest on savings and temporary cash investments	4	205,080.
5	Dividends and interest from securities	5	
6a	Gross rents	6a	
b	Less: rental expenses	6b	
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	
7	Other investment income (describe)	7	
8a	Gross amount from sale of assets other than inventory	(A) Securities 8a	(B) Other
b	Less: cost or other basis and sales expenses	8b	12,459.
c	Gain or (loss) (attach schedule)	SEE STATEMENT 16 8c	-12,459.
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	-12,459.
9	Special events and activities (attach schedule)		
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a	
b	Less: direct expenses other than fundraising expenses	9b	
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c	
10a	Gross sales of inventory, less returns and allowances	10a	
b	Less: cost of goods sold	10b	
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	
11	Other revenue (from Part VII, line 103)	11	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	28,465,405.
13	Program services (from line 44, column (B))	13	28,125,042.
14	Management and general (from line 44, column (C))	14	3,310,193.
15	Fundraising (from line 44, column (D))	15	
16	Payments to affiliates (attach schedule)	16	
17	Total expenses (add lines 16 and 44, column (A))	17	31,435,235.
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-2,969,830.
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	-7,482,933.
20	Other changes in net assets or fund balances (attach explanation) . STMT. 1.	20	10,452,763.
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	NONE

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 Specific Instructions on page 17.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash _____ noncash _____)	22 NONE	22 NONE		
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 7,650.		7,650.	
26 Other salaries and wages	26 3,013,123.	2,677,769.	335,354.	
27 Pension plan contributions	27 29,462.	29,462.		
28 Other employee benefits	28 190,904.	-34,817.	225,721.	
29 Payroll taxes	29 225,481.	225,481.		
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32 33,337.	33,337.		
33 Supplies	33 3,190,124.	3,179,366.	10,758.	
34 Telephone	34 175,154.	139,569.	35,585.	
35 Postage and shipping	35 4,543.	1,125.	3,418.	
36 Occupancy	36 604,772.	601,496.	3,276.	
37 Equipment rental and maintenance	37 78,272.	75,816.	2,456.	
38 Printing and publications	38 171,757.	108,590.	63,167.	
39 Travel	39 29,011.	2,394.	26,617.	
40 Conferences, conventions, and meetings	40			
41 Interest	41 1,405,948.	1,405,948.		
42 Depreciation, depletion, etc. (attach schedule)	42 716,063.	716,063.	SEE STATEMENT 17	
43 Other expenses (itemize): a STMT 2	43a 21,559,634.	18,963,443.	2,596,191.	
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 31,435,235.	28,125,042.	3,310,193.	

Reporting of Joint Costs. - Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 20.)What is the organization's primary exempt purpose? SEE STATEMENT 3

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

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

a SEE STATEMENT 3	
(Grants and allocations \$ _____)	28,125,042.
b	
(Grants and allocations \$ _____)	
c	
(Grants and allocations \$ _____)	
d	
(Grants and allocations \$ _____)	
e Other program services (attach schedule)	(Grants and allocations \$ _____)
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	28,125,042.

Part IV Balance Sheets (See Specific Instructions on page 20.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year		(B) End of year
45	Cash - non-interest-bearing	1,411,878.	45	NONE
46	Savings and temporary cash investments	6,868,663.	46	NONE
47a	Accounts receivable	NONE		
b	Less: allowance for doubtful accounts	NONE	985,377.	47c NONE
48a	Pledges receivable			
b	Less: allowance for doubtful accounts			48c
49	Grants receivable		49	
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
51a	Other notes and loans receivable (attach schedule)			
b	Less: allowance for doubtful accounts			51c
52	Inventories for sale or use	409,438.	52	NONE
53	Prepaid expenses and deferred charges	218,668.	53	NONE
54	Investments - securities (attach schedule)		54	
55a	Investments - land, buildings, and equipment: basis			
b	Less: accumulated depreciation (attach schedule)			55c
56	Investments - other (attach schedule)		56	
57a	Land, buildings, and equipment: basis	NONE		
b	Less: accumulated depreciation (attach schedule)	SEE STATEMENT 17		
57b		NONE	20,192,888.	57c NONE
58	Other assets (describe ► SEE STATEMENT 5)		1,338,085.	58 NONE
59	Total assets (add lines 45 through 58) (must equal line 74)		31,424,997.	59 NONE
60	Accounts payable and accrued expenses	18,656,966.	60	NONE
61	Grants payable		61	
62	Deferred revenue	STMT. 6.	1,065,006.	62 NONE
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
64a	Tax-exempt bond liabilities (attach schedule)		64a	
b	Mortgages and other notes payable (attach schedule)	STMT. 7.	12,900,349.	64b NONE
65	Other liabilities (describe ► SEE STATEMENT 8)		6,285,609.	65 NONE
66	Total liabilities (add lines 60 through 65)		38,907,930.	66 NONE
Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
67	Unrestricted		67	
68	Temporarily restricted		68	
69	Permanently restricted		69	
Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.				
70	Capital stock, trust principal, or current funds		70	
71	Paid-in or capital surplus, or land, building, and equipment fund		71	
72	Retained earnings, endowment, accumulated income, or other funds	-7,482,933.	72	NONE
73	Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	-7,482,933.	73	NONE
74	Total liabilities and net assets/fund balances (add lines 66 and 73)		31,424,997.	74 NONE

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

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total revenue, gains, and other support per audited financial statements . . . ▶	a	57,111,144.	a	Total expenses and losses per audited financial statements ▶	a	63,367,398.
b	Amounts included on line a but not on line 12, Form 990:			b	Amounts included on line a but not on line 17, Form 990:		
(1)	Net unrealized gains on investments . . . \$			(1)	Donated services and use of facilities \$		
(2)	Donated services and use of facilities \$			(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Recoveries of prior year grants \$			(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify):			(4)	Other (specify):		
	STMT 9 \$ 28,645,739.				STMT 10 \$ 31,932,163.		
	Add amounts on lines (1) through (4) ▶	b	28,645,739.		Add amounts on lines (1) through (4) . . ▶	b	31,932,163.
c	Line a minus line b ▶	c	28,465,405.	c	Line a minus line b ▶	c	31,435,235.
d	Amounts included on line 12, Form 990 but not on line a:			d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 . . . \$			(1)	Investment expenses not included on line 6b, Form 990 . . . \$		
(2)	Other (specify):			(2)	Other (specify):		
	\$				\$		
	Add amounts on lines (1) and (2) ▶	d			Add amounts on lines (1) and (2) . . ▶	d	
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	28,465,405.	e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	31,435,235.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 22.)

[illegible]

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule - see Specific Instructions on page 22.

► ☒ Yes ☐ No

Part VI Other Information (See Specific Instructions on page 23.)

STMT 11

Yes No

6	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X	
7	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
8a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A	
9	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X	
0a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X	
b	If "Yes," enter the name of the organization SEE STATEMENT 19 AND 20 and check whether it is <input checked="" type="checkbox"/> exempt OR <input checked="" type="checkbox"/> nonexempt.			
1a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a	NONE	
b	Did the organization file Form 1120-POL for this year?	81b	N/A	
2a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.)	82b	NONE	
3a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A	
4a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
5	501(c)(4), (5), or (6) organizations. - a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A	
c	Dues, assessments, and similar amounts from members	85c	N/A	
d	Section 162(e) lobbying and political expenditures	85d	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
6	501(c)(7) organizations.--Enter: a Initiation fees and capital contributions included on line 12	86a	N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
7	501(c)(12) organizations.--Enter: a Gross income from members or shareholders	87a	N/A	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A	
8	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership? If "Yes," complete Part IX	88		X
9a	501(c)(3) organizations.--Enter: Amount of tax imposed on the organization during the year under: section 4911 NONE ; section 4912 NONE ; section 4955 NONE			
b	501(c)(3) and 501(c)(4) organizations.--Did the organization engage in any section 4958 excess benefit transaction during the year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		NONE	
d	Enter: Amount of tax in 89c, above, reimbursed by the organization		NONE	
0a	List the states with which a copy of this return is filed NONE			
b	Number of employees employed in the pay period that includes March 12, 1998 (See instructions.)	90b	160	
1	The books are in care of NATIONAL TAX DIRECTOR Telephone no. (510) 271-6385 Located at ONE KAISER PLAZA 1521 ORDWAY OAKLAND CA ZIP + 4 94612			
2	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041--Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	NONE	

SCHEDULE A
(Form 990)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information

See separate instructions.

OMB No. 1545-0047

1998

Department of the Treasury
Internal Revenue Service

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

Name of the organization

KAISER FOUNDATION HEALTH PLAN OF NEW YORK

Employer identification number

13-2847437

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions on page 1. 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
JOAN IRIZARRY ONE KAISER PLAZA 1521 ORDWAY OAKLAND CA 94612	DIR SURGERY SERVICES 40+HOURS	84,781.	4,705.	NONE
MARGARET HUTCOE ONE KAISER PLAZA 1521 ORDWAY OAKLAND CA 94612	DIR CLINICAL SVCS 40+HOURS	77,986.	4,186.	NONE
JOHN TROIANO ONE KAISER PLAZA 1521 ORDWAY OAKLAND CA 94612	SUPRVSR AREA PHARMCY 40+HOUS	74,525.	6,381.	NONE
THOMAS PICONE ONE KAISER PLAZA 1521 ORDWAY OAKLAND CA 94612	PHARMACIST 40+HOURS	72,714.	4,682.	NONE
JEFFREY PEARLROTH ONE KAISER PLAZA 1521 ORDWAY OAKLAND CA 94612	PHARMACIST 40+HOURS	70,467.	8,820.	NONE

Total number of other employees paid over

\$50,000

▶ 15

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

(See instructions on page 1. 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
NORTHEAST PERMANENTE MEDICAL GROUP NY ROCKY HILL CT	PHYSICIAN SERVICES	12395489.
CARDINAL HEALTH INC P.O. BOX 533, PITTSBURG PA 15222	PHARMACEUTICAL SVCS	4,426,547.
VONFORD ASSOCIATES WHITE PLAINS NY	LEASING SERVICES	458,723.
BERGEN BRUNSWICK DRUG COMPANY HARTFORD CT	PHARMACEUTICAL SVCS	435,516.
VERN HILL SERVICES ALBANY NY	MEDICAL SERVICES	250,505.

Total number of others receiving over \$50,000 for

professional services

▶ 23

Part III Statements About Activities

Yes No

1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum?	1		X
	If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>NONE</u>			
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.				
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:			
a	Sale, exchange, or leasing of property? <u>SEE STATEMENT 14.</u>	2a	X	
b	Lending of money or other extension of credit?	2b	X	
c	Furnishing of goods, services, or facilities?	2c	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X	
e	Transfer of any part of its income or assets?	2e		X
If the answer to any question is "Yes," attach a detailed statement explaining the transactions.				
3	Does the organization make grants for scholarships, fellowships, student loans, etc.?	3		X
4a	Do you have a section 403(b) annuity plan for your employees?	4a	X	
b	Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See instructions on page 2.) <u>STMT 15</u>			

Part IV Reason for Non-Private Foundation Status (See instructions on pages 2 through 4.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

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

Provide the following information about the supported organizations. (See instructions on page 4.)

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

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 1997	(b) 1996	(c) 1995	(d) 1994	(e) Total
5 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
6 Membership fees received					
7 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose	60565973.	53157454.	53841640.	56479432.	224044499.
8 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	221,166.	139,964.	310,615.	390,618.	1,062,363.
9 Net income from unrelated business activities not included in line 18					
10 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
11 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					
12 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
13 Total of lines 15 through 22	60787139.	53297418.	54152255.	56870050.	225106862.
14 Line 23 minus line 17	221,166.	139,964.	310,615.	390,618.	1,062,363.
15 Enter 1% of line 23	607,871.	532,974.	541,523.	568,701.	
16 Organizations described in lines 10 or 11: a Enter 2% of amount in column (e), line 24 NOT APPLICABLE. ▶ 26a					
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1994 through 1997 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts ▶ 26b					
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c					
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶ 26d					
e Public support (line 26c minus line 26d total) ▶ 26e					
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ 26f %					
17 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year: (1997) <u>NONE</u> (1996) <u>NONE</u> (1995) <u>NONE</u> (1994) <u>NONE</u>					
b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (1997) <u>NONE</u> (1996) <u>NONE</u> (1995) <u>NONE</u> (1994) <u>NONE</u>					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 <u>224044499.</u> 20 _____ 21 _____ ▶ 27c <u>224044499.</u>					
d Add: Line 27a total <u>NONE</u> and line 27b total <u>NONE</u> ▶ 27d <u>NONE</u>					
e Public support (line 27c total minus line 27d total) ▶ 27e <u>224044499.</u>					
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f <u>225106862.</u>					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ 27g <u>99.5281 %</u>					
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ 27h <u>0.4719 %</u>					
18 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1994 through 1997, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See instructions on page 4.)					

Part V Private School Questionnaire (See instructions on page 4.)(To be completed **ONLY** by schools that checked the box on line 6 in Part IV)**NOT APPLICABLE**

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) ----- ----- -----	31	
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions on page 6.)(To be completed **ONLY** by an eligible organization that filed Form 5768)**NOT APPLICABLE**

Check here ☐ **a** if the organization belongs to an affiliated group.
 Check here ☐ **b** if you checked "a" above and "limited control" provisions apply.

Limits on Lobbying Expenditures

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

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying) . . .	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying) . . .	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 . . \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 on page 7.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ►	(a) 1998	(b) 1997	(c) 1996	(d) 1995	(e) Total
45 Lobbying nontaxable amount					
Lobbying ceiling amount					
46 (150% of line 45(e)) . .					
47 Total lobbying expenditures					
Grassroots nontaxable					
48 amount					
Grassroots ceiling amount					
49 (150% of line 48(e)) . .					
Grassroots lobbying					
50 expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions on page 8.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	NONE
d Mailings to members, legislators, or the public		X	NONE
e Publications, or published or broadcast statements		X	NONE
f Grants to other organizations for lobbying purposes		X	NONE
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	NONE
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	NONE
i Total lobbying expenditures (add lines c through h)			NONE

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

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES
=====DESCRIPTION
-----AMOUNT
-----FUND BALANCE TRANSFERED OUT TO
MERGED AFFILIATE10,452,763.

TOTAL

10,452,763.
=====

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
CONSULTING FEES	60,706.	60,706.	NONE
SERVICE FACILITY RECHARGE	3,847,964.	1,132,641.	2,715,323.
INSURANCE EXPENSE	209,185.	209,185.	NONE
PROVISION FOR DOUBTFUL ACCOUNT	220,976.	220,976.	NONE
STATE & LOCAL BUSINESS TAXES	136,619.	136,619.	NONE
EMPLOYEE DEVELOPMENT	40,187.	NONE	40,187.
BASIC MEDICAL SERVICES	12395489.	12382814.	12,675.
IN/OUT OF AREA EMERGENCY CARE	2,468,659.	2,468,659.	NONE
COMMUNITY HOSPITAL SERVICES	39,029.	39,029.	NONE
OUTSIDE MEDICAL SERVICES	1,318,318.	1,318,318.	NONE
OUTSIDE NON-MEDICAL SERVICES	142,885.	103,578.	39,307.
ADVERTISING & MARKETING	58,857.	NONE	58,857.
BROKERS COMMISSIONS	149,173.	149,173.	NONE
PROGRAM OFFICE EXPENSE	17,532.	17,532.	NONE
MISCELLANEOUS EXPENSE	454,055.	724,213.	-270,158.
TOTALS	21559634.	18963443.	2,596,191.

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

=====

THE PRIMARY PURPOSE OF KAISER FOUNDATION HEALTH PLAN OF NEW YORK, A NEW YORK NOT-FOR-PROFIT CORPORATION ORGANIZED FOR THE PUBLIC BENEFIT AND EXEMPT FROM INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3), HAS BEEN TO PROVIDE A PROGRAM OF HEALTH CARE SERVICES AS A FEDERALLY QUALIFIED PREPAID DIRECT CARE GROUP PRACTICE HEALTH MAINTENANCE ORGANIZATION. THE HEALTH PLAN HAS PROVIDED COMPREHENSIVE HEALTH CARE COVERAGE AT REASONABLE COST TO MEMBERS OF THE PUBLIC REGARDLESS OF RACE, SEX, RELIGION, ETHNIC BACKGROUND, OCCUPATIONAL STATUS OR LEVEL OF INCOME. THE APPROXIMATELY 27,000 MEMBERS OF THE HEALTH PLAN REPRESENT THE VARIOUS AGE, SOCIAL AND INCOME GROUPS IN THE AREAS SERVED BY THE HEALTH PLAN PRIOR TO THE MERGER OF THE HEALTH PLAN ASSETS AND THE OBLIGATION FOR PROVIDING HEALTH CARE COVERAGE TO MEMBERS OF AN AFFILIATED TAX EXEMPT HEALTH CARE ORGANIZATION. FOR A FURTHER STATEMENT OF THE MERGER OF THE HEALTH PLAN, PLEASE REFER TO THE STATEMENTS PROVIDED IN RESPONSE TO PART IV, QUESTION 79 OF THIS FORM 990 AND THE RELATED REGULATORY AGENCY DOCUMENTS INCLUDED IN THIS RETURN.

FOR A COMPLETE DESCRIPTION OF THE ACTIVITIES CONDUCTED BY THE ORGANIZATION IN THE ACCOMPLISHMENT OF ITS EXEMPT PURPOSE AND FOR THE BENEFIT OF THE COMMUNITY IN WHICH THE ORGANIZATION CONDUCTS ITS ACTIVITIES, PLEASE REFER TO THE ATTACHMENT, "KAISER PERMANENTE COMMUNITY BENEFIT REPORT FOR KAISER FOUNDATION HEALTH PLAN OF NEW YORK FOR 1998," WHICH IS INCLUDED AND MADE A PART OF THIS RETURN.

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
PREPAID EXPENSES	206,209.	NONE
DEPOSITS & DEFERRED CHARGES	12,459.	NONE
	-----	-----
TOTALS	218,668.	NONE
	=====	=====

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
PENSION FUNDING-LONG TERM	1,338,085.	NONE
	-----	-----
TOTALS	1,338,085.	NONE
	=====	=====

FORM 990, PART IV - DEFERRED REVENUE
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
MEMBERS DUES PAID IN ADVANCE	1,065,006. -----	NONE -----
TOTALS	1,065,006. =====	NONE =====

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

LENDER: KAISER FOUNDATION HOSPITAL
ORIGINAL AMOUNT: 16,715,873.
REPAYMENT TERMS: VARIABLE INTEREST RATE PAYABLE ON DEMAND
SECURITY PROVIDED: UNSECURED INTERENTITY LOAN
PURPOSE OF LOAN: CAPITAL CONSTRUCTION FUNDING
DESCRIPTION AND FMV OF CONSIDERATION: CAPITAL PROJECTS EXPANSION FUNDS PROVIDED IN THE
FORM OF CASH ADVANCES BY AFFILIATED ORGANIZATION.

BEGINNING BALANCE DUE	12,900,349.
ENDING BALANCE DUE	NONE

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	12,900,349.
---	-------------

=====

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	NONE
--	------

=====

FORM 990, PART IV - OTHER LIABILITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
PUBLIC/PROFESSIONAL LIABILITY	6,285,609.	NONE
TOTALS	6,285,609.	NONE

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN
=====DESCRIPTION
-----AMOUNT
-----REVENUE REPORTED BY AFFILIATED
ORGANIZATION SUBSEQUENT TO
MERGER28,645,739.

TOTAL

28,645,739.
=====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN
=====DESCRIPTION
-----AMOUNT

EXPENSES REPORTED BY
AFFILIATED ORGANIZATION
SUBSEQUENT TO MERGER

31,932,163.

TOTAL

31,932,163.
=====

FORM 990, PART VI - ACTIVITIES NOT PREVIOUSLY REPORTED TO THE IRS
=====

THE ORGANIZATION HAS PREPARED AND FILED AN AMENDED FORM 990 FOR THE TAX YEAR ENDED DECEMBER 31, 1997 AS A RESULT OF CERTAIN ADJUSTMENTS MADE BY THE INDEPENDENT AUDITORS ON COMPLETION OF THEIR AUDIT OF THE FINANCIAL STATEMENTS OF THE ORGANIZATION FOR THE YEAR ENDED. THE AMOUNTS SHOWN IN COLUMN A, PART IV, BALANCE SHEETS, BEGINNING OF THE YEAR, HAVE BEEN REVISED TO REFLECT THE BALANCES IN THE 1997 FORM 990, COLUMN B, PART IV BALANCE SHEETS, END OF YEAR, FOR THE PRIOR TAX YEAR AS AMENDED.

FORM 990, PART VI - LIQUIDATION, DISSOLUTION, TERMINATION
=====

ON JUNE 30, 1998, KAISER FOUNDATION HEALTH PLAN OF NEW YORK ("HEALTH PLAN") EFFECTIVELY MERGED INTO COMMUNITY HEALTH PLAN, AN AFFILIATED MEMBER OF THE KAISER PERMANENTE MEDICAL CARE PROGRAM. THE HEALTH PLAN IS ORGANIZED UNDER THE LAWS OF THE STATE OF NEW YORK AS A NOT-FOR-PROFIT CORPORATION FOR THE BENEFIT OF THE PUBLIC. ITS PRIMARY PURPOSE HAS BEEN TO PROVIDE MEDICAL CARE THROUGH PREPAID PLANS TO ITS MEMBERS. COMMUNITY HEALTH PLAN IS ALSO A CORPORATION ORGANIZED UNDER THE NOT-FOR-PROFIT LAWS OF THE STATE OF NEW YORK FOR THE PUBLIC BENEFIT. BOTH CORPORATIONS ARE EXEMPT FROM INCOME TAX UNDER THE PROVISIONS OF INTERNAL REVENUE CODE SECTION 501(C)(3) AND APPROPRIATE STATE STATUTES.

AS BOTH ORGANIZATIONS WERE MEMBERS OF THE KAISER PERMANENTE MEDICAL CARE PROGRAM AND BOTH OFFERED SIMILAR SERVICES AND PROGRAMS IN OVERLAPPING AREAS, MANAGEMENT OF BOTH ORGANIZATIONS, WITH THE APPROVAL OF THE BOARDS OF DIRECTORS OF EACH ORGANIZATION, DEVELOPED A PLAN TO MERGE THE EXEMPT ACTIVITIES OF THE TWO ORGANIZATIONS. UPON SECURING THE NECESSARY STATE AND FEDERAL REGULATORY APPROVALS, THE PLAN WAS IMPLEMENTED AS OF JUNE 30, 1998, WHEREBY THE ASSETS AND OBLIGATIONS OF HEALTH PLAN WERE MERGED INTO COMMUNITY HEALTH PLAN. HEALTH PLAN CEASED TO EXIST AND COMMUNITY HEALTH PLAN AS THE SURVIVING AND CONTINUING ORGANIZATION BECAME LIABLE FOR THE CONTINUATION OF PROVIDING HEALTH CARE SERVICES AND OTHER OBLIGATIONS OF THE FORMER HEALTH PLAN.

INCLUDED IN THE MERGER OF THE HEALTH CARE SERVICES INTO COMMUNITY HEALTH PLAN WERE ALL THE HEALTH CARE DELIVERY SYSTEM ASSETS, BOTH TANGIBLE AND INTANGIBLE. CONTRACTS WITH INDIVIDUALS, GROUPS, EMPLOYERS AND OTHER ARRANGEMENTS WHICH OBLIGATED HEALTH PLAN TO PROVIDE HEALTH CARE COVERAGE AND SERVICES TO MEMBERS WERE ASSUMED BY COMMUNITY HEALTH PLAN. FOR ALL MEMBERS SERVED BY HEALTH PLAN IN NEW YORK, PRIOR TO THE MERGER, NO LAPSE OCCURRED IN COVERAGE DUE TO THE ASSUMPTION OF THE OBLIGATIONS BY COMMUNITY HEALTH PLAN.

AS OF JULY 1, 1998, HEALTH PLAN WAS NO LONGER OBLIGATED TO PROVIDE HEALTH CARE COVERAGE OR SERVICES TO ITS FORMER MEMBERS. HEALTH PLAN DID NOT AND DOES NOT CONTEMPLATE PURSUING NEW HEALTH CARE MEMBERS IN NEW YORK OR ANY OTHER SERVICE AREA. IT IS THE PLAN OF THE ORGANIZATION TO WIND UP ITS AFFAIRS AND TO SEEK PERMISSION FROM THE STATE REGULATORS TO TERMINATE ITS CORPORATE AUTHORITY IN THE STATE, TO DISSOLVE AND CEASE TO EXIST. WHEN SUCH PERMISSION AND AUTHORITY IS SECURED FROM THE STATE AUTHORITIES, THE ORGANIZATION WILL BE TERMINATED.

PLEASE REFER TO THE ATTACHED DOCUMENTS PROVIDED WITH THE FORM 990 TO FURTHER EXPLAIN THE MERGER AND APPROVALS FROM THE APPROPRIATE STATE AGENCIES FOR THE MERGER OF THE ACTIVITIES OF HEALTH PLAN INTO THE AFFILIATED COMMUNITY HEALTH PLAN.

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE NO.	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES
93A	MEMBERS DUES - PREPAID REVENUE RECEIVED FROM OR ON BEHALF OF MEMBERS FOR HEALTH CARE COVERAGE UNDER THE PLAN REFERRED TO IN PART III ABOVE. REVENUE RULING 68-27
93B	SUPPLEMENTAL CHARGES - COPAYMENTS RECEIVED FROM OR ON BEHALF OF MEMBERS FOR HEALTH CARE COVERAGE UNDER THE PLAN REFERRED TO IN PART III ABOVE.
93C	INTERNAL REVENUE REGULATION 1.501(C)(3)-1. NONPLAN AND INDUSTRIAL REVENUE - REVENUE RECEIVED FROM NON- MEMBERS FOR HEALTH CARE AND FROM OUTSIDE INSURERS FOR REIMBURSEMENT FOR HEALTH CARE SERVICES SUPPLIED TO MEMBERS FOR WORK-RELATED INJURIES.
93E	INTERNAL REVENUE REGULATION 1.501(C)(3)-1. MEDICARE/MEDICAID REVENUE - REVENUE RECEIVED FROM THE SOCIAL SECURITY ADMINISTRATION FOR MEDICAL CARE SERVICES PROVIDED TO PLAN MEMBERS COVERED UNDER PART B OF MEDICARE. INTERNAL REVENUE REGULATION 1.501(C)(3)-1.

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

RESPONSE FOR SCHEDULE A, PART III, QUESTIONS 2(A) TO 2(D):

IN THE ORDINARY COURSE OF CARRYING OUT THE EXEMPT PURPOSE OF THE ORGANIZATION, THE ORGANIZATION ENGAGES IN NUMEROUS COMMERCIAL TRANSACTIONS WITH OTHER ORGANIZATIONS WHOSE DIRECTORS AND/OR OFFICERS MAY ALSO BE DIRECTORS OR OFFICERS OF THIS ORGANIZATION. ALL OF THESE COMMERCIAL RELATIONSHIPS ARE ENTERED INTO IN THE ORDINARY COURSE OF BUSINESS AND INVOLVE TRANSACTIONS OF THE KIND REFERRED TO IN (A) THROUGH (D) OF QUESTION 2, REFERENCED ABOVE, AT RATES GENERALLY PREVAILING IN THE AREA FOR EQUIVALENT GOODS, SERVICES AND FACILITIES.

THE ORGANIZATION ALSO PAYS COMPENSATION TO ITS OFFICERS AND DIRECTORS AND EITHER PAYS FOR OR REIMBURSES THEM FOR CERTAIN EXPENSES INCURRED IN CONNECTION WITH THEIR DUTIES TO THE ORGANIZATION. SEE PART V, FORM 990 FOR A SCHEDULE OF COMPENSATION, BENEFITS, AND EXPENSE REIMBURSEMENTS PROVIDED TO OFFICERS AND DIRECTORS FOR THEIR SERVICES TO THE ORGANIZATION.

SCHEDULE A, PART III - EXPLANATION FOR LINE 4

=====

MOST OF THE ORGANIZATION'S DISBURSEMENTS RELATE TO PROVIDING HEALTH CARE SERVICES TO ITS MEMBERS AND INCLUDE CAPITAL EXPENDITURES AND OPERATING EXPENSES INCURRED IN FURTHERANCE OF THIS ACTIVITY. THE ORGANIZATION IS NOT A GRANT-MAKING ORGANIZATION. THE ORGANIZATION PROVIDES ITS SERVICES DIRECTLY TO THE MEMBERS OF THE COMMUNITY THROUGH ITS MOSTLY PREPAID HEALTH CARE PROGRAMS PRIOR TO THE MERGER OF ITS HEALTH CARE DELIVERY SYSTEM INTO AN AFFILIATED TAX-EXEMPT ORGANIZATION. FOR AN EXPLANATION OF THESE PROGRAMS THAT BENEFIT THE COMMUNITY, PLEASE REFER TO THE "COMMUNITY BENEFIT REPORT FOR KAISER FOUNDATION HEALTH PLAN OF NEW YORK FOR 1998," WHICH IS INCLUDED AND MADE A PART OF THIS RETURN.

KAISER FOUNDATION HEALTH PLAN OF NEW YORK
FORM 990 TAX YEAR 1998

13-2847437

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

PROPERTY DESCRIPTION	DATE ACQ'RD	DATE SOLD	SALES PRICE	COST/ EXPENSE OF SALE	ACCUM DEPREC	NET ADJUSTED BASIS	GAIN OR LOSS
Property Deposits - Forfit	Various	Various	0	12,459	-	12,459	(12,459)
			<u>0</u>	<u>12,459</u>	<u>-</u>	<u>12,459</u>	<u>0</u>
Net Gain/(Loss) on Sales and Other Dispositons			<u>0</u>	<u>12,459</u>	<u>-</u>	<u>12,459</u>	<u>(12,459)</u>

SCHEDULE OF FIXED ASSETS AND DEPRECIATION

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

	COST		ACCUMULATED DEPRECIATION		1998 DEPREC. EXPENSE
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR	
LAND	-	-	-	-	-
LAND IMPROVEMENTS	-	-	-	-	-
BUILDINGS	20,194,295	20,194,295	3,457,643	3,769,022	311,379
LEASEHOLD IMPROVEMENTS	1,018,573	809,810	577,253	658,234	80,981
EQUIPMENT	10,096,212	6,737,673	7,106,329	7,426,598	320,269
CAPITALIZED SOFTWARE	48,330	46,496	23,297	26,732	-
CONSTRUCTION IN PROGRESS	-	144,092	-	-	3,434
TOTALS	31,357,410	27,932,366	11,164,522	11,880,586	716,063
TRANSFERS TO AFFILIATED ORGANIZATION:					
BUILDINGS		(20,194,295)		(3,769,022)	-
LEASEHOLD IMPROVEMENTS		(809,810)		(658,234)	-
EQUIPMENT		(6,737,673)		(7,426,598)	-
CONSTRUCTION IN PROGRESS		(144,092)		-	-
CAPITALIZED SOFTWARE		(46,496)		(26,732)	-
TOTALS TO:					
PART IV, LINE 57(A)	31,357,410	-			
PART IV, LINE 57(B)			11,164,522	-	
PART IV, LINE 57(C)	20,192,888	-			
PART II, LINE 42 COLUMN (B)					716,063

COMPENSATION, BENEFITS AND EXPENSES OF DIRECTORS AND OFFICERS

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

(A) NAME	(B) TITLE	(C) COMPENSATION		(D) BENEFITS		(E) REIMBURSEMENT OF EXPENSES	
		TOTAL	ALLOCATED TO KFHP NY	TOTAL	ALLOCATED TO KFHP NY	TOTAL	ALLOCATED TO KFHP NY
DIRECTORS:							
DAVID M LAWRENCE, MD	DIRECTOR & CHAIRMAN	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
RICHARD G BARNABY	DIRECTOR	1,411,142	0	17,574	0	43,718	0
JOHN W BAACKES	DIRECTOR	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
PATRICIA M NAZEMETZ	DIRECTOR	4,070	4,070	1,638	1,638	0	0
MALCOLM J EDGERTON, JR	DIRECTOR	0	0	0	0	0	0
KAREN K GIFFORD	DIRECTOR	3,580	3,580	0	0	0	0
BARRY LIEBMAN	DIRECTOR	0	0	0	0	0	0
SUBTOTAL DIRECTORS		1,418,792	7,650	19,212	1,638	43,718	0
OFFICERS & KEY EMPLOYEES:							
DAVID M LAWRENCE, MD	CHIEF EXECUTIVE OFFICER	1,205,647	0	9,545	0	0	0
JOHN W BAACKES	PRESIDENT	874,318	72,945	13,931	1,182	4,635	387
ROBERT M CRANE	SENIOR VICE PRESIDENT	571,121	3,374	18,707	111	427	3
KIRK E MILLER	SENIOR VICE PRESIDENT	316,562	1,852	16,731	98	342	2
SUSAN E PORTH	SENIOR VICE PRESIDENT	1,621,288	9,483	20,684	121	0	0
JAMES B WILLIAMS	SENIOR VICE PRESIDENT	724,535	4,238	15,876	93	6,625	39
STEVEN R ZATKIN	SENIOR VICE PRESIDENT	433,870	2,563	16,684	99	4,075	24
SUSAN J BALDWIN	VICE PRESIDENT	234,934	1,828	16,185	126	0	0
SHARON E CONROW	VICE PRESIDENT	188,706	1,115	4,830	29	0	0
JANICE K MURPHY	VICE PRESIDENT	243,382	1,409	17,894	104	0	0
ROBERT A PROMM	VICE PRESIDENT	214,832	0	13,727	0	24,880	0
ZELDA GEYER-SYLVA	VICE PRESIDENT	131,080	13,389	11,578	1,183	0	0
SUBTOTAL OFFICERS & KEY EMPLOYEES FOR THIS ENTITY		6,760,274	112,195	176,351	3,124	40,984	454
TOTAL DIRECTORS, OFFICERS & KEY EMPLOYEES FOR THIS ENTITY		8,179,066	119,845	195,562	4,762	84,700	454

NOTE 1: THIS ORGANIZATION IS ONE OF THE ORGANIZATIONS LISTED ON THE STATEMENT IN THE RETURN HEADED "RELATED AND CONTROLLED ENTITIES" AND PARTICIPATING IN THE DIRECT SERVICE PREPAID HEALTH CARE PROGRAM COMMONLY REFERRED TO AS THE KAISER PERMANENTE MEDICAL CARE PROGRAM (MEDICAL CARE PROGRAM).

NOTE 2: COMPENSATION, BENEFIT CONTRIBUTIONS, AND REIMBURSEMENT FOR CERTAIN EXPENSES OF DIRECTORS, OFFICERS AND KEY EMPLOYEES IS PAID BY KAISER FOUNDATION HEALTH PLAN, INC. (KAISER) AND ARE ALLOCATED TO THE SPECIFIC MEMBER ORGANIZATIONS FOR WHICH THE INDIVIDUAL PERFORMS SERVICES. CERTAIN DIRECTORS, OFFICERS AND KEY EMPLOYEES PERFORM SERVICES FOR SEVERAL OF THE MEDICAL CARE PROGRAM MEMBER ORGANIZATIONS. BASED ON MANAGEMENT ANALYSIS AND CONSISTENT WITH THE ALLOCATION OF OTHER COMMON EXPENSES, A COMPOSITE ALLOCATION OF APPROXIMATELY 24% OF COMPENSATION, BENEFIT CONTRIBUTIONS AND REIMBURSEMENT OF EXPENSES IS ALLOCATED TO KAISER FOUNDATION HOSPITALS. THE BALANCE IS THEN ALLOCATED TO KAISER FOUNDATION HEALTH PLAN, INC. AND ITS SUBSIDIARIES BASED ON THE PERCENTAGE OF MEMBERSHIP TO THE TOTAL MEMBERSHIP OF ALL KAISER PERMANENTE ORGANIZATIONS. FOR THOSE INDIVIDUALS ASSIGNED TO A SPECIFIC ENTITY OR ENTITIES THEIR COMPENSATION, BENEFIT CONTRIBUTIONS AND REIMBURSEMENT OF EXPENSE ARE ALLOCATED DIRECTLY TO THE ENTITY OR BASED ON A RATIO OF THE MEMBERSHIP OF THE ENTITY TO THE TOTAL MEMBERSHIP OF THE GROUP OF ENTITIES ASSIGNED.

NOTE 3: THE AMOUNTS REPORTED ABOVE FOR REIMBURSEMENT OF EXPENSE DO NOT INCLUDE SUCH ORDINARY AND NECESSARY EXPENSES AS TRAVEL, TRANSPORTATION, LODGING, MEALS, BUSINESS MEETINGS, CONFERENCES AND OTHER ROUTINE EXPENDITURES FOR WHICH THE INDIVIDUAL ACCOUNTS TO THE EMPLOYER ORGANIZATION AND IS REIMBURSED ON A SPECIFIC EXPENDITURE BASIS.

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

NOTE 5: THE ABOVE LISTED INDIVIDUALS CAN BE CONTACTED C/O:
KAISER FOUNDATION HEALTH PLAN, INC.
ONE KAISER PLAZA, 1521 ORDMAN
OAKLAND CA 94612

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

KAISER FOUNDATION HEALTH PLAN OF NEW YORK, EXEMPT FROM FEDERAL INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3), IS A WHOLLY OWNED SUBSIDIARY OF KAISER FOUNDATION HEALTH PLAN, INC., A CALIFORNIA NOT-FOR PROFIT CORPORATION EXEMPT FROM FEDERAL INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3).

EMPLOYER ID #	ENTITY NAME	DIRECT & INDIRECT % CONTROLLED BY KFHP, INC.
SUBSIDIARY ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION HEALTH PLAN, INC. THAT ARE EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3):		
94-1340523	KAISER FOUNDATION HEALTH PLAN, INC.	100%
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST	100%
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	100%
48-0924402	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC.	100%
75-1607081	KAISER FOUNDATION HEALTH PLAN OF TEXAS	100%
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC.	100%
56-1421313	KAISER FOUNDATION HEALTH PLAN OF NORTH CAROLINA	100%
52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, I	100%
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO	100%
23-7425486	COMMUNITY HEALTH PLAN	100%
06-0943948	KAISER FOUNDATION HEALTH PLAN OF CONNECTICUT, INC.	100%
13-2847437	KAISER FOUNDATION HEALTH PLAN OF NEW YORK	100%
04-2583575	KAISER FOUNDATION HEALTH PLAN OF MASSACHUSETTS, INC.	100%
31-1573811	KAISER/GROUP HEALTH	100%
94-3299123	CAMP BOWIE SERVICE CENTER	100%
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC.	100%
93-0954562	KAISER HEALTH ALTERNATIVES	100%
94-1616359	KAISER FOUNDATION INTERNATIONAL	100%
93-0480268	OHP	100%
94-1265039	KAISER PERMANENTE ADVISORY SERVICES	100%
22-3038896	RIVERVIEW DAYCARE, INC.	100%

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

03-0329760	OAK TREE ASSURANCE, LTD.	100%
95-4237200	KAISER FOUNDATION ADDED CHOICE HEALTH PLAN, INC.	100%
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES, INC.	100%
94-3259432	KAISER PROPERTY SERVICES, INC.	100%
99-0242151	PERMANENTE SERVICES OF HAWAII, INC.	100%
91-1814507	CHP COMPANIES, INC.	100%
94-3295378	CHP INSURANCE AGENCY, INC.	100%
14-1688501	CHPS CORPORATION	100%
14-1685128	CAMPUS PLAZA 7, INC.	100%
22-2751724	HUDSON VALLEY COMMUNITY SERVICES CORP.	100%
22-2973489	UPSTATE COMMUNITY SERVICES, INC.	100%

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

KAISER FOUNDATION HEALTH PLAN OF NEW YORK, EXEMPT FROM FEDERAL INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3), IS A WHOLLY OWNED SUBSIDIARY OF KAISER FOUNDATION HEALTH PLAN, INC., A CALIFORNIA NOT-FOR PROFIT CORPORATION EXEMPT FROM FEDERAL INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3).

EMPLOYER ID #	ENTITY NAME	DIRECT & INDIRECT % CONTROLLED BY KFHP, INC.
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KAISER FOUNDATION HEALTH PLAN, INC. IS AFFILIATED WITH THE FOLLOWING ENTITIES EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3):

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

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

94-3245176	KAISER PERMANENTE INTERNATIONAL	*(2)	N/A
94-3292262	KAISER PERMANENTE VENTURES	*(2)	N/A
94-3203402	KAISER PERMANENTE INSURANCE COMPANY	*(3)	50%

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

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

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

THE COMMON ADDRESS FOR ALL ENTITIES LISTED ABOVE IS:

C/O KAISER FOUNDATION HEALTH PLAN, INC.
ONE KAISER PLAZA, 1521 ORDWAY
OAKLAND, CA 94612



KAISER PERMANENTE

**COMMUNITY BENEFIT REPORT
for
KAISER FOUNDATION HEALTH PLAN OF NEW YORK
FY 1998**

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



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INTRODUCTION

Kaiser Foundation Health Plan of New York ("Health Plan") is a nonprofit, federally qualified health maintenance organization ("HMO") that is a subsidiary of Kaiser Foundation Health Plan, Inc. Kaiser Foundation Health Plan, Inc., its eleven principal tax exempt subsidiary health plans, and Kaiser Foundation Hospitals ("Hospitals") are nonprofit corporations that are part of the integrated health care delivery system known as Kaiser Permanente Medical Care Program ("Kaiser Permanente"). Kaiser Permanente is an integrated health care delivery system that in 1998 served over 8 million people in 17 states (California, Colorado, Connecticut, Georgia, Hawaii, Kansas, Maryland, Massachusetts, Missouri, New York, North Carolina, Ohio, Oregon, South Carolina, Vermont, Virginia and Washington) and the District of Columbia. It is the largest private health care program in the United States with over 90,000 employees and over 10,000 full-time equivalent contracting physicians. Health Plan is part of Kaiser Permanente's Northeast Division, serving Westchester County, New York. In total, the Northeast Division serves over 513,400 people, with approximately 3,565 employees and approximately 8,100 full-time equivalent contracting physicians.

In December 1996, the Boards of Directors of Kaiser Foundation Health Plan, Inc. and of Hospitals approved the Direct Community Benefit Investment Policy to assist Kaiser Foundation Health Plan, Inc., its tax-exempt subsidiaries, and Hospitals achieve our collective social purpose to improve the health of our members and the communities we serve. The Direct Community Benefit Investment Policy is as follows:

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

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

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

Consistent with our 50th anniversary community benefit theme, we will focus on children through the year 2000.

At least 50% of our direct community benefit investments will be targeted toward our three priority areas.

It is our intent, within 36 months, to have 30% of direct community benefit investments focused on improving the health of children.

The remainder of our direct community benefit investments will be devoted to other identified health, social welfare and educational activities in our communities that improve health."

This report documents the community benefit provided by Health Plan in Westchester County, New York, as well as the national community benefit activities of Kaiser Foundation Health Plan, Inc. and its other subsidiary health plans and Hospitals.

KAISER PERMANENTE

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

In Westchester County, New York, Kaiser Permanente is conducted by three separate legal organizations: Health Plan, a New York nonprofit corporation, which is a federally qualified HMO exempt from federal income tax under Internal Revenue Code §501(c)(3); Hospitals, a California nonprofit public benefit corporation exempt from federal income tax under Internal Revenue Code §501(c)(3); and the Northeast Permanente Medical Group, P.C., an independent multi-specialty group of physicians organized as a professional corporation.

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

DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM

Kaiser Permanente has a wide variety of community benefit programs, some of which are allocable to Kaiser Foundation Health Plan, Inc. and its subsidiaries, some to Hospitals. This report highlights examples of Kaiser Permanente's national Direct Community Benefit Investment Policy ("DCBI") as well as the DCBI activities of Health Plan and Hospitals in Westchester County, New York. Consistent with our DCBI Policy, based upon the needs of the communities we serve and our ability to impact these needs, Kaiser Permanente is focusing its investments on three overlapping areas of priority:

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

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

In 1998, despite significant financial challenges, Kaiser Foundation Health Plan, Inc., its subsidiaries, and Hospitals spent approximately \$425.8 million, or approximately 2.7% of revenue, on DCBI activities across the nation in the communities we serve. The following charts summarize 1998 DCBI expenditures nationally and in Westchester County, New York. The expenditures reflected in the charts are unaudited estimates calculated in accordance with Kaiser Permanente's DCBI Accounting Policy.

1998 DCBI Expenditures for National Program

DCBI CATEGORY	NATIONAL DCBI TOTAL	NATIONAL HOSPITALS TOTAL	NATIONAL HEALTH PLANS TOTAL
Dues Subsidy	\$33,906,143	\$6,483,032	\$27,423,111
Rating Subsidies	\$145,529,387	\$35,888,461	\$109,640,926
Medicaid Shortfalls	\$131,414,497	\$34,181,464	\$97,233,033
Other Publicly Subsidized Programs	\$427,440	\$128,232	\$299,208
Charitable Care	\$15,272,518	\$15,208,718	\$63,800
Graduate Medical Education	\$46,519,520	\$39,598,690	\$6,920,830
Health Professional Training Programs (non- MD)	\$5,276,335	\$5,039,007	\$237,328
Continuing Medical Education	\$5,716,299	\$5,687,144	\$29,155
Health Education Activities	\$2,841,765	\$761,303	\$2,080,462
Community Health Care Services	\$3,871,651	\$3,474,103	\$397,548
Educational Symposiums	\$760,783	\$760,283	\$500
Grants\Donations -- Health Care	\$5,418,389	\$3,971,669	\$1,446,720
Grants\Donations -- Non Health Care	\$2,546,425	\$1,824,001	\$722,424
Medical Research	\$8,637,245	\$7,870,384	\$766,861
Medical Libraries	\$4,978,879	\$4,978,879	
Tumor Board & Registries	\$3,456,052	\$3,456,052	
Educational Theatre	\$4,740,735	\$4,368,315	\$372,420
Youth\Other Employment Programs	\$1,466,020	\$1,363,002	\$103,018
Board of Directors Fund	\$1,447,333	\$1,447,333	
Other Community Service	\$1,617,211		\$1,617,211
TOTAL	\$425,844,627	\$176,490,072	\$249,354,555

1998 DCBI Expenditures in Westchester County, New York

DCBI CATEGORY	TOTAL	HOSPITALS TOTAL	HEALTH PLAN TOTAL
Charitable Care	\$846,378	\$846,378	
Graduate Medical Education	\$449,525	\$449,525	
Health Education Activities	\$68,628		\$68,628
Grants\Donations - Health Care	\$1,012		\$1,012
Grants\Donations - Non Health Care	\$2,300		\$2,300
TOTAL	\$1,367,843	\$1,295,903	\$71,940.

HIGHLIGHTS OF DCBI PROGRAM IN WESTCHESTER COUNTY, NEW YORK

The following are some highlights of the 1998 DCBI Program in Westchester County, New York:

Rating Subsidies

Health Plan actively participates in the small group and individual markets and offers comprehensive conversion coverage at affordable rates. Health Plan's rating methodology helps to ensure that the coverage is affordable to vulnerable populations.

- Conversion Coverage - Health Plan offers conversion coverage to group members and dependents of subscribers who have lost their group coverage due to job loss, divorce, death of a spouse, or because an individual no longer qualifies as a dependent of a subscriber. These members are offered the opportunity to convert to individual coverage without having to undergo a medical evaluation. Although most health insurers offer conversion coverage, few provide it on a community rated basis or with the level of benefits provided by Health Plan. Health Plan charges the same rate to all conversion members, regardless of age, health status or utilization.
- Participation in the Individual Market - Health Plan has actively enrolled individuals in New York since it first began operations, several years before HMOs were required to participate in this market by New York State statute. Rates are based solely on the underlying community experience within the individual market. Approximately 10% of Health Plan's members are enrollees from the individual market, which includes conversion members.
- Participation in the Small Group Market - Employees of small employers are a significant percentage of the uninsured population. Health Plan has actively offered affordable benefits in the small group market without medical screening or pre-existing condition exclusions for many years, prior to recently enacted federal and state statutes. Health Plan's rates for any particular small group are based solely on the underlying community experience. Rate differences may be based only on the differences of benefits provided under specific plans. No rate adjustment may be made for age, sex, claim experience, or any other group specific factor. This rating practice helps to maintain coverage in the small group market at an affordable rate, making it more accessible to small employers.

Participation in Medicaid and Other Publicly Financed Programs

Health Plan and Hospitals have a long history of participation in publicly financed health programs.

- Health Plan serves a small number of members who participate through the Child Health Insurance Plan of New York, a state subsidized health insurance program for uninsured children.
- Health Plan has also served approximately 1400 persons eligible for medical assistance who are enrolled through an affiliation contract managed by the Westchester prepaid health service plan.

Clinical and Health Services Research

From the beginning, research has been a core value at Kaiser Permanente. DCBI funds support research that meets important medical and social needs, such as preventing violence, preventing infectious disease and improving health care for adolescents, youth and underserved populations. For 40 years, Kaiser Permanente researchers have parlayed modest grants financed through our community service budget into major discoveries that have served our communities, influenced national policy, and informed medical practice throughout the nation and the world.

Our research studies address problems of current health policy interest, are designed to improve care for common conditions where treatment is often linked to community-based efforts, and are broadly disseminated through articles and professional presentations. Nationally, DCBI money financed the following studies that are aimed at improving clinical care and health care delivery throughout the nation:

- *Lead Poisoning:* A four-year study has been recently completed by a Permanente physician on how to best identify children at risk for lead poisoning. Based on the results of this study, and other new data, the federal Centers for Disease Control ("CDC") changed its recommendations for screening children for lead poisoning.
- *Genetics:* Kaiser Permanente continues to lead the country in genetic research. Permanente physicians are performing groundbreaking work on screening for cystic fibrosis and hemochromatosis (a condition that can lead to severe arthritis, diabetes and fatal liver damage). Our genetic research has shown the value of offering genetic counseling to patients. Our genetic counseling program is recognized as a model for the nation, providing an opportunity for research to be combined with clinical practice so as to produce the very best medical care.
- *Diabetes:* Kaiser Permanente is a leader in research on effective methods of treating diabetes. Community service money supported initial studies of diabetes-related complications. These studies led to the establishment of the Diabetes Registry in 1993. The availability of the Diabetes Registry led the CDC to name Kaiser Permanente in Hawaii and in Northern California as two of six sites for a five-year national study of diabetes. The CDC project will focus primarily on diabetics enrolled in managed care plans in order to assess how treatment and quality care get to the patients of diverse ethnic backgrounds. The study will also review the amount of money and resources that HMOs invest in diabetic care.
- *Heart Disease:* Members of the Cardiovascular Surgery Clinical Research Group ("CSCRG") are teaching other surgeons throughout the country how to implant a new stentless heart valve, which has been part of a clinical study during 1998. CSCRG has developed a procedure that preserves more of the heart structure during mitral valve replacement. CSCRG also began a study that compares conventional coronary artery bypass

surgery with surgery that does not use cardiopulmonary bypass. This study will include an assessment of clinical and economic outcomes and the measurement of cognitive function.

- *Vaccines:* The Vaccine Studies Group ("VSG") continues its collaboration with the UCLA Center for Vaccine Research in a number of different studies regarding the safety and efficacy of vaccines for children. One study has demonstrated an 89% efficacy in the second year following use of an intranasal influenza vaccine. And because of the increasing number of injections required for full compliance with childhood immunization standards, there is interest in using combination vaccines. VSG participated in a study that demonstrated the safety and effectiveness of a diphtheria-tetanus-whooping cough/hepatitis C/polio vaccine.
- *The Wellness and Prevention Project:* Kaiser Permanente and Everett Middle School in San Francisco are partnering to develop a model program for promoting health and preventing violence in inner-city middle schools that can be widely disseminated across the country. The goals of this project are to increase safety, reduce violent incidents, increase participation and leadership of parents and students in school and community activities, and increase access to community resources for the low-income, ethnically diverse students and families. Just prior to project implementation, Everett received the lowest possible score for school safety from the school district (1 out of 12). In the fall of 1998, after only one year of project implementation, the school safety rating increased to 7 out of 12. The rating for parent participation in this period also doubled. The project has received wide recognition in the media, in the California State Senate and by the Mayor and Board of Supervisors in San Francisco. The SmithKline Beecham Health Care Partnership Award recognized the Project for excellence and innovation in Managed Care-Community Partnerships that provide service to at-risk populations.
- *Mental Health:* A randomized clinical trial of telephone follow-up and support by trained primary care clinic nurses with, and without, the addition of peer support was compared to standard clinical management in a sample of depressed patients. The results of this study show the model tested to be effective in terms of improved depression scores at 6 and 12 months for subjects receiving the intervention. The program was found to be cost neutral and has been judged to be appropriate for dissemination throughout Kaiser Permanente. Other organizations such as HealthPartners in Minnesota have requested assistance in implementing the program.

Graduate Medical Education

As part of its operation in Westchester County, Hospitals paid over \$449,500 on a dedicated state tax to support graduate medical education.

Charitable Care

As part of its operation in Westchester County, Hospitals over \$846,300 on a dedicated state tax to fund inpatient and other hospital services to persons who could not otherwise afford health care.

Health Education Activities

Health Plan spent over \$68,600 to provide general public education activities on health care issues. These include participation in health fairs, health education classes and other educational seminars aimed at non-health care professionals and open to the general public

Grants and Donations for Health Care Related Activities

Health Plan gave over \$1,000 in health care related grants and donations in the communities they serve.

Grants and Donations Unrelated to Health Care

Health Plan gave over \$2,300 to community organizations for purposes not directly related to health care.

**REPORT REGARDING AGREEMENT AND PLAN OF MERGER
OF KAISER FOUNDATION HEALTH PLAN OF NEW YORK
INTO COMMUNITY HEALTH PLAN**

Community Health Plan ("CHP") and Kaiser Foundation Health Plan of New York ("New York Health Plan") propose to enter into a formal agreement and plan of merger to transfer all the assets and liabilities of New York Health Plan to CHP and to dissolve New York Health Plan. Like CHP, New York Health Plan is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Kaiser Foundation Health Plan, Inc., is the sole member of New York Health Plan and CHP Companies, Inc. ("CHP Co.") is the sole member of CHP. In addition to this corporation's approval, the transaction must be approved by each corporation's sole member. The merger of New York Health Plan into CHP would benefit current and future members by consolidating resources and reducing unnecessary or duplicate costs. It is recommended that the following resolutions be approved.

PROPOSED RESOLUTIONS

RESOLVED, that all meeting notice requirements regarding approval of this transaction are hereby waived; and

RESOLVED FURTHER, that Community Health Plan ("CHP") is hereby authorized to enter into an agreement and plan of merger ("Agreement") with Kaiser Foundation Health Plan of New York ("New York Health Plan") pursuant to which CHP shall acquire all the assets and liabilities of New York Health Plan and New York Health Plan shall transfer the same to CHP under the terms and conditions set forth in the Agreement, attached hereto as Attachment 1, Schedule A; and

RESOLVED FURTHER, that CHP is hereby authorized to execute and deliver the Agreement and the officers of CHP are hereby authorized and directed to do any and all things and to execute and deliver any and all documents they deem to be necessary or advisable in connection therewith; and

RESOLVED FURTHER, that the Chairman of the Board or the President of CHP be, and each of them acting singly hereby is, authorized in the name and acting on behalf of the corporation to execute and deliver the Agreement and any other instruments authorized in the preceding resolutions, and that the several officers of the corporation, be, and each of them acting singly hereby is, authorized and directed to do or cause to be done all such acts or things and to make, execute and deliver, or cause to be made, executed and delivered, all such instruments, agreements, certificates and other documents, in the name and on behalf of the corporation as they may deem necessary, advisable or appropriate to effectuate or carry out the purpose and intent of the foregoing resolutions; and

RESOLVED FURTHER, that the execution and delivery by any officer CHP of the aforesaid instruments, agreements, certificates and other documents authorized in the preceding resolutions, and the taking by any such officer of any acts in any way relating to the transactions contemplated by the Agreement, shall be conclusive evidence of the approval by the Board of Directors thereof and of his or her authority to execute and deliver and take the same in the name and on behalf of CHP; and

RESOLVED FURTHER, that the transaction, under the terms and conditions set forth in the Agreement, is approved, and will be effective upon the approval by each corporation's sole member, the closing of the transaction, and receipt of all necessary regulatory approvals.

WRITTEN CONSENT OF THE
BOARD OF DIRECTORS OF
KAISER FOUNDATION HEALTH PLAN OF NEW YORK

The undersigned, who are the members of the Board of Directors of Kaiser Foundation Health Plan of New York, hereby unanimously consent in writing, in signed counterparts, to the adoption of the following resolutions, with the same force and effect as though adopted at a duly called and held meeting of the Board of Directors on such date:

RESOLVED, that we, the undersigned, understand the special purpose of this Written Consent, and hereby waive any meeting notice requirements and direct the Secretary to enter a copy of this Written Consent into the minute book of this corporation; and

RESOLVED FURTHER, that Kaiser Foundation Health Plan of New York is hereby authorized to enter into an agreement and plan of merger ("Agreement") with Community Health Plan (CHP) pursuant to which CHP shall acquire all the assets and liabilities of KFHP of New York and KFHP of New York shall transfer the same to CHP under the terms and conditions set forth in the Agreement, attached as Schedule A hereto; and

RESOLVED FURTHER, that this corporation is hereby authorized to execute and deliver the Agreement and the officers of this corporation are hereby authorized and directed to do any and all things and to execute and deliver any and all documents they deem to be necessary or advisable in connection therewith; and

RESOLVED FURTHER, that the execution and delivery by any officer of this corporation of the aforesaid instruments, agreements, certificates and other documents authorized in the preceding resolutions, and the taking by any such officer of any acts in any way relating to the transactions contemplated by the Agreement, shall be conclusive evidence of the approval by the Board of Directors thereof and of his or her authority to execute and deliver and take the same in the name and on behalf of the corporation; and

RESOLVED FURTHER, that the dissolution of this corporation under the terms and conditions set forth in Schedule A, is approved, effective upon the closing of the transaction and receipt of all necessary regulatory approval ("Effective Date"); and

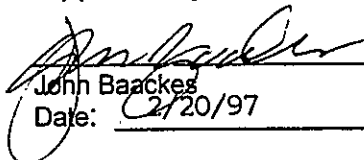
RESOLVED FURTHER, that the following individuals hereby resign as Directors of this corporation as of the Effective Date:

John Baackes
Richard G. Barnaby
Malcolm J. Edgerton, Jr.
Karen K. Gifford
David M. Lawrence, MD
Barry Liebman
Patricia M. Nazemetz; and

RESOLVED FURTHER, that all Committees of the Board of Directors of this corporation are dissolved as of the Effective Date; and

RESOLVED FURTHER, that the resignation of all officers of this corporation is approved as of the Effective Date; and

RESOLVED FURTHER, that the foregoing resolutions are effective immediately, subject to any necessary regulatory approval and approval by this corporation's member.



John Baackes
Date: 6/20/97

Richard G. Barnaby
Date: _____

Malcolm J. Edgerton, Jr.
Date: _____

Karen K. Gifford
Date: _____

David M. Lawrence, MD
Date: _____

Barry Liebman
Date: _____

Patricia M. Nazemetz
Date: _____

WRITTEN CONSENT OF THE
BOARD OF DIRECTORS OF
KAISER FOUNDATION HEALTH PLAN OF NEW YORK

The undersigned, who are the members of the Board of Directors of Kaiser Foundation Health Plan of New York, hereby unanimously consent in writing, in signed counterparts, to the adoption of the following resolutions, with the same force and effect as though adopted at a duly called and held meeting of the Board of Directors on such date:

RESOLVED, that we, the undersigned, understand the special purpose of this Written Consent, and hereby waive any meeting notice requirements and direct the Secretary to enter a copy of this Written Consent into the minute book of this corporation; and

RESOLVED FURTHER, that Kaiser Foundation Health Plan of New York is hereby authorized to enter into an agreement and plan of merger ("Agreement") with Community Health Plan (CHP) pursuant to which CHP shall acquire all the assets and liabilities of KFHP of New York and KFHP of New York shall transfer the same to CHP under the terms and conditions set forth in the Agreement, attached as Schedule A hereto; and

RESOLVED FURTHER, that this corporation is hereby authorized to execute and deliver the Agreement and the officers of this corporation are hereby authorized and directed to do any and all things and to execute and deliver any and all documents they deem to be necessary or advisable in connection therewith; and

RESOLVED FURTHER, that the execution and delivery by any officer of this corporation of the aforesaid instruments, agreements, certificates and other documents authorized in the preceding resolutions, and the taking by any such officer of any acts in any way relating to the transactions contemplated by the Agreement, shall be conclusive evidence of the approval by the Board of Directors thereof and of his or her authority to execute and deliver and take the same in the name and on behalf of the corporation; and

RESOLVED FURTHER, that the dissolution of this corporation under the terms and conditions set forth in Schedule A, is approved, effective upon the closing of the transaction and receipt of all necessary regulatory approval ("Effective Date"); and

RESOLVED FURTHER, that the following individuals hereby resign as Directors of this corporation as of the Effective Date:

John Baackes
Richard G. Barnaby
Malcolm J. Edgerton, Jr.
Karen K. Gifford
David M. Lawrence, MD
Barry Liebman
Patricia M. Nazemetz; and

RESOLVED FURTHER, that all Committees of the Board of Directors of this corporation are dissolved as of the Effective Date; and

RESOLVED FURTHER, that the resignation of all officers of this corporation is approved as of the Effective; and

RESOLVED FURTHER, that the foregoing resolutions are effective immediately, subject to any necessary regulatory approval and approval by this corporation's member.

John Baackes

Date: _____

Richard G. Barnaby

Date: _____

Malcolm J. Edgerton, Jr.

Date: _____

Karen K. Gifford

Date: _____

David M. Lawrence, MD

Date: _____

Barry Liebman

Date: _____

Patricia M. Nazemetz

Date: 2/19/07

WRITTEN CONSENT OF THE
BOARD OF DIRECTORS OF
KAISER FOUNDATION HEALTH PLAN OF NEW YORK

The undersigned, who are the members of the Board of Directors of Kaiser Foundation Health Plan of New York, hereby unanimously consent in writing, in signed counterparts, to the adoption of the following resolutions, with the same force and effect as though adopted at a duly called and held meeting of the Board of Directors on such date:

RESOLVED, that we, the undersigned, understand the special purpose of this Written Consent, and hereby waive any meeting notice requirements and direct the Secretary to enter a copy of this Written Consent into the minute book of this corporation; and

RESOLVED FURTHER, that Kaiser Foundation Health Plan of New York is hereby authorized to enter into an agreement and plan of merger ("Agreement") with Community Health Plan (CHP) pursuant to which CHP shall acquire all the assets and liabilities of KFHP of New York and KFHP of New York shall transfer the same to CHP under the terms and conditions set forth in the Agreement, attached as Schedule A hereto; and

RESOLVED FURTHER, that this corporation is hereby authorized to execute and deliver the Agreement and the officers of this corporation are hereby authorized and directed to do any and all things and to execute and deliver any and all documents they deem to be necessary or advisable in connection therewith; and

RESOLVED FURTHER, that the execution and delivery by any officer of this corporation of the aforesaid instruments, agreements, certificates and other documents authorized in the preceding resolutions, and the taking by any such officer of any acts in any way relating to the transactions contemplated by the Agreement, shall be conclusive evidence of the approval by the Board of Directors thereof and of his or her authority to execute and deliver and take the same in the name and on behalf of the corporation; and

RESOLVED FURTHER, that the dissolution of this corporation under the terms and conditions set forth in Schedule A, is approved, effective upon the closing of the transaction and receipt of all necessary regulatory approval ("Effective Date"); and

RESOLVED FURTHER, that the following individuals hereby resign as Directors of this corporation as of the Effective Date:

John Baackes
Richard G. Barnaby
Malcolm J. Edgerton, Jr.
Karen K. Gifford
David M. Lawrence, MD
Barry Liebman
Patricia M. Nazemetz; and

RESOLVED FURTHER, that all Committees of the Board of Directors of this corporation are dissolved as of the Effective Date; and

RESOLVED FURTHER, that the resignation of all officers of this corporation is approved as of the Effective; and

RESOLVED FURTHER, that the foregoing resolutions are effective immediately, subject to any necessary regulatory approval and approval by this corporation's member.

John Baackes

Date: _____

Richard G. Barnaby

Date: _____



Malcolm J. Edgerton, Jr.

Date: _____

Karen K. Gifford

Date: _____

David M. Lawrence, MD

Date: _____

Barry Liebman

Date: _____

Patricia M. Nazemetz

Date: _____

WRITTEN CONSENT OF THE
BOARD OF DIRECTORS OF
KAISER FOUNDATION HEALTH PLAN OF NEW YORK

The undersigned, who are the members of the Board of Directors of Kaiser Foundation Health Plan of New York, hereby unanimously consent in writing, in signed counterparts, to the adoption of the following resolutions, with the same force and effect as though adopted at a duly called and held meeting of the Board of Directors on such date:

RESOLVED, that we, the undersigned, understand the special purpose of this Written Consent, and hereby waive any meeting notice requirements and direct the Secretary to enter a copy of this Written Consent into the minute book of this corporation; and

RESOLVED FURTHER, that Kaiser Foundation Health Plan of New York is hereby authorized to enter into an agreement and plan of merger ("Agreement") with Community Health Plan (CHP) pursuant to which CHP shall acquire all the assets and liabilities of KFHP of New York and KFHP of New York shall transfer the same to CHP under the terms and conditions set forth in the Agreement, attached as Schedule A hereto; and

RESOLVED FURTHER, that this corporation is hereby authorized to execute and deliver the Agreement and the officers of this corporation are hereby authorized and directed to do any and all things and to execute and deliver any and all documents they deem to be necessary or advisable in connection therewith; and

RESOLVED FURTHER, that the execution and delivery by any officer of this corporation of the aforesaid instruments, agreements, certificates and other documents authorized in the preceding resolutions, and the taking by any such officer of any acts in any way relating to the transactions contemplated by the Agreement, shall be conclusive evidence of the approval by the Board of Directors thereof and of his or her authority to execute and deliver and take the same in the name and on behalf of the corporation; and

RESOLVED FURTHER, that the dissolution of this corporation under the terms and conditions set forth in Schedule A, is approved, effective upon the closing of the transaction and receipt of all necessary regulatory approval ("Effective Date"); and

RESOLVED FURTHER, that the following individuals hereby resign as Directors of this corporation as of the Effective Date:

John Baackes
Richard G. Barnaby
Malcolm J. Edgerton, Jr.
Karen K. Gifford
David M. Lawrence, MD
Barry Liebman
Patricia M. Nazemetz; and

RESOLVED FURTHER, that all Committees of the Board of Directors of this corporation are dissolved as of the Effective Date; and

RESOLVED FURTHER, that the resignation of all officers of this corporation is approved as of the Effective; and

RESOLVED FURTHER, that the foregoing resolutions are effective immediately, subject to any necessary regulatory approval and approval by this corporation's member.

John Baackes

Date: _____

Richard G. Barnaby

Date: _____

Malcolm J. Edgerton, Jr.

Date: _____

Karen K. Gifford

Date: _____

David M. Lawrence, MD

Date: _____


Barry Liebman

Date: _____

Patricia M. Nazemetz

Date: _____

WRITTEN CONSENT OF THE
BOARD OF DIRECTORS OF
KAISER FOUNDATION HEALTH PLAN OF NEW YORK

The undersigned, who are the members of the Board of Directors of Kaiser Foundation Health Plan of New York, hereby unanimously consent in writing, in signed counterparts, to the adoption of the following resolutions, with the same force and effect as though adopted at a duly called and held meeting of the Board of Directors on such date:

RESOLVED, that we, the undersigned, understand the special purpose of this Written Consent, and hereby waive any meeting notice requirements and direct the Secretary to enter a copy of this Written Consent into the minute book of this corporation; and

RESOLVED FURTHER, that Kaiser Foundation Health Plan of New York is hereby authorized to enter into an agreement and plan of merger ("Agreement") with Community Health Plan (CHP) pursuant to which CHP shall acquire all the assets and liabilities of KFHP of New York and KFHP of New York shall transfer the same to CHP under the terms and conditions set forth in the Agreement, attached as Schedule A hereto; and

RESOLVED FURTHER, that this corporation is hereby authorized to execute and deliver the Agreement and the officers of this corporation are hereby authorized and directed to do any and all things and to execute and deliver any and all documents they deem to be necessary or advisable in connection therewith; and

RESOLVED FURTHER, that the execution and delivery by any officer of this corporation of the aforesaid instruments, agreements, certificates and other documents authorized in the preceding resolutions, and the taking by any such officer of any acts in any way relating to the transactions contemplated by the Agreement, shall be conclusive evidence of the approval by the Board of Directors thereof and of his or her authority to execute and deliver and take the same in the name and on behalf of the corporation; and

RESOLVED FURTHER, that the dissolution of this corporation under the terms and conditions set forth in Schedule A, is approved, effective upon the closing of the transaction and receipt of all necessary regulatory approval ("Effective Date"); and

RESOLVED FURTHER, that the following individuals hereby resign as Directors of this corporation as of the Effective Date:

John Baackes
Richard G. Barnaby
Malcolm J. Edgerton, Jr.
Karen K. Gifford
David M. Lawrence, MD
Barry Liebman
Patricia M. Nazemetz; and

RESOLVED FURTHER, that all Committees of the Board of Directors of this corporation are dissolved as of the Effective Date; and

RESOLVED FURTHER, that the resignation of all officers of this corporation is approved as of the Effective; and

RESOLVED FURTHER, that the foregoing resolutions are effective immediately, subject to any necessary regulatory approval and approval by this corporation's member.

John Baackes

Date: _____

Richard G. Barnaby

Date: 1/12/97
Richard G. Barnaby

Malcolm J. Edgerton, Jr.

Date: _____

Karen K. Gifford

Date: _____

David M. Lawrence, MD

Date: _____

Barry Liebman

Date: _____

Patricia M. Nazemetz

Date: _____

WRITTEN CONSENT OF THE
BOARD OF DIRECTORS OF
KAISER FOUNDATION HEALTH PLAN OF NEW YORK

The undersigned, who are the members of the Board of Directors of Kaiser Foundation Health Plan of New York, hereby unanimously consent in writing, in signed counterparts, to the adoption of the following resolutions, with the same force and effect as though adopted at a duly called and held meeting of the Board of Directors on such date:

RESOLVED, that we, the undersigned, understand the special purpose of this Written Consent, and hereby waive any meeting notice requirements and direct the Secretary to enter a copy of this Written Consent into the minute book of this corporation; and

RESOLVED FURTHER, that Kaiser Foundation Health Plan of New York is hereby authorized to enter into an agreement and plan of merger ("Agreement") with Community Health Plan (CHP) pursuant to which CHP shall acquire all the assets and liabilities of KFHP of New York and KFHP of New York shall transfer the same to CHP under the terms and conditions set forth in the Agreement, attached as Schedule A hereto; and

RESOLVED FURTHER, that this corporation is hereby authorized to execute and deliver the Agreement and the officers of this corporation are hereby authorized and directed to do any and all things and to execute and deliver any and all documents they deem to be necessary or advisable in connection therewith; and

RESOLVED FURTHER, that the execution and delivery by any officer of this corporation of the aforesaid instruments, agreements, certificates and other documents authorized in the preceding resolutions, and the taking by any such officer of any acts in any way relating to the transactions contemplated by the Agreement, shall be conclusive evidence of the approval by the Board of Directors thereof and of his or her authority to execute and deliver and take the same in the name and on behalf of the corporation; and

RESOLVED FURTHER, that the dissolution of this corporation under the terms and conditions set forth in Schedule A, is approved, effective upon the closing of the transaction and receipt of all necessary regulatory approval ("Effective Date"); and

RESOLVED FURTHER, that the following individuals hereby resign as Directors of this corporation as of the Effective Date:

John Baackes
Richard G. Barnaby
Malcolm J. Edgerton, Jr.
Karen K. Gifford
David M. Lawrence, MD
Barry Liebman
Patricia M. Nazemetz; and

RESOLVED FURTHER, that all Committees of the Board of Directors of this corporation are dissolved as of the Effective Date; and

RESOLVED FURTHER, that the resignation of all officers of this corporation is approved as of the Effective; and

RESOLVED FURTHER, that the foregoing resolutions are effective immediately, subject to any necessary regulatory approval and approval by this corporation's member.

John Baackes

Date: _____

Richard G. Barnaby

Date: _____

Malcolm J. Edgerton, Jr.

Date: _____

Karen K. Gifford

Date: 18 Feb 97

David M. Lawrence, MD

Date: _____

Barry Liebman

Date: _____

Patricia M. Nazemetz

Date: _____

WRITTEN CONSENT OF THE
BOARD OF DIRECTORS OF
KAISER FOUNDATION HEALTH PLAN OF NEW YORK

The undersigned, who are the members of the Board of Directors of Kaiser Foundation Health Plan of New York, hereby unanimously consent in writing, in signed counterparts, to the adoption of the following resolutions, with the same force and effect as though adopted at a duly called and held meeting of the Board of Directors on such date:

RESOLVED, that we, the undersigned, understand the special purpose of this Written Consent, and hereby waive any meeting notice requirements and direct the Secretary to enter a copy of this Written Consent into the minute book of this corporation; and

RESOLVED FURTHER, that Kaiser Foundation Health Plan of New York is hereby authorized to enter into an agreement and plan of merger ("Agreement") with Community Health Plan (CHP) pursuant to which CHP shall acquire all the assets and liabilities of KFHP of New York and KFHP of New York shall transfer the same to CHP under the terms and conditions set forth in the Agreement, attached as Schedule A hereto; and

RESOLVED FURTHER, that this corporation is hereby authorized to execute and deliver the Agreement and the officers of this corporation are hereby authorized and directed to do any and all things and to execute and deliver any and all documents they deem to be necessary or advisable in connection therewith; and

RESOLVED FURTHER, that the execution and delivery by any officer of this corporation of the aforesaid instruments, agreements, certificates and other documents authorized in the preceding resolutions, and the taking by any such officer of any acts in any way relating to the transactions contemplated by the Agreement, shall be conclusive evidence of the approval by the Board of Directors thereof and of his or her authority to execute and deliver and take the same in the name and on behalf of the corporation; and

RESOLVED FURTHER, that the dissolution of this corporation under the terms and conditions set forth in Schedule A, is approved, effective upon the closing of the transaction and receipt of all necessary regulatory approval ("Effective Date"); and

RESOLVED FURTHER, that the following individuals hereby resign as Directors of this corporation as of the Effective Date:

John Baackes
Richard G. Barnaby
Malcolm J. Edgerton, Jr.
Karen K. Gifford
David M. Lawrence, MD
Barry Liebman
Patricia M. Nazemetz; and

RESOLVED FURTHER, that all Committees of the Board of Directors of this corporation are dissolved as of the Effective Date; and

RESOLVED FURTHER, that the resignation of all officers of this corporation is approved as of the Effective; and

RESOLVED FURTHER, that the foregoing resolutions are effective immediately, subject to any necessary regulatory approval and approval by this corporation's member.

John Baackes

Date: _____

Richard G. Barnaby

Date: _____

Malcolm J. Edgerton, Jr.

Date: _____

Karen K. Gifford

Date: _____



David M. Lawrence, MD

Date: _____

Barry Liebman

Date: _____

Patricia M. Nazemetz

Date: _____



State of New York
Department of Health
Corning Tower, Empire State Plaza
Albany, New York 12237

June 5, 1998

BARBARA A. DEBUONO, M.D., M.P.H.
Commissioner

Phone (518) 474-2011
Fax (518) 474-3450

John Baackes
President
Northeast Division
Kaiser Permanente
1 CHP Plaza
Latham, NY 12110-1080

Dear Mr. Baackes:

Enclosed are two reissued Certificates of Authority with regard to the health maintenance operations Community Health Plan under Article 44 of the Public Health Law. One certificate reflects the approval of the merger between Community Health Plan and Kaiser Foundation Health Plan of New York. Also enclosed is a revised certificate of authority which reflects the name change of Community Health Plan's Article 44 line of business, from Capital Area Community Health Plan, Inc. to Community Health Plan.

Both certificates reflect limitations and conditions with regard to each entity's service area and the requirement that the Article 44 entities operate as a separate line of business. These limitations and conditions are described below.

The reissued certificate of authority regarding Community Health Plan doing business as Kaiser Foundation Health Plan is subject to the following limitations and conditions:

Limitations and Conditions

- The Article 44 ~~service~~ area of Community Health Plan, doing business as Kaiser Foundation Health Plan of New York, serving the commercial population shall be designated as ~~Westchester~~ County.
- The Article 44 ~~operations~~ of Community Health Plan, doing business as Kaiser Foundation Health Plan of New York, shall be maintained as a separate and distinct line of business of Community Health Plan with separate financial account and records.

The certificate of authority for Community Health Plan in the Hudson Valley Region will reflect the following limitations and conditions.

Limitations and Conditions

- The Article 44 service area of Community Health Plan (Hudson Valley Region) serving the commercial population shall be designated as Dutchess, Orange and Ulster Counties.
- The Article 44 service area of Community Health Plan (Hudson Valley Region) serving the Medicaid population shall be designated as Ulster County. The continuation of the provision of health care services in the service area remains contingent upon the execution of its Medicaid contract with the local social services district.
- Community Health Plan (Hudson Valley Region) shall be maintained as a separate and distinct line of business of Community Health Plan with separate financial account and records.

Please return the previously issued certificates of authority to the Bureau of Certification and Surveillance no later than June 15, 1998.

If you have any questions, please contact Vallencia Lloyd of the Bureau of Certification and Surveillance at (518) 473-4842.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Barbara DeBuono', with a long horizontal flourish extending to the right.

Barbara A. DeBuono, M.D., M.P.H.
Commissioner of Health

Enclosures

New York State Department of Health

Office of Managed Care

Health Maintenance Organization Certificate of Authority

**COMMUNITY HEALTH PLAN
1201 TROY-SCHENECTADY ROAD
LATHAM, NEW YORK 12110**


DBA KAISER FOUNDATION HEALTH PLAN OF NEW YORK

Effective Date
October 28, 1985
Reissued:
January 28, 1994
June 5, 1998

Has been granted this certificate of authority to operate
pursuant to Article 44 of the New York State Public Health Law.

CONDITIONS AND LIMITATIONS

- The Article 44 service area of Community Health Plan under doing business as Kaiser Foundation Health Plan of New York serving the commercial population shall be designated as Westchester County.
- The Article 44 operations of Community Health Plan, doing business as Kaiser Foundation Health Plan of New York, shall be maintained as a separate and distinct line of business of Community Health Plan with separate financial account and records.


Barbara A. DeBuono, M.D., M.P.H., Commissioner

New York State Department of Health

Office of Managed Care

Health Maintenance Organization Certificate of Authority

**COMMUNITY HEALTH PLAN
1201 TROY-SCHENECTADY ROAD
LATHAM, NEW YORK 12110**

Effective Date

October 28, 1985

Reissued:

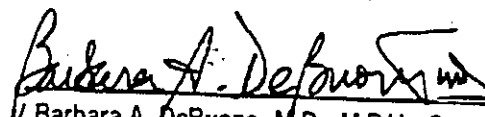
January 28, 1984

June 5, 1998

Has been granted this certificate of authority to operate
pursuant to Article 44 of the New York State Public Health Law.

CONDITIONS AND LIMITATIONS

- The Article 44 service area of Community Health Plan (Hudson Valley Region) serving the commercial population shall be designated as Dutchess, Orange and Ulster Counties.
- The Article 44 service area of Community Health Plan (Hudson Valley Region) serving the Medicaid population shall be designated as Ulster County. The continuation of the provision of health care services in the service area remains contingent upon the execution of its Medicaid contract with the local social services district.
- Community Health Plan (Hudson Valley Region) shall be maintained as a separate and distinct line of business of Community Health Plan with separate financial account and records.


Barbara A. DeBuono, M.D., M.P.H., Commissioner

State of New York }
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

MAY 14 1999



Special Deputy Secretary of State

**CERTIFICATE OF MERGER
OF
KAISER FOUNDATION HEALTH PLAN OF NEW YORK
INTO
COMMUNITY HEALTH PLAN**

F990513000312

Under Section 904 of the Not-For-Profit Corporation Law

The undersigned, JOHN BAACKES and KIRK MILLER, being the President and Secretary, respectively, of both KAISER FOUNDATION HEALTH PLAN OF NEW YORK and COMMUNITY HEALTH PLAN, each of said corporations being a domestic corporation organized and existing under and by virtue of the laws of the State of New York, hereby certify as follows:

1. The names of the constituent corporations are Kaiser Foundation Health Plan of New York and Community Health Plan. Community Health Plan was formed under the name "Capital Area Community Health Plan, Inc.", and its name was changed to Community Health Plan pursuant to a Certificate of Amendment filed by the Department of State on January 11, 1995. Kaiser Foundation Health Plan of New York was formed under the name "Westchester Community Health Plan []", and its name was changed to Kaiser Foundation Health Plan of New York on October 1, 1987.

2. On the date the merger becomes effective, Kaiser Foundation Health Plan of New York shall be merged with and into Community Health Plan. The surviving corporation shall be Community Health Plan.

3. As to each of the constituent corporations, there are no holders of capital certificates or subventions, there are no certificates evidencing capital contributions or subventions, and there are presently no outstanding capital contributions.

4. Kaiser Foundation Health Plan of New York is a Type B corporation under the Not-for-Profit Corporation Law, and the Bylaws of Kaiser Foundation Health Plan of New York provide that the sole member of Kaiser Foundation Health Plan of New York is Kaiser Foundation Health Plan, Inc.

5. Community Health Plan is a Type B corporation under the Not-For-Profit Corporation Law, and the Bylaws of Community Health Plan provide that the sole member of Community Health Plan is CHP Companies, Inc.

6. The date when the Certificate of Incorporation of Kaiser Foundation Health Plan of New York (formerly known as Westchester Community Health Plan) was filed with the New York State Secretary of State was December 31, 1975.

7. The date when the Certificate of Incorporation of Community Health Plan (formerly known as "Capital Area Community Health Plan, Inc.") was filed with the New York State Secretary of State was November 6, 1974.

8. The merger of Kaiser Foundation Health Plan of New York into Community Health Plan was authorized with respect to Kaiser Foundation Health Plan of New York by a majority vote of the Board of Directors of Kaiser Foundation Health Plan of New York, present in person; of the Agreement and Plan of Merger at a meeting held, pursuant to appropriate notice on March 12, 1997; and by the affirmative vote cast by the sole member of Kaiser Foundation Health Plan of New York, present in person and entitled to the vote in accordance with the Bylaws of Kaiser Foundation Health Plan of New York, at a meeting

held, pursuant to appropriate notice on March 12, 1997, as prescribed by Section 613 of the Not-For-Profit Corporation Law of the State of New York.

9. The merger of Kaiser Foundation Health Plan of New York into Community Health Plan was authorized with respect to Community Health Plan by the adoption, by a majority vote of the Board of Directors of Community Health Plan, present in person, of the Agreement and Plan of Merger at a meeting held, pursuant to appropriate notice, on March 12, 1997, and by the affirmative vote cast by the sole member of Community Health Plan, present in person and entitled to the vote thereon in accordance with the Bylaws of Community Health Plan, at a meeting held, pursuant to appropriate notice on March 12, 1997, as prescribed by Section 613 of the Not-For-Profit Corporation Law of the State of New York.

10. The merger of Kaiser Foundation Health Plan of New York into Community Health Plan will not require any changes in the Certificate of Incorporation of Community Health Plan.

11. The effective date of the merger of Kaiser Foundation Health Plan of New York into Community Health Plan shall be the date that this Certificate of Merger is filed by the New York State Secretary of State.

12. The Agreement and Plan of Merger may be abandoned by a resolution authorizing such abandonment of the Agreement and Plan of Merger adopted by a majority of the Board of Directors of Kaiser Foundation Health Plan of New York and by a resolution authorizing such abandonment of the Agreement and Plan of Merger adopted by a majority of the Board of Directors of Community Health Plan.

~~IN WITNESS WHEREOF~~, the undersigned have executed and signed this
Certificate of Merger on June 18, 1997, and the undersigned affirm the statements
contained herein as true under the penalties of perjury.

[SEAL]

KAISER FOUNDATION HEALTH PLAN
OF NEW YORK

By:

John Baackes
John Baackes, President

By:

Kirk Miller
Kirk Miller, Secretary

[SEAL]

COMMUNITY HEALTH PLAN

By:

John Baackes
John Baackes, President

By:

Kirk Miller
Kirk Miller, Secretary

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY)

On this 18 day of June, 1997, before me personally came JOHN BAACKES, to me known, who, being by me duly sworn, did depose and say that he resides at No. 15 Pateman Circle, Menands, New York, 12204; that he is the President of KAISER FOUNDATION HEALTH PLAN OF NEW YORK, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporation seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Nancy L. Couser
Notary Public

STATE OF New York)
) ss.:
COUNTY OF Albany)

NANCY L. COUSER
Notary Public, State of New York
No. 4955769
Qualified in Rensselaer County
Commission Expires September 5, 1997

On this 18 day of June, 1997, before me personally came KIRK MILLER, to me known, who, being by me duly sworn, did depose and say that he resides at No. 81 Highland, Oakland, California 94611; that he is the Secretary of KAISER FOUNDATION HEALTH PLAN OF NEW YORK, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporation seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Nancy L. Couser
Notary Public

5
NANCY L. COUSER
Notary Public, State of New York
No. 4955769
Qualified in Rensselaer County
Commission Expires September 5, 1997

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY)

On this 18 day of June, 1997, before me personally came JOHN BAACKES, to me known, who, being by me duly sworn, did depose and say that he resides at No. 15 Pateman Circle, Menands, New York, 12204; that he is the President of COMMUNITY HEALTH PLAN, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporation seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Nancy L. Couser

Notary Public

NANCY L. COUSER
Notary Public, State of New York
No. 4955769
Qualified in Rensselaer County
Commission Expires September 5, 1997

STATE OF New York)
) ss.:
COUNTY OF Albany)

On this 18 day of June, 1997, before me personally came KIRK MILLER, to me known, who, being by me duly sworn, did depose and say that he resides at No. 81 Highland, Oakland, California 94611; that he is the Secretary of COMMUNITY HEALTH PLAN, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporation seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Nancy L. Couser

Notary Public

NANCY L. COUSER
Notary Public, State of New York
No. 4955769
Qualified in Rensselaer County
Commission Expires September 5, 1997

6

STATE OF NEW YORK DEPARTMENT OF HEALTH

Coming Tower

The Governor Nelson A. Rockefeller Empire State Plaza

Albany, New York 122

Barbara A. DeBuono, M.D., M.P.H.
Commissioner

Dennis P. Whalen
Executive Deputy Commissioner

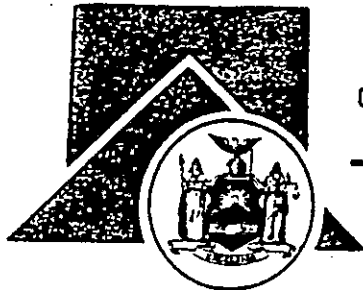
CONSENT AND APPROVAL
TO FILING A CERTIFICATE OF MERGER
BY THE
COMMISSIONER

I, BARBARA A. DEBUONO, M.D., M.P.H., Commissioner of Health of the State of New York, do this 19 day of October, 1998, consent to the filing with the Secretary of State of the Certificate of Merger of Kaiser Foundation Health Plan of New York, with and into Community Health Plan, the surviving corporation, said certificate having been executed on June 18, 1997, the Commissioner's consent and approval being required pursuant to Sections 404(c) and 909 of the Not-for-Profit Corporation Law.



BARBARA A. DEBUONO, M.D., M.P.H.
Commissioner of Health

by: Dennis Whalen, Executive Deputy Commissioner



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12237

PUBLIC HEALTH COUNCIL

November 5, 1998

Mr. E. Raymond Kolarsey
Attorney at Law
Hinman, Straub, Pigors & Manning, P.C.
Attorneys at Law
121 State Street
Albany, New York 12207-1693

Re: Certificate of Merger of Kaiser Foundation Health Plan of New York into Community Health Plan

Dear Mr. Kolarsey:

AFTER INQUIRY and INVESTIGATION and in accordance with action taken at a meeting of the Public Health Council held on the 21st day of November, 1997, I hereby certify that the Certificate of Merger of Kaiser Foundation Health Plan of New York and Community Health Plan into Community Health Plan, dated June 18, 1997 is approved.

Sincerely,

Karen S. Westervelt
Executive Secretary



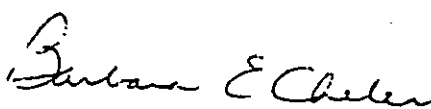
STATE OF NEW YORK
INSURANCE DEPARTMENT
AGENCY BUILDING ONE
EMPIRE STATE PLAZA
ALBANY, NY 12257

I, NEIL D. LEVIN, Superintendent of Insurance of the State of New York, DO HEREBY
CONSENT, pursuant to the provisions of Section 404(c) of the Not-For-Profit Corporation
Law, to the filing of Certificate of Merger of Kaiser Foundation Health Plan of New York into
Community Health Plan.

IN WITNESS WHEREOF, I have here-

unto set my hand and affixed the
official seal of this Department at the
City of Albany, New York, this
28th day of September, 1998.

NEIL D. LEVIN
Superintendent of Insurance

By 

Special Deputy Superintendent

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

In the Matter of the Application of

KAISER FOUNDATION HEALTH
PLAIN OF NEW YORK and
COMMUNITY HEALTH PLAN,
for an Order Approving their
Agreement and Plan of Merger Under
Section 907 of the Not-For-Profit
Corporation Law into Community
Health Plan, and Authorizing the
Filing of a Certificate of Merger under
Section 904 of said Law,

DECISION and ORDER
Index No. 2068-99

(Supreme Court, Albany County, Motion Term, May 7, 1999)
(RJI No. 0199-57569)
(JUSTICE HAROLD J. HUGHES, Presiding)

APPEARANCES:

Hinman, Straub, Pigors & Manning, P.C.
Attorneys for Petitioner
(Bartley J. Costello, III, Esq., of Counsel)
121 State Street
Albany, New York 12207

Hon. Eliot Spitzer
Attorney General of New York State
(Donald P. Segal, Esq., of Counsel)
The Capitol
Albany, New York 12224

HUGHES, J.:

Kaiser Foundation Health Plan of New York (Kaiser {New York}) and Community Health Plan Companies, Inc. (CHP) move pursuant to Not-For-Profit Corporation Law, § 907, for approval of their merger into a Type B Corporation.

The Attorney General of the State of New York objects to the merger on the grounds that, as proposed, it neither provides the Attorney General with advance notice of future changes of ownership or control of CHP's assets, nor provides the Court an opportunity to review the sale or other transfer of control of CHP. The Attorney General urges the Court to impose such protections on CHP. In support of its position that such provisions are needed, the Attorney General cites the April 11, 1996 affiliation agreement between Kaiser Foundation Health Plan, Inc. (Kaiser {California}), a California corporation, and CHP by which Kaiser {California} acquired actual control over CHP's operations and management without any notice to the Attorney General or opportunity for review by the courts of this State. The Attorney General further notes that Kaiser {California} intends to sell CHP, an entity upon which some 600,000 New York State citizens depend for their health care. Petitioners list assets in excess of \$200,000,000.00.

Notwithstanding petitioner's argument that there is no statutory requirement for the Attorney General or the Court to be involved in future "non-merger" transfers of control and management of CHP, court approval of this merger is conditioned on the Court's satisfaction that the interests of the constituent corporations and the public will not be adversely affected by the merger or consolidation (Not-For-Profit Corporation Law, § 907[e]). The Court cannot now predict, much less assure, that future transfers of the management or controlling

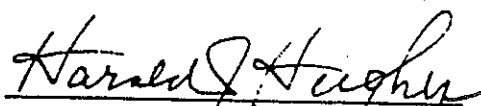
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interest in CHP by Kaiser {California}, a foreign corporation, to as yet unknown entities will necessarily best serve the public interest in continued health services or protect the merged corporations' assets. In the absence of any demonstrated harm to CHP and given the significant public interest in protecting CHP, the Attorney General's proposal is a reasonable and unoppressive means for protecting the public trust and CHP.

Accordingly, the agreement and plan of merger between the petitioners is approved subject to the condition that the Attorney General be given notice of future non-merger transfers of operational and managerial control of CHP and that the courts be given authority to approve or reject such transfers consistent with the goals set forth in Not-For-Profit Corporation Law § 907(e); the certificate of merger, to which a certified copy of this order shall be annexed, may be filed with the Department of State in accordance with Not-For-Profit Corporation Law § 904; and, the merger shall have the effect provided by Not-For-Profit Corporation Law § 905.

SO ORDERED.

Dated: May/2, 1999


Harold J. Hughes
Justice, Supreme Court

The Court considered the following papers:

Notice of petition dated April 14, 1999;
Verified petition dated April 13, 1999, with exhibits;
Affidavit of Lori J. Dutcher dated April 13, 1999, with exhibits.
Answer dated May 7, 1999;
Affirmation of Bartley J. Costello, III, dated May 7, 1999, with exhibit.

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F990513000313

CERTIFICATE OF MERGER
OF
KAISER FOUNDATION HEALTH PLAN OF NEW YORK
INTO
COMMUNITY HEALTH PLAN

Under Section 904 of the Not-For-Profit Corporation Law

ICC
STATE OF NEW YORK
DEPARTMENT OF STATE

MAY 13 1999

FILED
TAXS
BY:

Albany

990513000325

13

HINMAN, STRAUB, FIGORS & MANNING, P.C.
121 STATE STREET
ALBANY, NEW YORK 12207

[Handwritten signature]

Form **2758**

(Rev. June 1998)

Department of the Treasury
Internal Revenue Service**Application for Extension of Time To File
Certain Excise, Income, Information, and Other Returns**

OMB No. 1545-0148

► File a separate application for each return.

Please type or
print. File the
original and one
copy by the due
date for filing
your return. See
instructions.

Name

KAISER FOUNDATION HEALTH PLAN OF NEW YORK

Employer identification number

13-2847437

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

ONE KAISER PLAZA, 1521 ORDWAY

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

OAKLAND CA 94612

Note: Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.1 I request an extension of time until AUGUST 16, 1999, to file (check only one):☐ Form 706-GS(D)☐ Form 990-T (sec. 401(a) or 408(a) trust)☐ Form 1120-ND (sec. 4951 taxes)☐ Form 8612☐ Form 706-GS(T)☐ Form 990-T (trust other than above)☐ Form 3520-A☐ Form 8613☒ Form 990 or 990-EZ☐ Form 1041 (estate) (see instructions)☐ Form 4720☐ Form 8725☐ Form 990-BL☐ Form 1041-A☐ Form 5227☐ Form 8804☐ Form 990-PF☐ Form 1042☐ Form 6069☐ Form 8831If the organization does not have an office or place of business in the United States, check this box ☐2a For calendar year 1998, or other tax year beginning _____ and ending _____b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period3 Has an extension of time to file been previously granted for this tax year? ☐ Yes ☒ No4 State in detail why you need the extension THIS ENTITY IS A MEMBER OF AN AFFILIATED GROUP
COMPRISING A NATIONAL MANAGED HEALTH CARE DELIVERY PROGRAM AND IT MUST
DEFER RETURN FILING UNTIL DATA FOR EACH MEMBER'S RETURN IS COMPLETE.5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions. \$ NONEb If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ NONEc Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions \$ 0**Signature and Verification**

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

Signature

Title VICE PRES/CONTROLLERDate 05/07/99**FILE ORIGINAL AND ONE COPY.** The IRS will show below whether or not your application is approved and will return the copy.**Notice to Applicant — To Be Completed by the IRS**☒ We HAVE approved your application. Please attach this form to your return.☐ We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.☐ We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.☐ We cannot consider your application because it was filed after the due date of the return for which an extension was requested.☐ Other: _____

RECEIVED

MAY 13 1999

OGDEN, UT

RECEIVED

JUN 15 1999

ACCOUNTING

Director

By: _____

Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please
Type
or
Print

Name

N/A

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

City, town, or post office, state, and ZIP code. For a foreign address, see instructions.

ENVELOPE
POSTMARK DATE MAY 11 1999

Form **2758**

(Rev. June 1998)

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Internal Revenue Service**Application for Extension of Time To File
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OMB No. 1545-0148

► **File a separate application for each return.**Please type or
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Name

KAISER FOUNDATION HEALTH PLAN OF NEW YORK

Employer identification number:

13-2847437

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

ONE KAISER PLAZA, 1521 ORDWAY

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

OAKLAND CA 94612**COPY****Note:** Corporate income tax return filers must use **Form 7004** to request an extension of time to file. Partnerships, REMICs, and trusts must use **Form 8736** to request an extension of time to file **Form 1065, 1066, or 1041**.**1** I request an extension of time until **NOVEMBER 15, 1999**, to file (check only one):☐ Form 706-GS(D)☐ Form 990-T (sec. 401(a) or 408(a) trust)☐ Form 1120-ND (sec. 4951 taxes)☐ Form 8612☐ Form 706-GS(T)☐ Form 990-T (trust other than above)☐ Form 3520-A☐ Form 8613☒ Form 990 or 990-EZ☐ Form 1041 (estate) (see instructions)☐ Form 4720☐ Form 8725☐ Form 990-BL☐ Form 1041-A☐ Form 5227☐ Form 8804☐ Form 990-PF☐ Form 1042☐ Form 6069☐ Form 8831If the organization does not have an office or place of business in the United States, check this box ☐**2a** For calendar year **1998**, or other tax year beginning _____ and ending _____**b** If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period**3** Has an extension of time to file been previously granted for this tax year? ☒ Yes ☐ No**4** State in detail why you need the extension **THIS ENTITY IS A MEMBER OF AN AFFILIATED GROUP
COMPRISING A NATIONAL MANAGED HEALTH CARE DELIVERY PROGRAM AND IT MUST
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Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true correct, and complete; and that I am authorized to prepare this form.

Signature

Title **VICE PRES/CONTROLLER**Date **07/30/99****FILE ORIGINAL AND ONE COPY.** The IRS will show below whether or not your application is approved and will return the copy.**Notice to Applicant — To Be Completed by the IRS**

- ☒ We **HAVE** approved your application. Please attach this form to your return.
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- ☐ We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
- ☐ Other: _____

Director

By: _____

EXTENSION APPROVED

Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please
Type
or
Print

Name

KAISER FOUNDATION HEALTH PLAN, INC

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

ONE KAISER PLAZA, 1521 ORDWAY, CONTROLLER'S DEPT ATT: D. A. TRUHLER

City, town, or post office, state, and ZIP code. For a foreign address, see instructions.

OAKLAND, CA 94612

For Paperwork Reduction Act Notice, see back of form.

ISA
STF FED4663FForm **2758** (Rev. 6-98)