

Form 990

## Return of Organization Exempt From Income Tax

OMB No. 1545-0047

1999

Department of the Treasury  
Internal Revenue Service

Under 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.

This Form Is  
Open to Public  
Inspection

A For the 1999 calendar year, OR tax year period beginning 1999, and ending

B Check if:

☒ Change of  
address  
☒ Initial  
return  
☒ Final  
return

Please

use IRS  
label or  
print or  
type.See  
Specific  
Instruc-  
tions.

C Name of organization

KAISER FOUNDATION HEALTH PLAN OF NEW YORK

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

Room/suite

C/O KAISER FOUNDATION HEALTH PLAN,  
ONE KAISER PLAZA, 1550 ORDWAY

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

OAKLAND, CA 94612

D Employer identification number

13-2847437

E Telephone number

(510) 271-6385

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 ☒ NoI 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 15.)

1 Contributions, gifts, grants, and similar amounts received:

a Direct public support

1a

NONE

b Indirect public support

1b

c Government contributions (grants)

1c

d Total (add lines 1a through 1c) (attach schedule of contributors)

(cash \$ noncash \$ )

1d

NONE

2 Program service revenue including government fees and contracts (from Part VII, line 93)

2

NONE

3 Membership dues and assessments

3

4 Interest on savings and temporary cash investments

4

5 Dividends and interest from securities

5

6 a 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

8 a Gross amount from sales of assets other  
than inventory

(A) Securities

(B) Other

8a

b Less: cost or other basis and sales expenses

8b

c Gain or (loss) (attach schedule)

8c

d Net gain or (loss) (combine line 8c, columns (A) and (B))

8d

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

10 a 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

NONE

13 Program services (from line 44, column (B))

13

NONE

14 Management and general (from line 44, column (C))

14

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

NONE

18 Excess or (deficit) for the year (subtract line 17 from line 12)

18

NONE

19 Net assets or fund balances at beginning of year (from line 73, column (A))

19

NONE

20 Other changes in net assets or fund balances (attach explanation)

20

21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)

21

NONE

22NE

ENVELOPE NOV 15 2000  
POSTMARK DATE

Revenue SCANNED DEC 11 2000

Expenses

Net Assets

RECEIVED  
NOV 20 2000  
OGDEN, UT  
IRS-08

**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 19.)

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	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	NONE		
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33			
34	Telephone	34			
35	Postage and shipping	35			
36	Occupancy	36			
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses (itemize): a	43a			
	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	NONE	NONE	NONE

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 22.)What is the organization's primary exempt purpose? SEE STATEMENT 1

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	NONE	(Grants and allocations \$	NONE)	NONE
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)			NONE

**Part IV Balance Sheets** (See Specific Instructions on page 22.)

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
<b>Assets</b>	<b>45</b> Cash - non-interest-bearing . . . . .	NONE	<b>45</b>	NONE
	<b>46</b> Savings and temporary cash investments . . . . .		<b>46</b>	
	<b>47a</b> Accounts receivable . . . . . <b>47a</b>			
	<b>b</b> Less: allowance for doubtful accounts . . . . . <b>47b</b>		<b>47c</b>	
	<b>48a</b> Pledges receivable . . . . . <b>48a</b>			
	<b>b</b> Less: allowance for doubtful accounts . . . . . <b>48b</b>		<b>48c</b>	
	<b>49</b> Grants receivable . . . . .		<b>49</b>	
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .		<b>50</b>	
	<b>51a</b> Other notes and loans receivable (attach schedule) . . . . . <b>51a</b>			
	<b>b</b> Less: allowance for doubtful accounts . . . . . <b>51b</b>		<b>51c</b>	
	<b>52</b> Inventories for sale or use . . . . .		<b>52</b>	
	<b>53</b> Prepaid expenses and deferred charges . . . . .		<b>53</b>	
	<b>54</b> Investments - securities (attach schedule) . . . . .		<b>54</b>	
	<b>55a</b> Investments - land, buildings, and equipment: basis . . . . . <b>55a</b>			
	<b>b</b> Less: accumulated depreciation (attach schedule) . . . . . <b>55b</b>		<b>55c</b>	
	<b>56</b> Investments - other (attach schedule) . . . . .		<b>56</b>	
	<b>57a</b> Land, buildings, and equipment: basis . . . . . <b>57a</b>			
	<b>b</b> Less: accumulated depreciation (attach schedule) . . . . . <b>57b</b>		<b>57c</b>	
	<b>58</b> Other assets (describe ► )		<b>58</b>	
<b>59</b> <b>Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .	NONE	<b>59</b>	NONE	
<b>Liabilities</b>	<b>60</b> Accounts payable and accrued expenses . . . . .	NONE	<b>60</b>	NONE
	<b>61</b> Grants payable . . . . .		<b>61</b>	
	<b>62</b> Deferred revenue . . . . .		<b>62</b>	
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .		<b>63</b>	
	<b>64a</b> Tax-exempt bond liabilities (attach schedule) . . . . .		<b>64a</b>	
	<b>b</b> Mortgages and other notes payable (attach schedule) . . . . .		<b>64b</b>	
	<b>65</b> Other liabilities (describe ► )		<b>65</b>	
<b>66</b> <b>Total liabilities</b> (add lines 60 through 65) . . . . .	NONE	<b>66</b>	NONE	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 67 through 69 and lines 73 and 74.</b>			
	<b>67</b> Unrestricted . . . . .		<b>67</b>	
	<b>68</b> Temporarily restricted . . . . .		<b>68</b>	
	<b>69</b> Permanently restricted . . . . .		<b>69</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 70 through 74.</b>			
	<b>70</b> Capital stock, trust principal, or current funds . . . . .		<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund . . . . .		<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds . . . . .	NONE	<b>72</b>	NONE
	<b>73</b> <b>Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21) . . . . .	NONE	<b>73</b>	NONE
<b>74</b> <b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73) . . . . .	NONE	<b>74</b>	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

<b>a</b> Total revenue, gains, and other support per audited financial statements . . . ▶	<b>a</b> <b>NONE</b>	<b>a</b> Total expenses and losses per audited financial statements . . . . ▶	<b>a</b> <b>NONE</b>
<b>b</b> Amounts included on line a but not on line 12, Form 990: (1) Net unrealized gains on investments . . \$ _____ (2) Donated services and use of facilities \$ _____ (3) Recoveries of prior year grants . . . . \$ _____ (4) Other (specify): _____ \$ _____ Add amounts on lines (1) through (4) ▶	<b>b</b>	<b>b</b> Amounts included on line a but not on line 17, Form 990: (1) Donated services and use of facilities \$ _____ (2) Prior year adjustments reported on line 20, Form 990 . . . . \$ _____ (3) Losses reported on line 20, Form 990 \$ _____ (4) Other (specify): _____ \$ _____ Add amounts on lines (1) through (4) . . ▶	<b>b</b>
<b>c</b> Line a minus line b . . . . . ▶	<b>c</b> <b>NONE</b>	<b>c</b> Line a minus line b . . . . . ▶	<b>c</b> <b>NONE</b>
<b>d</b> Amounts included on line 12, Form 990 but not on line a: (1) Investment expenses not included on line 6b, Form 990 . . . \$ _____ (2) Other (specify): _____ \$ _____ Add amounts on lines (1) and (2) ▶	<b>d</b>	<b>d</b> Amounts included on line 17, Form 990 but not on line a: (1) Investment expenses not included on line 6b, Form 990 . . . \$ _____ (2) Other (specify): _____ \$ _____ Add amounts on lines (1) and (2) . . ▶	<b>d</b>
<b>e</b> Total revenue per line 12, Form 990 (line c plus line d) . . . . . ▶	<b>e</b> <b>NONE</b>	<b>e</b> Total expenses per line 17, Form 990 (line c plus line d) . . . . . ▶	<b>e</b> <b>NONE</b>

**Part V** List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 24.)

[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 25.

**Part VI Other Information** (See Specific Instructions on page 25.)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity . . .	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . . STMT. 2. . . . . If "Yes," attach a conformed copy of the changes.	77	X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .	78b	N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . STMT. 3. . . . .	79	X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . . . .	80a	X
b If "Yes," enter the name of the organization <u>SEE STATEMENT 5 AND 6</u> and check whether it is <input checked="" type="checkbox"/> exempt OR <input checked="" type="checkbox"/> nonexempt.		
81 a 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
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? . . . . .	82a	X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.) . . . . .	82b	NONE
83 a Did the organization comply with the public inspection requirements for returns and exemption applications? . . . . .	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? . . . . .	83b	N/A
84 a Did the organization solicit any contributions or gifts that were not tax deductible? . . . . .	84a	N/A
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	84b	N/A
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? . . . . .	85a	N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? . . . . .	85b	N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members . . . . .	85c	NONE
d Section 162(e) lobbying and political expenditures . . . . .	85d	NONE
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices . . . . .	85e	NONE
f Taxable amount of lobbying and political expenditures (line 85d less 85e) . . . . .	85f	NONE
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
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 . . . . .	86a	N/A
b Gross receipts, included on line 12, for public use of club facilities . . . . .	86b	N/A
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders . . . . .	87a	N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .	87b	N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX . . . . .	88	X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>NONE</u> ; section 4912 <u>NONE</u> ; section 4955 <u>NONE</u>		
b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction . . . . .	89b	X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . . .		NONE
d Enter: Amount of tax on line 89c, above, reimbursed by the organization . . . . .		NONE
90 a List the states with which a copy of this return is filed <u>NEW YORK</u>		
b Number of employees employed in the pay period that includes March 12, 1999 (See inst.) . . . . .	90b	NONE
91 The books are in care of <u>NATIONAL TAX DIRECTOR</u> Telephone no. <u>510 271-6385</u> Located at <u>ONE KAISER PLAZA 1550 ORDWAY, OAKLAND CA</u> ZIP + 4 <u>94612</u>		
92 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

**1999**

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 page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE	NONE	NONE	NONE	NONE
Total number of other employees paid over \$50,000	NONE			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 1 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services	NONE	

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990) 1999

**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? . . . . . If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>NONE</u>	1	X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any 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? . . . . .	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? . . . . . If the answer to any question is "Yes," attach a detailed statement explaining the transactions.	2e	X
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 page 2 of the instructions.)	STMT 4	

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

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

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V, 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 page 4 of the instructions.)

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

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



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

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

Calendar year (or fiscal year beginning in) . . . . .	(a) 1998	(b) 1997	(c) 1996	(d) 1995	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) . . . . .					
16 Membership fees received . . . . .					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose . . . . .	28272784.	60565973.	53157454.	53841640.	195837851.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 . . . . .	205,080.	221,166.	139,964.	310,615.	876,825.
19 Net income from unrelated business activities not included in line 18 . . . . .					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf . . . . .					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge . . . . .					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22 . . . . .	28477864.	60787139.	53297418.	54152255.	196714676.
24 Line 23 minus line 17 . . . . .	205,080.	221,166.	139,964.	310,615.	876,825.
25 Enter 1% of line 23 . . . . .	284,779.	607,871.	532,974.	541,523.	
26 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 1995 through 1998 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 %					
27 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: (1998) NONE (1997) NONE (1996) NONE (1995) NONE					
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: (1998) NONE (1997) NONE (1996) NONE (1995) NONE					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 195837851. 20 _____ 21 _____ ▶ 27c 195837851.					
d Add: Line 27a total NONE and line 27b total NONE ▶ 27d NONE					
e Public support (line 27c total minus line 27d total) . . . . . ▶ 27e 195837851.					
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e). . . . . ▶ 27f 196714676.					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) . . . . . ▶ 27g 99.5543 %					
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . . . . . ▶ 27h 0.4457 %					
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1995 through 1998, 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 page 4 of the instructions.)					

**Part V Private School Questionnaire** (See page 4 of the instructions.)  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

**NOT APPLICABLE**

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

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 6 of the instructions.)(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 of the instructions.)

		Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ►	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total	
Lobbying nontaxable						
45 amount . . . . .						
Lobbying ceiling amount						
46 (150% of line 45(e)) . .						
47 Total lobbying expenditures						
Grassroots nontaxable						
48 amount . . . . .						
Grassroots ceiling amount						
49 (150% of line 48(e)) . .						
Grassroots lobbying						
50 expenditures . . . . .						

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

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

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

	Yes	No	Amount
a Volunteers . . . . .		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.) . . .		X	
c Media advertisements . . . . .		X	NONE
d Mailings to members, legislators, or the public . . . . .		X	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 **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** 2000

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, 1550 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 15**, **2000**, 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 **1999**, 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. \$ **N/A**b 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 \$ **N/A**c **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 **Richard O'Brien**Title **VICE PRESIDENT/CONTROLLER**Date **05/04/2000****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: \_\_\_\_\_**EXTENSION APPROVED**

Director

By: \_\_\_\_\_

**JUN 21 2000****RECEIVED****JUN 28 2000**

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

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.

Please  
Type  
or  
Print**RICHARD O'BRIEN, DIRECTOR  
OGDEN SUBMISSION PROCESSING CENTER****ACCOUNTING****COPY**

For Paperwork Reduction Act Notice, see back of form.

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

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, 1550 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 **NOVEMBER 15, 2000**, 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 **1999**, 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. \$ **NONE**b 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 \$ **NONE**c 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 ► *Deborah S. Stiles* Title ► **VICE PRESIDENT/CONTROLLER** Date ► **08/8/2000****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: \_\_\_\_\_

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

**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, 1550 ORDWAY, PO CONTROLLERS DEPT. ATT: D.A.RUHL**

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)**FILE COPY**

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

THE PRIMARY EXEMPT PURPOSE OF KAISER FOUNDATION HEALTH PLAN OF NEW YORK, A NEW YORK NON-FOR-PROFIT CORPORATION ORGANIZED FOR THE PUBLIC BENEFIT AND EXEMPT FROM INCOME TAX UNDER THE PROVISIONS OF 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.

AS OF THE CLOSE OF BUSINESS ON JUNE 30, 1998, ALL OF THE HEALTH CARE SERVICE PROGRAM, ADMINISTRATIVE AND OTHER RELATED SUPPORT ASSETS OF THE ORGANIZATION WERE TRANSFERRED TO COMMUNITY HEALTH PLAN, AN ORGANIZATION EXEMPT FROM INCOME TAX UNDER THE PROVISIONS OF INTERNAL REVENUE CODE SECTION 501(C)(3). THIS DISTRIBUTION IS PART OF A PLAN OF REORGANIZATION OF THE AFFILIATED MEMBERS OF THE KAISER PERMANENTE MEDICAL CARE PROGRAM IN THE NORTHEAST REGION.

AS PART OF THIS REORGANIZATION, COMMUNITY HEALTH PLAN RECEIVED ALL OF THE OPERATING ASSETS OF THIS ORGANIZATION AND ASSUMED RESPONSIBILITY FOR THE LIABILITIES INCURRED BY THIS ORGANIZATION AND FOR THE CONTINUATION OF PROVIDING SERVICES TO THE APPROXIMATELY 27,000 MEMBERS OF THIS ORGANIZATION'S HEALTH PLAN AND TO MEMBERS OF THE COMMUNITY.

THE ORGANIZATION RECEIVED NO CONTRIBUTIONS, DONATIONS, REVENUE OR OTHER FORM OF INCOME OR COMPENSATION FOR SERVICES DURING 1999. THE ORGANIZATION FURTHER INCURRED NO COSTS OR EXPENSES RELATED TO CHARITABLE, PROGRAM SERVICE, ADMINISTRATIVE OR OTHER ACTIVITY DURING THE YEAR. DURING 1999 THE ORGANIZATION WAS DORMANT WITHOUT ASSETS OR ACTIVITY OF ANY TYPE. THE ORGANIZATION'S STATE CORPORATE AUTHORITY WAS TERMINATED EFFECTIVE WITH THE MERGER DATE OF JUNE 30, 1998. THIS IS THE FINAL RETURN BEING FILED FOR THIS ORGANIZATION.

FORM 990, PART VI - CHANGES TO ORGANIZING OR GOVERNING DOCUMENT  
=====

PLEASE SEE THE ATTACHED DOCUMENTS INCLUDED AND MADE A PART OF THIS RETURN:

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

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

NEW YORK STATE DEPARTMENT OF STATE - CERTIFICATE OF MERGER.

NEW YORK STATE DEPARTMENT OF PUBLIC HEALTH - HMO CERTIFICATE OF AUTHORITY



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

PLEASE REFER TO QUESTION 77, PART VI, FORM 990 REGARDING CHANGES TO  
THE ORGANIZATION'S GOVERNING DOCUMENTS WHICH EXPLAIN THE DISPOSITION OF  
THE ORGANIZATION'S ASSETS AND ASSUMPTION OF THE LIABILITIES AND PROGRAM  
SERVICE OBLIGATIONS BY COMMUNITY HEALTH PLAN AS OF JUNE 30, 1998.

SCHEDULE A, PART III - EXPLANATION FOR LINE 4  
=====

THE ORGANIZATION WAS NOT A GRANT MAKING ORGANIZATION AND AS SUCH DID  
NOT MAKE ANY CHARITABLE DISTRIBUTIONS DURING 1999.

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

KAISER FOUNDATION HEALTH PLAN 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	ENTITY NAME	DIRECT & INDIRECT % CONTROLLED BY KEHP, INC.
ID #		

**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%
<b>13-2847437</b>	<b>KAISER FOUNDATION HEALTH PLAN OF NEW YORK</b>	<b>100%</b>
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 PROPERTIES 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/OR**  
**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.
------------------	-------------	---

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, 1550 ORDWAY  
OAKLAND, CA 94612

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

PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(1), WITH RESPECT TO THE TAXABLE INCOME BRACKETS AS ENUMERATED IN THE TAX TABLES AT IRC SECTION, 11(b), THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 1999.

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF TAX BRACKETS		
			FIRST \$50,000	NEXT \$25,000	NEXT \$9,925,000
KAISER FOUNDATION HEALTH PLAN GROUP:					
94-1340523	KAISER FOUNDATION HEALTH PLAN, INC.	990-T	NONE	NONE	\$9,525,000
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST, INC.	990-T	NONE	NONE	NONE
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	990-T	NONE	NONE	NONE
48-0924402	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC.	990-T	NONE	NONE	NONE
75-1607081	KAISER FOUNDATION HEALTH PLAN OF TEXAS	990-T	NONE	NONE	NONE
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC.	990-T	NONE	NONE	NONE
56-1421313	KAISER FOUNDATION HEALTH PLAN OF NORTH CAROLINA	990-T	NONE	NONE	NONE
52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.	990-T	NONE	NONE	NONE
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO	990-T	NONE	NONE	NONE
23-7425486	COMMUNITY HEALTH PLAN	990-T	NONE	NONE	NONE
06-0943948	KAISER FOUNDATION HEALTH PLAN OF CONNECTICUT, INC.	990-T	NONE	NONE	NONE
13-2847437	KAISER FOUNDATION HEALTH PLAN OF NEW YORK	990-T	NONE	NONE	NONE
04-2583575	KAISER FOUNDATION HEALTH PLAN OF MASSACHUSETTS, INC.	990-T	NONE	NONE	NONE
31-1573811	KAISER/GROUP HEALTH	990-T	NONE	NONE	NONE
94-3299123	CAMP BOWIE SERVICE CENTER	990-T	NONE	NONE	NONE
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC.	990-T	NONE	NONE	NONE

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

PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(1), WITH RESPECT TO THE TAXABLE INCOME BRACKETS AS ENUMERATED IN THE TAX TABLES AT IRC SECTION, 11(b), THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 1999.

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF TAX BRACKETS		
			FIRST \$50,000	NEXT \$25,000	NEXT \$9,925,000
93-0954562	KAISER HEALTH ALTERNATIVES	990-T	NONE	NONE	NONE
94-1616359	KAISER FOUNDATION INTERNATIONAL	990-T	NONE	NONE	NONE
93-0480268	OHP	990-T	NONE	NONE	NONE
94-1265039	KAISER PERMANENTE ADVISORY SERVICES	990-T	NONE	NONE	NONE
22-3038896	RIVERVIEW DAYCARE, INC.	990-T	NONE	NONE	NONE
03-0329760	OAK TREE ASSURANCE, LTD.	1120-PC	NONE	NONE	\$200,000
95-4237200	KAISER FOUNDATION ADDED CHOICE HEALTH PLAN, INC.	1120	NONE	NONE	NONE
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES	1120	\$50,000	\$25,000	\$200,000
94-3259432	KAISER PROPERTY SERVICES, INC.	1120	NONE	NONE	NONE
99-0242151	PERMANENTE SERVICES OF HAWAII, INC.	1120	NONE	NONE	NONE
91-1814507	CHP COMPANIES, INC.	1120	NONE	NONE	NONE
94-3295378	CHP INSURANCE AGENCY, INC.	1120	NONE	NONE	NONE
14-1688501	CHPS, CORPORATION	1120	NONE	NONE	NONE
14-1685128	CAMPUS PLAZA 7, INC.	1120	NONE	NONE	NONE
22-2751724	HUDSON VALLEY COMMUNITY SERVICES CORP.	1120	NONE	NONE	NONE
22-2973489	UPSTATE COMMUNITY SERVICES, INC.	1120	NONE	NONE	NONE

**KAISER FOUNDATION HOSPITALS GROUP:**

94-1105628	KAISER FOUNDATION HOSPITALS	990-T	NONE	NONE	NONE
94-3299125	KAISER HOSPITALS ASSET MANAGEMENT, INC.	990-T	NONE	NONE	NONE

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

PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(1), WITH RESPECT TO THE TAXABLE INCOME BRACKETS AS ENUMERATED IN THE TAX TABLES AT IRC SECTION, 11(b), THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 1999.

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF TAX BRACKETS		
			FIRST \$50,000	NEXT \$25,000	NEXT \$9,925,000
94-3245176	KAISER PERMANENTE INTERNATIONAL	1120	NONE	NONE	NONE
94-3292262	KAISER PERMANENTE VENTURES	1120	NONE	NONE	NONE
TOTAL OF EACH BRACKET ALLOCATED			\$50,000	\$25,000	\$9,925,000

THE COMMON ADDRESS OF ALL ENTITIES PARTICIPATING IN THIS PLAN OF APPORTIONMENT AS LISTED ABOVE IS:

C/O KAISER FOUNDATION HEALTH PLAN, INC.  
ONE KAISER PLAZA, 1550 ORDMAN  
OAKLAND, CA 94612

AUTHORIZATION CONSENT FOR ALLOCATION ON BEHALF OF ALL MEMBER COMPANIES:



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

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

PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(3), THE UNDERSIGN CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 1999.

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF \$40,000 EXEMPTION
<b><u>KAISER FOUNDATION HEALTH PLAN GROUP:</u></b>			
94-1340523	KAISER FOUNDATION HEALTH PLAN, INC.	990-T	\$40,000
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST, INC	990-T	NONE
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	990-T	NONE
48-0924402	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC.	990-T	NONE
75-1607081	KAISER FOUNDATION HEALTH PLAN OF TEXAS	990-T	NONE
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC.	990-T	NONE
56-1421313	KAISER FOUNDATION HEALTH PLAN OF NORTH CAROLINA	990-T	NONE
52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.	990-T	NONE
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO	990-T	NONE
23-7425486	COMMUNITY HEALTH PLAN	990-T	NONE
06-0943948	KAISER FOUNDATION HEALTH PLAN OF CONNECTICUT, INC.	990-T	NONE
13-2847437	KAISER FOUNDATION HEALTH PLAN OF NEW YORK	990-T	NONE
04-2583575	KAISER FOUNDATION HEALTH PLAN OF MASSACHUSETTS, INC.	990-T	NONE
31-1573811	KAISER/GROUP HEALTH	990-T	NONE
94-3299123	CAMP BOWIE SERVICE CENTER	990-T	NONE
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC.	990-T	NONE
93-0954562	KAISER HEALTH ALTERNATIVES	990-T	NONE
94-1616359	KAISER FOUNDATION INTERNATIONAL	990-T	NONE



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

PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(3), THE UNDERSIGN CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 1999.

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF \$40,000 EXEMPTION
93-0480268	OHP	990-T	NONE
94-1265039	KAISER PERMANENTE ADVISORY SERVICES	990-T	NONE
22-3038896	RIVERVIEW DAYCARE, INC.	990-T	NONE
03-0329760	OAK TREE ASSURANCE, LTD.	1120-PC	NONE
95-4237200	KAISER FOUNDATION ADDED CHOICE HEALTH PLAN, INC.	1120	NONE
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES	1120	NONE
94-3259432	KAISER PROPERTY SERVICES, INC.	1120	NONE
99-0242151	PERMANENTE SERVICES OF HAWAII, INC.	1120	NONE
91-1814507	CHP COMPANIES, INC.	1120	NONE
94-3295378	CHP INSURANCE AGENCY, INC.	1120	NONE
14-1688501	CHPS, CORPORATION	1120	NONE
14-1685128	CAMPUS PLAZA 7, INC.	1120	NONE
22-2751724	HUDSON VALLEY COMMUNITY SERVICES CORP.	1120	NONE
22-2973489	UPSTATE COMMUNITY SERVICES, INC.	1120	NONE

**KAISER FOUNDATION HOSPITALS GROUP:**

94-1105628	KAISER FOUNDATION HOSPITALS	990-T	NONE
94-3299125	KAISER HOSPITALS ASSET MANAGEMENT, INC.	990-T	NONE
94-3245176	KAISER PERMANENTE INTERNATIONAL	1120	NONE
94-3292262	KAISER PERMANENTE VENTURES	1120	NONE

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

PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(3), THE UNDERSIGN CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 1999.

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF \$40,000 EXEMPTION
THE COMMON ADDRESS OF ALL ENTITIES PARTICIPATING IN THIS PLAN OF APPORTIONMENT AS LISTED ABOVE IS: ONE KAISER PLAZA, 1550 ORDWAY OAKLAND, CA 94612			

AUTHORIZATION CONSENT FOR ALLOCATION ON BEHALF OF ALL MEMBER COMPANIES:



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

**COMPENSATION, BENEFITS AND REIMBURSEMENTS OF DIRECTORS AND OFFICERS**

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

(A) NAME	(B) TITLE	(C) COMPENSATION		(D) BENEFITS		(E) REIMBURSEMENTS	
		TOTAL	ALLOCATE KFHP NY	TOTAL	ALLOCATE KFHP NY	TOTAL	ALLOCATE KFHP NY
DIRECTORS OF THE ORGANIZATION							
DAVID M LAWRENCE, MD	* DIRECTOR & CHAIRMAN	1,153,774	0	32,207	0	72,030	0
RICHARD G BARNABY	* DIRECTOR	1,687,371	0	34,849	0	65,971	0
SUBTOTAL FOR DIRECTORS		2,821,144	0	67,056	0	138,001	0
OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION							
DAVID M LAWRENCE, MD	* CHIEF EXECUTIVE OFFICER	SEE ABOVE	SEE ABOVE	SEE ABOVE	SEE ABOVE	SEE ABOVE	SEE ABOVE
MARILYN J KAWAMURA	* REGIONAL PRESIDENT	332,138	0	20,810	0	5,748	0
WILLIAM A GILLESPIE, MD	* EXECUTIVE VICE PRESIDENT	492,055	0	32,668	0	126,135	0
L DALE CRANDALL	* SENIOR VICE PRESIDENT	676,685	0	28,941	0	69,214	0
KIRK E MILLER	* SENIOR VICE PRESIDENT	421,569	0	24,390	0	11,743	0
SUBTOTAL FOR OFFICERS & KEY EMPLOYEES		1,922,445	0	104,809	0	212,840	0
TOTAL FOR DIRECTORS, OFFICERS & KEY EMPLOYEES		4,743,589	0	171,865	0	350,841	0

NOTE \* THIS ORGANIZATION WAS INACTIVE DURING 1999 AND HAD NO ACTIVE DIRECTORS OR OFFICERS. THOSE LISTED COMPRISED THE SENIOR MANAGEMENT TEAM OF THE NORTHEAST REGION SERVICE AREA FOR THE KAISER PERMANENTE MEDICAL CARE PROGRAM.

NOTE 1: THIS ORGANIZATION IS ONE OF THE ORGANIZATIONS LISTED ON THE STATEMENT IN THIS RETURN HEADED "RELATED AND CONTROLLED ENTITIES." THIS ORGANIZATION PARTICIPATES 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 ARE 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 IN A MANNER CONSISTED 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 OF COMPENSATION, ETC IS THEN ALLOCATED TO KAISER FOUNDATION HEALTH PLAN, INC. AND ITS SUBSIDIARY GROUP MEMBERS BASED ON THE PERCENTAGE OF HEALTH PLAN MEMBERSHIP TO THE TOTAL MEMBERSHIP OF ALL KAISER PERMANENTE ORGANIZATIONS. FOR THOSE INDIVIDUALS ASSIGNED TO A SPECIFIC ENTITY OR GROUP OF ENTITIES, THEIR COMPENSATION, BENEFIT CONTRIBUTIONS AND REIMBURSEMENT OF EXPENSE ARE ALLOCATED DIRECTLY TO THE ENTITY BASED ON A RATIO OF THE MEMBERSHIP OF THE ENTITY TO THE TOTAL MEMBERSHIP OF THE GROUP OF ENTITIES TO WHICH THEY ARE ASSIGNED.

NOTE 3: THE AMOUNTS REPORTED ABOVE FOR REIMBURSEMENT OF EXPENSE 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 INDIVIDUAL OFFICERS AND KEY EMPLOYEES ARE SCHEDULED TO WORK A MINIMUM OF 40 HOURS PER WEEK IN THEIR RESPECTIVE POSITIONS.

NOTE 5: THE ABOVE LISTED DIRECTORS, OFFICERS AND KEY EMPLOYEES CAN BE CONTACTED C/O.  
KAISER FOUNDATION HEALTH PLAN, INC.  
ONE KAISER PLAZA, 1550 ORDWAY  
OAKLAND, CALIFORNIA 94612

**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

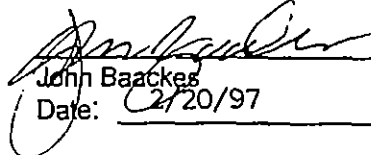
RESOLVED FURTHER, that the following individuals hereby resign as Directors of this corporation as of the Effective Date:

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; 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: 2/20/97

\_\_\_\_\_  
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: \_\_\_\_\_

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.*  
\_\_\_\_\_  
Malcolm J. Edgerton, Jr.

Date: *2-22-1997* \_\_\_\_\_

\_\_\_\_\_  
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.

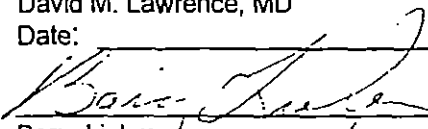
Date: \_\_\_\_\_

\_\_\_\_\_  
Karen K. Gifford

Date: \_\_\_\_\_

\_\_\_\_\_  
David M. Lawrence, MD

Date: \_\_\_\_\_

  
Barry Liebman

Date: 2/24/97

\_\_\_\_\_  
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: 1/10/10 to 1/10/10

\_\_\_\_\_  
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

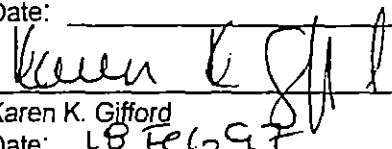
Date: \_\_\_\_\_

\_\_\_\_\_  
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: \_\_\_\_\_

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

F9905130003

**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.

/

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: [Signature]  
John Baackes, President  
By: [Signature]  
Kirk Miller, Secretary

[SEAL]

COMMUNITY HEALTH PLAN

By: [Signature]  
John Baackes, President  
By: [Signature]  
Kirk Miller, Secretary

[illegible]

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 )  
COUNTY OF Albany ) SS.:

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. Cammer

Notary Public

NANCY L COUSER  
Notary Public, State of New York  
No. 4955769  
Qualified in Rensselaer County 97  
Commission Expires September 5, 19\_\_



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

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

Dennis P. Whalen  
*Executive Deputy Commis.*

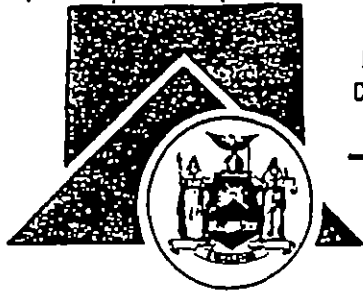
CONSENT AND APPROVAL  
TO FILING A CERTIFICATE OF MERGER  
BY THE  
COMMISSIONER

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

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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

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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

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(Supreme Court, Albany County, Motion Term, May 7, 1999)  
(RJ1 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

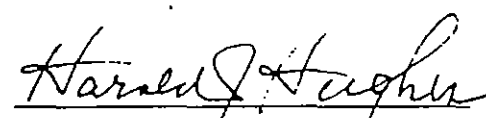
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interest in CHP by Kaiser {California}, a foreign corporation, to as yet unknown entities will necessarily best serve the public interest in continued health services or protect the merged corporations' assets. In the absence of any demonstrated harm 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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F990518000313

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

100  
STATE OF NEW YORK  
DEPARTMENT OF STATE

MAY 13 1999

FILED  
MAY 13 1999  
ALBANY

890518000325

Albany

13



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





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) 474-5455

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**

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

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

### 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:

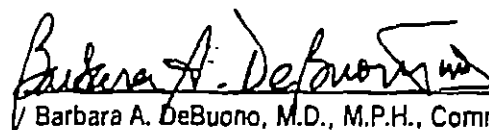
January 28, 1994

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 (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*



**KAISER PERMANENTE**

**COMMUNITY BENEFIT REPORT  
for  
KAISER FOUNDATION HEALTH PLAN OF NEW YORK  
FY 1999**

*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 1999 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 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 50<sup>th</sup> 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 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 1999, despite significant financial challenges, Kaiser Foundation Health Plan, Inc., its subsidiaries, and Hospitals spent approximately \$346 million, or approximately 2.2% of revenue, on DCBI activities across the nation in the communities we serve. The following charts summarize 1999 DCBI expenditures nationally. The expenditures reflected in the charts are unaudited estimates calculated in accordance with Kaiser Permanente's DCBI Accounting Policy.

### 1999 DCBI Expenditures for National Program

DCBI CATEGORY	NATIONAL DCBI TOTAL	NATIONAL HOSPITALS TOTAL	NATIONAL HEALTH PLANS TOTAL
Dues Subsidy	\$25,028,803	\$10,020,093	\$15,008,710
Rating Subsidies	\$47,110,167	\$11,680,950	\$35,429,217
Medicaid Shortfalls	\$178,791,427	\$51,414,203	\$127,377,224
Other Publicly Subsidized Programs	\$4,222,652	\$1,266,796	\$2,955,856
Charitable Care	\$4,136,090	\$4,034,949	\$101,141
Graduate Medical Education	\$36,270,349	\$33,773,053	\$2,497,296
Health Professional Training Programs (non-MD)	\$4,666,969	\$4,487,584	\$179,385
Continuing Medical Education	\$6,445,991	\$6,445,991	
Health Education Activities	\$1,414,392	\$999,547	\$414,845
Community Health Care Services	\$3,477,261	\$3,442,605	\$34,656
Educational Symposiums	\$935,797	\$935,797	
Grants\Donations – Health Care	\$7,365,895	\$6,417,396	\$948,499
Grants\Donations – Non Health Care	\$704,080	\$264,700	\$439,380
Medical Research	\$7,804,791	\$6,972,115	\$832,676
Medical Libraries	\$5,345,983	\$5,345,983	
Tumor Board & Registries	\$3,395,156	\$3,262,952	\$132,204
Educational Theatre	\$5,098,995	\$4,310,760	\$788,235
Youth\Other Employment Programs	\$964,897	\$875,972	\$88,925
Board of Directors Fund	\$921,050	\$921,050	
Other Community Service	\$2,189,246	\$88,705	\$2,100,541
<b>TOTAL</b>	<b>\$346,289,991</b>	<b>\$156,961,201</b>	<b>\$189,328,790</b>