


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

<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return	<b>Please use IRS label or print or type. See Specific Instructions.</b>	<b>C</b> Name of organization KAISER FOUNDATION HOSPITALS		<b>D</b> Employer identification number 94-1105628
		Number and street (or P.O. box if mail is not delivered to street address) ONE KAISER PLAZA SUITE 1550L	Room/suite	<b>E</b> Telephone number (510) 271-6611
		City or town, state or country, and ZIP + 4 OAKLAND, CA 94612		<b>F</b> Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____

Application pending

✳ **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

**G Web site:**  N/A

<p><b>J</b> <b>Organization type</b> (check only one) <input checked="" type="checkbox"/>  501(c) (3) <input type="checkbox"/> (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527</p>	<p><b>H(c)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No (If "No," attach a list. See instructions.)</p>
<p><b>K</b> Check here <input type="checkbox"/> if the organization is not a 509(a)(3) supporting organization <b>and</b> its gross receipts are normally <b>not</b> more than 25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.</p>	<p><b>H(d)</b> Is this a separate return filed by an organization covered by a group ruling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
	<p><b>I</b> Group Exemption Number <input type="text"/></p>
<p><b>L</b> Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 <input type="text"/> 16,963,456,716</p>	<p><b>M</b> Check <input type="checkbox"/> if the organization is <b>not</b> required to attach Sch. B (Form 990, 990-EZ, or 990-PF).</p>

**Part I** Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue	<b>1</b>	Contributions, gifts, grants, and similar amounts received				
	<b>a</b>	Contributions to donor advised funds . . . . .	<b>1a</b>			
	<b>b</b>	Direct public support (not included on line 1a) . . . . .	<b>1b</b>			
	<b>c</b>	Indirect public support (not included on line 1a) . . . . .	<b>1c</b>	47,002,277		
	<b>d</b>	Government contributions (grants) (not included on line 1a)	<b>1d</b>	37,116,131		
	<b>e</b>	<b>Total</b> (add lines 1a through 1d) (cash \$ <u>84,118,408</u> noncash \$ _____)			<b>1e</b>	84,118,408
	<b>2</b>	Program service revenue including government fees and contracts (from Part VII, line 93) .			<b>2</b>	10,647,211,043
	<b>3</b>	Membership dues and assessments . . . . .			<b>3</b>	
	<b>4</b>	Interest on savings and temporary cash investments . . . . .			<b>4</b>	
	<b>5</b>	Dividends and interest from securities . . . . .			<b>5</b>	218,285,234
	<b>6a</b>	Gross rents . . . . .	<b>6a</b>			
	<b>b</b>	Less rental expenses . . . . .	<b>6b</b>			
	<b>c</b>	Net rental income or (loss) subtract line 6b from line 6a . . . . .			<b>6c</b>	5,619,997
	<b>7</b>	Other investment income (describe ► ) . . . . .			<b>7</b>	
	<b>8a</b>	Gross amount from sales of assets	(A) Securities		(B) Other	
		other than inventory . . . . .	5,711,859,132	<b>8a</b>	400,222	
	<b>b</b>	Less cost or other basis and sales expenses	5,637,854,632	<b>8b</b>	4,088,350	
	<b>c</b>	Gain or (loss) (attach schedule) . . . . .	74,004,500	<b>8c</b>	-3,688,128	
	<b>d</b>	Net gain or (loss) Combine line 8c, columns (A) and (B) . . . . .			<b>8d</b>	70,316,372
	<b>9</b>	Special events and activities (attach schedule) If any amount is from gaming, check here ►				
	<b>a</b>	Gross revenue (not including \$ _____ of contributions reported on line 1b) . . . . .	<b>9a</b>			
<b>b</b>	Less direct expenses other than fundraising expenses . . . . .	<b>9b</b>				
<b>c</b>	Net income or (loss) from special events Subtract line 9b from line 9a . . . . .			<b>9c</b>		
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>10a</b>				
<b>b</b>	Less cost of goods sold . . . . .	<b>10b</b>				
<b>c</b>	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a . . . . .			<b>10c</b>		
<b>11</b>	Other revenue (from Part VII, line 103) . . . . .			<b>11</b>	295,962,680	
<b>12</b>	<b>Total revenue</b> Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11 . . . . .			<b>12</b>	11,321,513,734	
Expenses	<b>13</b>	Program services (from line 44, column (B)) . . . . .			<b>13</b>	9,734,485,481
	<b>14</b>	Management and general (from line 44, column (C)) . . . . .			<b>14</b>	782,870,847
	<b>15</b>	Fundraising (from line 44, column (D)) . . . . .			<b>15</b>	
	<b>16</b>	Payments to affiliates (attach schedule) . . . . .			<b>16</b>	
	<b>17</b>	<b>Total expenses</b> Add lines 16 and 44, column (A) . . . . .			<b>17</b>	10,517,356,328
Net Assets	<b>18</b>	Excess or (deficit) for the year Subtract line 17 from line 12 . . . . .			<b>18</b>	804,157,406
	<b>19</b>	Net assets or fund balances at beginning of year (from line 73, column (A)) . . . . .			<b>19</b>	7,126,309,911
	<b>20</b>	Other changes in net assets or fund balances (attach explanation) ► . . . . .			<b>20</b>	-952,617,874
	<b>21</b>	Net assets or fund balances at end of year Combine lines 18, 19, and 20 . . . . .			<b>21</b>	6,977,849,443

Part II

Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.			(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach Schedule) (cash \$ <sup>0</sup> _____ noncash \$ <sup>0</sup> _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b	Other grants and allocations (attach schedule) <input checked="" type="checkbox"/> (cash \$46,123,581_____ noncash \$ <sup>0</sup> _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	46,123,581	46,123,581		
23	Specific assistance to individuals (attach schedule)	23				
24	Benefits paid to or for members (attach schedule)	24				
25a	Compensation of current officers, directors, key employees etc. Listed in Part V-A (attach schedule) . . . . .	25a	0			
b	Compensation of former officers, directors, key employees etc. listed in Part V-B (attach schedule) . . . . .	25b				
c	Compensation and other distributions not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26	Salaries and wages of employees not included on lines 25a, b and c . . . . .	26	3,677,848,720	3,677,848,720		
27	Pension plan contributions not included on lines 25a, b and c . . . . .	27	250,438,636	250,438,636		
28	Employee benefits not included on lines 25a - 27 . . . . .	28	1,064,522,743	1,064,522,743		
29	Payroll taxes . . . . .	29	182,876,718	182,876,718		
30	Professional fundraising fees . . . . .	30				
31	Accounting fees . . . . .	31	1,956,837	1,956,837		
32	Legal fees . . . . .	32	480,049	480,049		
33	Supplies . . . . .	33	1,375,513,809	1,375,513,809		
34	Telephone . . . . .	34	159,483,750	159,483,750		
35	Postage and shipping . . . . .	35	12,026,684	12,026,684		
36	Occupancy . . . . .	36	230,522,091	230,522,091		
37	Equipment rental and maintenance . . . . .	37	159,510,649	159,510,649		
38	Printing and publications . . . . .	38	7,316,266	7,316,266		
39	Travel . . . . .	39	63,458,329	63,458,329		
40	Conferences, conventions, and meetings . . . . .	40	6,836,403	6,836,403		
41	Interest . . . . .	41	60,702,579	60,702,579		
42	Depreciation, depletion, etc. (attach schedule)	42	744,433,964	744,433,964		
43	Other expenses not covered above (itemize)					
a	See Additional Data Table	43a				
b		43b				
c		43c				
d		43d				
e		43e				
f		43f				
g		43g				
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15) . . . . .	44	10,517,356,328	9,734,485,481	782,870,847	0

**Joint Costs.** Check ☐ if you are following SOP 98-2.  
Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No  
If "Yes," enter (i) the aggregate amount of these joint costs \$<sup>0</sup> , (ii) the amount allocated to Program services \$<sup>0</sup> ,  
(iii) the amount allocated to Management and general \$<sup>0</sup> , and (iv) the amount allocated to Fundraising \$<sup>0</sup>

**Part III Statement of Program Service Accomplishments** *(See the instructions.)*

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.



What is the organization's primary exempt purpose? <b>SEE STATEMENT</b>	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
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.)	
<b>a</b> SEE STATEMENT	
(Grants and allocations \$ 46,123,581) If this amount includes foreign grants, check here <input type="checkbox"/>	9,734,485,481
<b>b</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>c</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>d</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>e</b> Other program services (attach schedule) (Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>f</b> <b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) . . .	9,734,485,481

Part IV Balance Sheets (See the instructions.)

<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.			(A) Beginning of year		(B) End of year		
Assets	45	Cash—non-interest-bearing . . . . .		35,575,844	45	27,434,543	
	46	Savings and temporary cash investments . . . . .		2,391,472,953	46	2,507,545,537	
	47a	Accounts receivable . . . . .	47a	1,399,553,354			
	b	Less allowance for doubtful accounts	47b	1,012,940,827	394,295,341	47c	386,612,527
	48a	Pledges receivable . . . . .	48a				
	b	Less allowance for doubtful accounts	48b			48c	
	49	Grants receivable . . . . .				49	
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule) . . . . .				50a	
	b	Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule) . . . . .				50b	
	51a	Other notes and loans receivable (attach schedule) . . . . .	51a	296,634,537			
	b	Less allowance for doubtful accounts	51b	296,582,537	55,370,017	51c	52,000
	52	Inventories for sale or use . . . . .		369,018,737		52	443,535,369
	53	Prepaid expenses and deferred charges . . . . .		125,195,402		53	83,170,543
	54a	Investments—publicly-traded securities <input checked="" type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		3,586,810,728		54a	5,616,485,823
	b	Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV				54b	
	55a	Investments—land, buildings, and equipment basis . . . . .	55a				
	b	Less accumulated depreciation (attach schedule) . . . . .	55b			55c	
	56	Investments—other (attach schedule) . . . . .				56	
	57a	Land, buildings, and equipment basis	57a	15,687,763,625			
b	Less accumulated depreciation (attach schedule) . . . . .	57b	6,674,694,106	7,566,203,423	57c	9,013,069,519	
58	Other assets, including program-related investments (describe <input checked="" type="checkbox"/> )		358,170,816		58	875,866,704	
59	<b>Total assets</b> (must equal line 74) Add lines 45 through 58 . . . .		14,882,113,261		59	18,953,772,565	
Liabilities	60	Accounts payable and accrued expenses . . . . .		1,350,729,164	60	2,343,382,733	
	61	Grants payable . . . . .			61		
	62	Deferred revenue . . . . .		846,355	62	0	
	63	Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .			63		
	64a	Tax-exempt bond liabilities (attach schedule) . . . . .		2,627,188,889	64a	4,123,726,571	
	b	Mortgages and other notes payable (attach schedule) . . . . .		787,658,844	64b	828,577,811	
	65	Other liabilities (describe <input checked="" type="checkbox"/> )		2,989,380,098	65	4,680,236,007	
	66	<b>Total liabilities</b> Add lines 60 through 65 . . . . .		7,755,803,350	66	11,975,923,122	
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>						
	67	Unrestricted . . . . .			67		
	68	Temporarily restricted . . . . .			68		
	69	Permanently restricted . . . . .			69		
	<b>Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74</b>						
	70	Capital stock, trust principal, or current funds . . . . .			70		
	71	Paid-in or capital surplus, or land, building, and equipment fund . . . .		12,179,149	71	7,899,886	
	72	Retained earnings, endowment, accumulated income, or other funds . .		7,114,130,762	72	6,969,949,557	
	73	<b>Total net assets or fund balances</b> Add lines 67 through 69 <b>or</b> lines 70 through 72 (Column (A) <b>must</b> equal line 19 and column (B) <b>must</b> equal line 21) . . . . .		7,126,309,911	73	6,977,849,443	
	74	<b>Total liabilities and net assets / fund balances</b> Add lines 66 and 73 . .		14,882,113,261	74	18,953,772,565	


Part IV-A

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements . . . . .	a	10,695,501,729
b	Amounts included on line a but not on Part I, line 12		
1	Net unrealized gains on investments . . . . .	b1	504,177,097
2	Donated services and use of facilities . . . . .	b2	
3	Recoveries of prior year grants . . . . .	b3	
4	Other (specify) 	b4	-1,112,096,119
	Add lines b1 through b4 . . . . .	b	-607,919,022
c	Subtract line b from line a . . . . .	c	11,303,420,751
d	Amounts included on Part I, line 12, but not on line a		
1	Investment expenses not included on Part I, line 6b . . . . .	d1	
2	Other (specify) 	d2	18,092,983
	Add lines d1 and d2 . . . . .	d	-607,919,022
e	Total revenue (Part I, line 12) Add lines c and d . . . . .	e	11,321,513,734

Part IV-B

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements . . . . .	a	10,538,749,860
b	Amounts included on line a but not on Part I, line 17		
1	Donated services and use of facilities . . . . .	b1	
2	Prior year adjustments reported on Part I, line 20 . . . . .	b2	
3	Losses reported on Part I, line 20 . . . . .	b3	
4	Other (specify) 	b4	37,195,830
	Add lines b1 through b4 . . . . .	b	37,195,830
c	Subtract line b from line a . . . . .	c	10,501,554,030
d	Amounts included on Part I, line 17, but not on line a:		
1	Investment expenses not included on Part I, line 6b . . . . .	d1	
2	Other (specify) _____	d2	15,802,298
	Add lines d1 and d2 . . . . .	d	15,802,298
e	Total expenses (Part I, line 17) Add lines c and d . . . . .	e	10,517,356,328

Part V-A

Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 13 ONE KAISER PLAZA OAKLAND,CA 94612	SEE STATEMENT 18 40 0	0	1	1

<b>Part V-A</b> <b>Current Officers, Directors, Trustees, and Key Employees</b> <i>(continued)</i>		<b>Yes</b>	<b>No</b>
<b>75a</b>	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings . . . . . <u>14</u>		
<b>b</b>	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) .	<b>75b</b>	Yes
<b>c</b>	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" . . . . . <u>  </u> If "Yes," attach a statement that includes the information described in the instructions	<b>75c</b>	Yes
<b>d</b>	Does the organization have a written conflict of interest policy? . . . . .	<b>75d</b>	Yes

<b>Part V-B</b>	<b>Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits</b> (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)
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(A) Name and address	(B) Loans and Advances	(C) Compensation (If not paid enter -0- )	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances

<b>Part VI</b> <b>Other Information</b> <i>(See the instructions.)</i>		<b>Yes</b>	<b>No</b>
<b>76</b>	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change . . . . .	<b>76</b>	No
<b>77</b>	Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . If "Yes," attach a conformed copy of the changes	<b>77</b>	Yes
<b>78a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . .	<b>78a</b>	No
<b>b</b>	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .	<b>78b</b>	
<b>79</b>	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .	<b>79</b>	No
<b>80a</b>	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? . . . . .	<b>80a</b>	Yes
<b>b</b>	If "Yes," enter the name of the organization <u>SEE STATEMENT</u> _____ and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
<b>81a</b>	Enter direct or indirect political expenditures (See line 81 instructions ) . . . . <b>81a</b> <u>0</u>	<b>81b</b>	No
<b>b</b>	Did the organization file <b>Form 1120-POL</b> for this year? . . . . .		

Part VIOther Information (continued)

YesNo

82a

Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?

82a

No

b

If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)

82b

83a

Did the organization comply with the public inspection requirements for returns and exemption applications?

83a

Yes

b

Did the organization comply with the disclosure requirements relating to quid pro quo contributions?

83b

Yes

84a

Did the organization solicit any contributions or gifts that were not tax deductible?

84a

No

b

If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

84b

85

501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?

85a

b

Did the organization make only in-house lobbying expenditures of \$2,000 or less?

85b

If "Yes," was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year

c

Dues assessments, and similar amounts from members

85c

d

Section 162(e) lobbying and political expenditures

85d

e

Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices

85e

f

Taxable amount of lobbying and political expenditures (line 85d less 85e)

85f

g

Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?

85g

h

If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?

85h

86

501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12

86a

0

b

Gross receipts, included on line 12, for public use of club facilities

86b

0

87

501(c)(12) orgs. Enter a Gross income from members or shareholders

87a

0

b

Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)

87b

0

88a

At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX

88a

Yes

b

At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes, complete Part XI

88b

Yes

89a

501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 0, section 4912 0, section 4955 0

89b

No

c

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

89c

d

Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958

89d

0

e

Enter Amount of tax on line 89c, above, reimbursed by the organization

89e

f

All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter transaction?

89f

No

g

All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?

89g

No

h

For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?

89h

90a

List the states with which a copy of this return is filed CA,CO,DC,GA,HI,MD,NY,OH,OR,VA,WA

90b

52,196

91a

The books are in care of NATIONAL TAX DIRECTOR Telephone no (510) 271-6385

91b

ONE KAISER PLAZA STE 1550L

Located at OAKLAND, CA ZIP + 4 94612

91c

b

At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?

91d

No

If "Yes," enter the name of the foreign country

91e

See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts

91f

Form 990 (2006)

<b>Part VI</b> Other Information <i>(continued)</i>		Yes	No
<b>c</b> At any time during the calendar year, did the organization maintain an office outside of the United States?		<b>91c</b>	No
If "Yes," enter the name of the foreign country <span>▶</span> _____			
<b>92</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of <b>Form 1041</b> —Check here <span>▶</span> <input type="checkbox"/>			
and enter the amount of tax-exempt interest received or accrued during the tax year <span>▶</span>		<b>92</b>	

**Part VII** Analysis of Income-Producing Activities *(See the instructions.)*

<b>Note:</b> Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		<b>(E)</b> Related or exempt function income
	<b>(A)</b> Business code	<b>(B)</b> Amount	<b>(C)</b> Exclusion code	<b>(D)</b> Amount	
<b>93</b> Program service revenue					
<b>a</b> HOSPITAL SERV REV					10,436,395,190
<b>b</b> NON-PLAN & IND REV					63,831,742
<b>c</b> OTHR PRGM SERV REV					53,807,804
<b>d</b> SUPL CHARGES/PHARM					72,406,422
<b>e</b> _____					
<b>f</b> Medicare/Medicaid payments <span>  . . . . .</span>					20,769,885
<b>g</b> Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments <span>  . . . .</span>					
<b>95</b> Interest on savings and temporary cash investments					
<b>96</b> Dividends and interest from securities <span>  . . . .</span>			14	218,285,234	
<b>97</b> Net rental income or (loss) from real estate					
<b>a</b> debt-financed property <span>  . . . . .</span>					
<b>b</b> non debt-financed property <span>  . . . . .</span>			16	5,619,997	
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income <span>  . . . . .</span>					
<b>100</b> Gain or (loss) from sales of assets other than inventory			18	70,316,372	
<b>101</b> Net income or (loss) from special events <span>  . . .</span>					
<b>102</b> Gross profit or (loss) from sales of inventory					
<b>103</b> Other revenue <b>a</b> CAFETERIA			03	16,668,764	
<b>b</b> PARKING GARAGES			03	5,158,850	
<b>c</b> NET INC KP ON CALL			14	447,491	
<b>d</b> INT INC-AFFILIATE			14	273,687,575	
<b>e</b> _____					
<b>104</b> Subtotal (add columns (B), (D), and (E)) <span>  . . .</span>				590,184,283	10,647,211,043
<b>105</b> Total (add line 104, columns (B), (D), and (E)) <span>  . . . . .</span> <span>▶</span>					11,237,395,326

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

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

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

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
KAISER PERMANENTE INTL ONE KAISER PLAZA STE 1550L OAKLAND, CA94612 94-3245176	10000 %	CONSULTING	0	0
KAISER PERMANENTE VENTURES ONE KAISER PLAZA STE 1550L OAKLAND, CA94612 94-3292262	10000 %	INACTIVE	0	0
CARETOUCH INC ONE KAISER PLAZA SUITE 1550L OAKLAND, CA94612 68-0444615	10000 %	RETL MED PROD	-2,996	0
KP ON CALL LLC - DISRGDED ENTY ONE KAISER PLAZA SUITE 1550L OAKLAND, CA94612 91-2166347	10000 %	MED ADVICE	22,396,296	10,355,280

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

<b>(a)</b> Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <span>  . . . . .</span>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>(b)</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <span>  . . . . .</span>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>NOTE:</b> If "Yes" to <b>(b)</b> , file Form 8870 <b>and</b> Form 4720 (see instructions).	



Part XI

Information Regarding Transfers To and From Controlled Entities

Complete only if the organization is a controlling organization as defined in section 512(b)(13)

106	Did the reporting organization <b>make</b> any transfers <b>to</b> a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	Yes	No
		Yes	

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
Totals				97,273,642

107	Did the reporting organization <b>receive</b> any transfers <b>from</b> a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	Yes	No
		Yes	

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
Totals				447,491

108	Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?	Yes	No
			No

Please Sign Here

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

Signature of officer

2007-11-12

Date

DEBORAH STOKES VP, CONTROLLER, CAO

Type or print name and title

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W)
	Firm's name (or yours if self-employed), address, and ZIP + 4 KPMG LLP 55 SECOND STREET SAN FRANCISCO, CA 94105			EIN
				Phone no.

SCHEDULE A  
(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
KAISER FOUNDATION HOSPITALS

Organization Exempt Under Section 501(c)(3)  
(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust  
Supplementary Information—(See separate instructions.)  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047  
  
**2006**

Name of the organization  
KAISER FOUNDATION HOSPITALS

Employer identification number  
94-1105628

Part I

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 1 KAISER PLAZA SUITE 1550L OAKLAND,CA 94612	SEE STATEMENT 40 0	0	0	0
Total number of other employees paid over \$50,000 ▶	2,894			

Part II-A

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
UC REGENTS DEPT OF OPHTHALMOLOGY 10 KORET WAY SAN FRANCISCO,CA 94139	HEALTHCARE SERVICES	54,639,330
SCRIPPS MERCY HOSPITAL 1688 EAST MAIN STREET EL CAJON,CA 92021	HEALTHCARE SERVICES	34,921,111
SOUTHWEST WASHINGTON MEDICAL CENTER 400 NE MOTHER JOSEPH PLACE VANCOUVER,WA 98664	HEALTHCARE SERVICES	43,519,796
OREGON HEALTH SCIENCE UNIVERSITY 3181 SW SAM JACKSON PARK RD PORTLAND,CA 97239	HEALTHCARE SERVICES	32,755,869
PROVIDENCE ST VINCENT HOSPITAL 9205 SW BARNES RD PORTLAND,OR 97225	HEALTHCARE SERVICES	68,492,353
Total number of others receiving over \$50,000 for professional services ▶	921	

Part II-B

Compensation of the Five Highest Paid Independent Contractors for Other Services  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
RUDOLPH SLETTEN 989 EAST HILLSDALE BLVD FOSTER CITY,CA 94404	CONSTRUCTION SERVICE	96,712,667
MCCARTHY BLDG COMPANIES 20401 SOUTHWEST BIRCH St NEWPORT BEACH,CA 92660	CONSTRUCTION SERVICE	165,053,311
WHITING TURNER CONTRACTING COMPANY 3 CORPORATE PARK IRVINE,CA 92606	CONSTRUCTION SERVICE	102,066,803
HARBISON MAHONY HIGGINS INC 15 BUSINESS PARK WAY SACRAMENTO,CA 95828	CONSTRUCTION SERVICE	249,526,846
ICSS HOLDING CORPORATION 210 S DE LACEY AVE PASADENA,CA 91105	CONSTRUCTION SERVICE	22,291,240
Total number of other contractors receiving over \$50,000 for other services ▶	538	

**Part III** **Statements About Activities** (See page 2 of the instructions.)

**Yes** **No**

<b>1</b>	During the year, has the organization attempted to influence national, state, or local legislation, include any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ►\$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B )	<b>1</b>		No
	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			
<b>2</b>	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) 📎			
<b>a</b>	Sale, exchange, or leasing property?	<b>2a</b>	Yes	
<b>b</b>	Lending of money or other extension of credit?	<b>2b</b>	Yes	
<b>c</b>	Furnishing of goods, services, or facilities?	<b>2c</b>	Yes	
<b>d</b>	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	<b>2d</b>	Yes	
<b>e</b>	Transfer of any part of its income or assets?	<b>2e</b>		No
<b>3a</b>	Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments )	<b>3a</b>		No
<b>b</b>	Did the organization have a section 403(b) annuity plan for its employees?	<b>3b</b>	Yes	
<b>c</b>	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement	<b>3c</b>		No
<b>d</b>	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	<b>3d</b>		No
<b>4a</b>	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g	<b>4a</b>		No
<b>b</b>	Did the organization make any taxable distributions under section 4966?	<b>4b</b>		No
<b>c</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>4c</b>		No
<b>d</b>	Enter the total number of donor advised funds owned at the end of the tax year ► _____			
<b>e</b>	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____			
<b>f</b>	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ► 0 _____			
<b>g</b>	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► 0 _____			

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box )

- 5

☐

A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6

☐

A school Section 170(b)(1)(A)(ii) (Also complete Part V )
- 7

☒

A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8

☐

A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9

☐

A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** ▶
- 10

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b

☐

A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12

☐

An organization that normally receives **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions—subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A )
- 13

☐

An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization

☐ Type I

☐ Type II

☐ Type III - Functionally Integrated

☐ Type III - Other

**Provide the following information about the supported organizations. (see page 7 of the instructions.)**

(a) Name(s) of supported organization(s)	(b) Employer identification number	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support?
			Yes	No	
<b>Total</b> ▶					

- 14

☐

An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15	Gifts, grants, and contributions received (Do not include unusual grants See line 28 )					
16	Membership fees received					
17	Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose					
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					
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					
24	Line 23 minus line 17					
25	Enter 1% of line 23					
26	Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24			26a	
b	Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts				26b	
c	Total support for section 509(a)(1) test Enter line 24, column (e)				26c	
d	Add Amounts from column (e) for lines 18 19 22 26b				26d	
e	Public support (line 26c minus line 26d total)				26e	
f	Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f	
27	Organizations described on line 12:	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person " Do not file this list with your return. Enter the sum of such amounts for each year (2005) (2004) (2003) (2002)				
b	For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals ) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year (2005) (2004) (2003) (2002)					
c	Add Amounts from column (e) for lines 15 16 17 20 21				27c	
d	Add Line 27a total and line 27b total				27d	
e	Public support (line 27c total minus line 27d total)				27e	
f	Total support for section 509(a)(2) test Enter amount from line 23, column (e)	27f				
g	Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g	
h	Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h	
28	Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15					


Part V Private School Questionnaire (See page 7 of the instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

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


Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)  
(To be completed ONLY by an eligible organization that filed Form 5768)

Check  **a** ☐ if the organization belongs to an affiliated group

Check  **b** ☐ if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred )			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table— <div><div>If the amount on line 40 is—</div><div>The lobbying nontaxable amount is—</div><div>Not over \$500,00020% of the amount on line 40</div><div>Over \$500,000 but not over \$1,000,000\$100,000 plus 15% of the excess over \$500,000</div><div>Over \$1,000,000 but not over \$1,500,000\$175,000 plus 10% of the excess over \$1,000,000</div><div>Over \$1,500,000 but not over \$17,000,000\$225,000 plus 5% of the excess over \$1,500,000</div><div>Over \$17,000,000\$1,000,000</div></div>	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	0
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	0
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 13 of the instructions )

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities  
(For reporting only by organizations that did not complete Part VI-A) (See page 13 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
<b>a</b> Volunteers			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines <b>c</b> through <b>h</b> .)			
<b>c</b> Media advertisements			
<b>d</b> Mailings to members, legislators, or the public			
<b>e</b> Publications, or published or broadcast statements			
<b>f</b> Grants to other organizations for lobbying purposes			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
<b>i</b> Total lobbying expenditures (Add lines <b>c</b> through <b>h</b> .)			
If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities			

**Exempt Organizations** (See page 13 of the instructions.)

501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

Yes	No
-----	----

- |               |  |    |
|---------------|--|----|
| <b>51a(i)</b> |  | No |
| <b>a(ii)</b>  |  | No |

--	--	--	--

- |               |  |    |
|---------------|--|----|
| <b>b(i)</b>   |  | No |
| <b>b(ii)</b>  |  | No |
| <b>b(iii)</b> |  | No |
| <b>b(iv)</b>  |  | No |
| <b>b(v)</b>   |  | No |
| <b>b(vi)</b>  |  | No |

<b>c</b>		No
----------	--	----

goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any

[illegible]

described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

**▶** ☐ **Yes** ☒ **No**

**b** If "Yes," complete the following schedule

[illegible]



Additional Data

Software ID:  
Software Version:  
EIN: 94-1105628  
Name: KAISER FOUNDATION HOSPITALS

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

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>a</b> EMPLOYEE RELATED EXPENSES	<b>43a</b>	12,428,442	12,428,442		
<b>b</b> EMPLOYEE DEVELOPMENT	<b>43b</b>	15,314,871	15,314,871		
<b>c</b> MEMBERSHIP DUES & FEES	<b>43c</b>	67,736	67,736		
<b>d</b> PROFESSIONAL & PUBLIC LIAB INS	<b>43d</b>	48,012,308	24,012,308	24,000,000	
<b>e</b> OTHER MISCELLANEOUS	<b>43e</b>	30,805,942		30,805,942	
<b>f</b> BUSINESS TAXES & LICENSES	<b>43f</b>	3,992,979		3,992,979	
<b>g</b> PROPERTY & OTHER TAXES	<b>43g</b>	15,952,961		15,952,961	
<b>h</b> CHARITY CARE	<b>43h</b>	3,374,739	3,374,739		
<b>i</b> ADVERTISING	<b>43i</b>	2,253,094	2,253,094		
<b>j</b> OTHER INSURANCE	<b>43j</b>	12,008,363	12,008,363		
<b>k</b> ASSET IMPAIRMENT EXPENSE	<b>43k</b>	4,067,725		4,067,725	
<b>l</b> BAD DEBT EXPENSE	<b>43l</b>	21,486,181	21,486,181		
<b>m</b> DUES AND SUBSCRIPTIONS	<b>43m</b>	3,313,057	3,313,057		
<b>n</b> STMT 27 FOR ADDITIONAL DETAIL	<b>43n</b>	943,091,144	239,899,195	703,191,949	
<b>o</b> BASIC CONTRACTUAL PAYMENTS	<b>43o</b>	1,356,275,687	1,356,275,687		
<b>p</b> BOD ALLOC (KFHP, INC )	<b>43p</b>	859,291		859,291	

Form

4797

Sales of Business Property

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

► Attach to your tax return.    ► See separate instructions.

OMB No 1545-0184

2006

Attachment Sequence No 27

Department of the Treasury  
Internal Revenue Service (99)

Name(s) shown on return  
KAISER FOUNDATION HOSPITALS

Identifying number  
94-1105628

1

Enter the gross proceeds from sales or exchanges reported to you for 2006 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) .

1

Part I

Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

(a) Description of property	(b) Date acquired (mo , day, yr )	(c) Date sold (mo , day, yr )	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2 STATEMENT 32			400,222		4,088,350	-3,688,128

3

Gain, if any, from Form 4684, line 42 . . . . .

4

Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .

5

Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .

6

Gain, if any, from line 32, from other than casualty or theft . . . . .

7

Combine lines 2 through 6 Enter the gain or (loss) here and on the appropriate line as follows . . . . .

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9 Skip lines 8, 9, 11, and 12 below

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9 If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below

8

Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . .

9

Subtract line 8 from line 7 If zero or less, enter -0- If line 9 is zero, enter the gain from line 7 on line 12 below If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) . . . . .

3

4

5

6

7

-3,688,128

8

9

Part II

Ordinary Gains and Losses (see instructions)

10

Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less)


11

Loss, if any, from line 7 . . . . .

12

Gain, if any, from line 7, or amount from line 8, if applicable . . . . .

13

Gain, if any, from line 31 . . . . .

14

Net gain or (loss) from Form 4684, lines 34 and 41a . . . . .

15

Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .

16

Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .

17

Combine lines 10 through 16 . . . . .

18

For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below For individual returns, complete lines a and b below

a

If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22 Identify as from "Form 4797, line 18a " See instructions . . . . .

b

Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a Enter here and on Form 1040, line 14 . . . . .

11

12

13

14

15

16

17

-3,688,128

18a

18b

Part III

Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255  
(see instructions)

19	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property	(b) Date acquired (mo , day, yr )	(c) Date sold (mo , day, yr )
A			
B			
C			
D			

These columns relate to the properties on lines 19A through 19D		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing )	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis Subtract line 22 from line 21	23			
24	Total gain Subtract line 23 from line 20	24			
25	If section 1245 property:				
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291				
a	Additional depreciation after 1975 (see instructions)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24 If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Sections 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership)				
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see instructions)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28	If section 1254 property:				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b	Enter the smaller of line 24 or 28a	28b			
29	If section 1255 property:				
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.			
30	Total gains for all properties Add property columns A through D, line 24 . . . . .	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b Enter here and on line 13 .	31	
32	Subtract line 31 from line 30 Enter the portion from casualty or theft on Form 4684, line 36 Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . .	32	

Part IV

Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less  
(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33	
34	Recomputed depreciation (see instructions)	34	
35	Recapture amount Subtract line 34 from line 33 See the instructions for where to report	35	

**TY 2006 Cash Grants Paid Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628

**TY 2006 Gain/Loss from Sale of Public Securities Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628**Gross Sales Price:** 5,711,859,132**Basis:** 5,637,854,632**Sales Expenses:****Total (net):** 74,004,500

**TY 2006 Mortgages and Notes Payable Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628**Total Mortgage Amount:** 828577811

<b>Item No.</b>	<b>1</b>
<b>Lender's Name</b>	LOKAHI ASSURANCE LTD
<b>Lender's Title</b>	
<b>Relationship to Insider</b>	
<b>Original Amount of Loan</b>	
<b>Balance Due</b>	828577811
<b>Date of Note</b>	
<b>Maturity Date</b>	
<b>Repayment Terms</b>	PAYABLE ON MATURITY
<b>Interest Rate</b>	
<b>Security Provided by Borrower</b>	UNSECURED
<b>Purpose of Loan</b>	VARIOUS
<b>Description of Lender Consideration</b>	
<b>Consideration FMV</b>	

**TY 2006 Other Assets Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628

Description	Beginning of Year Amount	End of Year Amount
INTANGIBLE PENSION ASSETS	269,832,240	0
OTHER ASSETS	65,663,726	53,660,771
OTHER INVESTMENTS	22,674,850	14,278,228
SECURITIES LENDING COLLATERAL	0	807,801,976
SHORT TERM DEPOSITS	0	125,729

**TY 2006 Other Changes in Net Assets Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628

Description	Amount
NET UNREALIZED GAIN ON INVESTMENTS	400,180,698
INTER-ENTITY CAPITAL TRANSFERS IN	3,583,093
ADOPTION OF FASB 158	1,261,071,818
INTER-ENTITY CAPITAL TRANSFERS OUT	90,583,093
RELEASE OF RESTRICTED CAPITAL	4,256,236
PRIOR YEAR ADJUSTMENT TO DONATED CAPITAL	23,027
KP ONCALL INCOME ADJUSTMENT	447,491



**TY 2006 Other Expenses Included Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628

Description	Amount
LOSS ON DISPOSAL OF ASSETS -	3,840,689
SUBSIDIARIES & ELIMINATIONS	-33,317,610
INTERENTITY INT EXPENSE	66,672,751

**TY 2006 Other Expenses  
Not Included Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628

Description	Amount
BAD DEBT EXPENSE-RECLASS	21,486,181
DERIVATIVE EXPENSE - RECLASS	-5,683,883

**TY 2006 Other Liabilities Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628

Description	Beginning of Year Amount	End of Year Amount
DUE TO RELATED ENTITIES	1,174,730,462	1,387,764,784
RESERVE FOR UNCLAIMED PROPERTY	1,318,968	1,153,341
RESERVE FOR WORKERS COMP RISKS	394,232,290	378,028,534
RESERVE FOR PROF/PUBLIC LIAB	144,214,956	152,579,817
RESERVE FOR SELF-INS RISK AUTO	81,283	60,000
RESERVE FOR MEDICARE	466,000	231,036
RESERVE FOR RESTRUCTURING CHGS	54,044	15,824,669
CURRENT INSTL LT DEBT	468,076	468,196
POST RETIREMENT LIABILITIES	1,155,508,584	2,620,251,490
REFUNDABLE DEPOSITS	33,594	0
OTHER LIABILITIES	78,439,597	92,603,285
OTHER CURRENT LIABILITIES	39,832,244	31,270,855

**TY 2006 Other Notes/Loans  
Receivable Short Schedule**

**Name:** KAISER FOUNDATION HOSPITALS

**EIN:** 94-1105628

Category /Name	Amount
COMMUNITY HEALTH PLAN	296,582,537
KAISER FDN HEALTH PLAN OF THE NORTHWEST	52,000

**TY 2006 Other Revenues Included Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628

Description	Amount
SUBSIDIARIES & ELIMINATIONS	6,716,482
DERIVATIVE EXPENSE - RECLASS	5,683,883
ADOPTION OF FASB 158	-1,124,496,484

**TY 2006 Other Revenues  
Not Included Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628

Description	Amount
LOSS ON DISPOSAL OF ASSETS-	-3,840,689
BAD DEBT EXPENSE - RECLASS	21,486,181
KP ONCALL INCOME	447,491

**TY 2006 Tax-Exempt Bond Liabilities Schedule****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628

**TY 2006 Contractor Compensation Explanation****Name:** KAISER FOUNDATION HOSPITALS**EIN:** 94-1105628

Contractor	Explanation
RUDOLPH SLETTEN	
PROVIDENCE ST VINCENT HOSPITAL	



TY 2006 Self Dealing Statement

**Name:** KAISER FOUNDATION HOSPITALS

**EIN:** 94-1105628

Line Number	Explanation
2a	

Line Number	Explanation
2b	

Line Number	Explanation
2c	

Line Number	Explanation
2d	FORM 990, PART V

**Exempt Organization Declaration and Signature for  
Electronic Filing**

For calendar year 2006, or tax year beginning \_\_\_\_\_, 2006, and ending \_\_\_\_\_, 20

**2006**Department of the Treasury  
Internal Revenue Service

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

▶ See instructions on back.

Name of exempt organization

Employer identification number

**KAISER FOUNDATION HOSPITALS****94-1105628****Part I Type of Return and Return Information (Whole Dollars Only)**

Check the box for the return for which you are using this Form 8453-EO and enter the applicable amount from the return if any. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (that is, do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

<b>1a</b>	Form 990 check here ▶ <input checked="" type="checkbox"/>	<b>b</b>	Total revenue, if any (Form 990, line 12) . . . . .	<b>1b</b>	<b>1321513734</b>
<b>2a</b>	Form 990-EZ check here ▶ <input type="checkbox"/>	<b>b</b>	Total revenue, if any (Form 990-EZ, line 9) . . . . .	<b>2b</b>	
<b>3a</b>	Form 1120-POL check here ▶ <input type="checkbox"/>	<b>b</b>	Total tax (Form 1120-POL, line 22) . . . . .	<b>3b</b>	
<b>4a</b>	Form 990-PF check here ▶ <input type="checkbox"/>	<b>b</b>	Tax based on investment income (Form 990-PF, Part VI, line 5) . . . . .	<b>4b</b>	
<b>5a</b>	Form 8868 check here ▶ <input type="checkbox"/>	<b>b</b>	Balance Due (Form 8868, line 3c) . . . . .	<b>5b</b>	

**Part II Declaration of Officer**

- 6 ☐ I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.
- ☐ If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2006 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund.

Sign  
Here

Signature of officer

Date

Title

**Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)**

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Publication 4206, Information for Authorized IRS e-file Providers of Exempt Organization Filings. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's  
Use  
OnlyERO's  
signature

Signature of ERO

Date

Check if  
also paid  
preparerCheck  
if self-  
employed

ERO's SSN or PTIN

P00297006

Firm's name (or  
yours if self-employed)  
address, and ZIP codeCYNTHIA LARSEN  
ONE KAISER PLAZA, 1550L  
OAKLAND CA 94612

EIN

Phone no 510-271-6385

Under penalties of perjury I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid  
Preparer's  
Use OnlyPreparer's  
signature

Signature of Preparer

Date

Check  
if self-  
employed

Preparer's SSN or PTIN

P00576934

Firm's name (or  
yours if self-employed),  
address, and ZIP codeKPMG LLP  
55 SECOND STREET  
SAN FRANCISCO CA 94105

EIN

Phone no 415.963.5100

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

Form 8453-EO (2006)

## KAISER FOUNDATION HOSPITALS

94-1105628

12/31/2006

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

(A) NAME	(B) TITLE/ HOURS* WEEKLY	(C1) COMPENSATION PRE 2006	(C2) COMPENSATION 2006	(D1) BENEFIT 2006	(D2) BENEFIT PAID 2007	(E) EXP ACCT/ OTHER ALLOW
See Note 2	*see note 7	See Notes 3 & 4	See Notes 3 & 4	See Notes 3, 4 & 5	See Notes 3, 4 & 5	See Notes 3, 4 & 6
Judith Johansen	Director from April 2006	6	0	0	0	0
Christine K Cassel	Director	5	0	0	0	0
Thomas W Chapman	Director	8	0	0	0	0
William R Graber	Director	6	0	0	0	0
J Eugene Grigsby III	Director	5	0	0	0	0
Kim J Kaiser	Director	6	0	0	0	0
J Neal Purcell	Director	5	0	0	0	0
Philip A Marneau	Director	2	0	0	0	0
Edward Pei	Director from April 2006	8	0	0	0	0
Cynthia Telles	Director	7	0	0	0	0
Jenny Ming	Director from December 2006	5	0	0	0	0
Sandra Thompkins	Director	5	0	0	0	0
George C Halverson	CEO & President	40	0	0	0	0
Mary Ann Thode	Regional President-NorCal	40	0	0	0	0
Benjamin K Chu	Regional President-SoCal	40	0	0	0	0
Janice L Head*	Regional President-Hawaii to January 2007	40	0	0	0	0
Cynthia A Finter*	Regional President-Northwest to August 2006	40	0	0	0	0
Patricia Peters	Acting Regional President-Northwest August 2006 to November 2006	40	0	0	0	0
Andrew McCulloch	Regional President-Northwest from November 2006	40	0	0	0	0
Donna Lynne	Regional President-Colorado	40	0	0	0	0
Patricia Kennedy-Scott	Regional President-Ohio	40	0	0	0	0
Carolyn M Kenny	Regional President-Georgia	40	0	0	0	0
Marilyn J Kawamura	Regional President-MidAtlantic States	40	0	0	0	0
Raymond J Baxter	Senior Vice President	40	0	0	0	0
Robert M Crane	Senior Vice President	40	0	0	0	0
J Clifford Dodd*	Senior Vice President to November 2006	40	0	0	0	0
Jerry C Fleming	Senior Vice President	40	0	0	0	0
Daniel P Garcia	Senior Vice President	40	0	0	0	0
Mitchell J Goodstein	Senior Vice President	40	0	0	0	0
Kathryn Lancaster	Senior Vice President	40	0	0	0	0
Lawrence B Leisure	Senior Vice President	40	0	0	0	0
Louise Liang, MD	Senior Vice President	40	0	0	0	0
Diane Gage Lofgren	Senior Vice President from June 2006	40	0	0	0	0
Leslie A Margolin*	Senior Vice President to March 2006	40	0	0	0	0
Christine Maloom	Senior Vice President from March 2006	40	0	0	0	0
Laurence G O'Neil	Senior Vice President	40	0	0	0	0
Arthur M Southam, MD	Senior Vice President	40	0	0	0	0
Bernard J Tyson	Senior Vice President	40	0	0	0	0
Bruce Turkstra	Interim CIO	40	0	0	0	0
Robert Walton*	Senior Vice President to August 2006	40	0	0	0	0
Herman M Wall	Senior Vice President	40	0	0	0	0
Larry Wilson	Senior Vice President	40	0	0	0	0
Theodore E Wise*	Senior Vice President to December 2006	40	0	0	0	0
Steven R Zalkin	Senior Vice President	40	0	0	0	0
Thomas R Meier	Vice President - Treasurer	40	0	0	0	0
Deborah Stokes	Vice President - Controller	40	0	0	0	0
Carol H Cox	Assistant Secretary	40	0	0	0	0
Steven Doshay	Assistant Secretary	40	0	0	0	0
Jennifer Gardner	Assistant Secretary	40	0	0	0	0
Judith M Mears	Assistant Secretary	40	0	0	0	0
Wayne Morris	Assistant Secretary	40	0	0	0	0
Indrajit Obeyesekere	Assistant Secretary	40	0	0	0	0
Stanley Watson	Assistant Secretary	40	0	0	0	0
Carlos Zaragoza	Assistant Secretary	40	0	0	0	0
Victoria B Zalkin	Assistant Secretary	40	0	0	0	0

## KAISER FOUNDATION HOSPITALS

94-1105628

12/31/2006

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

RELATED ORGANIZATION KAISER FOUNDATION HEALTH PLAN INC

FEIN 94-1340523

RELATED EXEMPT ORGANIZATION

(A) NAME	(C1) COMPENSATION PRE 2006	(C2) COMPENSATION 2006	(D1) BENEFIT 2006	(D2) BENEFIT PAID 2007	(E) EXP ACCT/ OTHER ALLOW
See Note 2	See Notes 3 & 4	See Notes 3 & 4	See Notes 3, 4 & 5	See Notes 3, 4 & 5	See Notes 3, 4 & 6
Christine K Cassel	0	170,000	0	0	0
Thomas W Chapman	0	203,259	0	0	0
William R Graber	0	193,032	0	0	0
J Eugene Grigsby III	0	191,002	0	0	0
Kim J Kaiser	0	190,500	0	0	0
J Neal Purcell	0	220,943	0	0	0
Philip A. Marineau	0	144,532	0	0	0
Cynthia Telles	0	182,109	0	0	0
Judith Johanson	0	134,701	0	0	0
Edward Pei	0	138,000	0	0	0
Jenny Ming	0	3,036	0	0	0
Sandra Thompson	0	115,425	0	0	0
George C Halvorson	0	2,656,950	1,698,387	2,530,000	0
Mary Ann Thode	537,840	664,852	451,274	445,656	0
Benjamin K Chu	0	653,700	243,923	274,662	0
Janice L Head	971,815	365,762	1,178,192	281,074	0
Donna Lynne	0	577,355	212,584	205,347	0
Cynthia A Finter	131,378	1,397,298	105,348	3,019	0
Patricia Peters	46,878	234,752	103,375	94,421	0
Andrew McCulloch	0	23,202	16,074	0	12,000
Patricia Kennedy-Scott	90,577	453,989	186,291	274,802	0
Carolyn M Kenny	97,390	485,999	170,999	368,038	0
Marilyn J Kawamura	1,056,129	518,989	180,408	338,371	0
Raymond J Baxter	0	535,109	488,720	530,372	0
Robert M Crane	238,225	801,088	215,293	511,229	0
J Clifford Dodd	1,353,225	3,673,833	2,107,499	0	0
Jerry C Fleming	578,401	591,145	186,137	423,886	0
Daniel P Garcia	105,348	556,890	271,849	435,409	0
Mitchell J Goodstein	545,373	539,473	185,561	313,362	0
Kathryn Lancaster	181,081	835,249	223,880	900,279	0
Lawrence B Lelaure	0	739,627	290,484	645,989	0
Louise Liang, MD	0	894,822	511,964	632,683	0
Diane Gage Lofgren	0	425,014	65,391	97,387	12,000
Leslie A Margolin	2,825,122	2,747,943	468,582	0	0
Christine Malcom	0	476,250	260,746	247,320	0
Laurence G O'Neill	0	484,980	902,461	819,730	0
Christine Paige	392,389	444,820	117,205	202,858	0
Arthur M Southam, MD	1,146,160	1,193,155	330,131	988,555	0
Bernard J Tyson	3,827	890,811	327,852	803,244	0
Bruce Turkstra	0	543,623	97,683	0	42,840
Robert Walton	16,879	1,170,362	717,599	0	0
Herman M Weil	131,280	390,359	166,672	217,043	0
Larry Wilson	0	552,168	443,602	345,859	0
Theodore E Wise	713,282	751,396	983,554	0	0
Steven R Zalkin	609,081	780,787	547,768	585,684	0
Thomas R Meier	229,630	337,939	118,013	211,978	0
Deborah Stokes	74,678	385,377	107,626	219,492	0
Steven Doshay	0	224,141	29,103	58,056	0
Jennifer Gardner	0	78,694	21,440	5,774	0
Judith M Mears	338,329	305,357	120,361	128,469	0
Wayne Morris	174,218	301,148	93,359	120,619	0
Indrajit Obeysekere	0	228,303	29,751	63,859	0
Jacqueline Sellers	0	161,475	74,607	58,084	0
Carlos Zaragoza	0	235,814	86,015	75,645	0
Victoria B Zalkin	3,788	209,383	67,343	70,718	0

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

Note #1 - This Organization is one of the corporate entities listed on Part VI, Line 80 "Related and Controlled Entities" which is included as a part of this return. This Organization is a participating member of a vertically integrated direct service prepaid health care program.

Note #2 - The Officers and Directors can be contacted in care of

Kaiser Foundation Health Plan, Inc  
Program Office Controller's Department  
One Kaiser Plaza, Suite 15L Ordway  
Oakland, CA 94612

Note #3 - The executive compensation program for Kaiser Foundation Health Plan, Inc. and Subsidiaries and Kaiser Foundation Hospitals and Subsidiaries (KFHP/H) is designed to recruit, retain and motivate qualified senior management personnel. Senior management personnel have a significant impact on the strategic and policy direction and results of the organization. Therefore, the executive compensation program is, to a significant degree, performance-based. The compensation program is reviewed annually by an independent committee of the Board of Directors of KFHP/H, which evaluates and approves all programs and payments to executives.

Base pay for executive positions is established at a level comparable to the relevant market. In addition, other components of the compensation program bear 'at-risk' features designed to focus on strategically important performance goals and to assist in attracting and retaining top performers. The executive compensation program is targeted at the median of the comparable external market in which the organization competes for executive leadership. The compensation program focuses on objectives in the areas of quality of member care and service, financial soundness, and the community and social mission of the organization.

Note #4 - Compensation, benefit plan contributions and reimbursement for certain expenses (collectively referred to as "compensation") of Directors, Officers and Key Employees are paid by Kaiser Foundation Health Plan, Inc. (Health Plan) as common paymaster and disbursement agent for the participating member organizations of KFHP/H. Certain Directors, Officers and/or Key Employees perform services for several of the KFHP/H member organizations.

Some of the amounts shown as Compensation were actually earned in years prior to 2006. This compensation is effectively reported in Part V twice – once in the year deferred and again in the year paid. However, the compensation is only paid once. The disclosure rules mandate that significant amounts of compensation are double-counted in both 2005 and 2006. For instance, column C1 includes distributions from retirement, savings, and deferred compensation plans that were earned in prior years, and column D2 includes incentive payments scheduled for 2007 for performance goals achieved in 2006.

Note #5 – The Organization offers various benefit plans, both qualified and non-qualified. Among the benefits offered to the officers listed on Form 990, Part V-A line 75 c are a qualified Defined Benefit Plan (Plan A), a qualified Defined Contribution Plan (Plan B), a Section 403(b) Tax Sheltered Annuity Plan (TSA), a Section 457(b) Deferred Compensation Plan (CAP), and health and welfare benefit plans. Included in Benefits reported for this purpose are the value of the annual contributions to Plan B, TSA, CAP and certain health and welfare benefit plans. Estimates for 2006 accruals for future benefits under Plan A are included in column D1.



For other benefit plans available to executives which provide future benefits earned during 2006 (where the specific amounts are available and determinable by the time this tax report is filed), the amount is included in the Benefits column D1 reported in this return. Amounts determinable at year-end under termination of employment arrangements calling for future payments in a subsequent year are included in the D1 Benefit Plans column for this purpose. Individuals noted with (\*) may have amounts included by reason of termination of employment and from benefit plan accounts that were previously earned.

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

Note #6 - The amounts reported as Expense Account/ Other Allowance include amounts for reimbursement of expenses. Under IRS rules, ordinary and necessary business expenditures such as travel, transportation, lodging, meals, business meetings and conferences are not included here. These items are reimbursed on an accountable plan basis, consistent with policies and procedures based on prudent fiduciary responsibilities and standards. The policies under which these individuals account to the payer meet the substantiation requirements of Internal Revenue Code Section 274. This reporting includes taxable moving and relocation reimbursements and allowances.

Note #7 - The average weekly time spent on the organization's affairs during 2006 is reported based on individual records for Directors Kaiser, Chapman, Graber, Telles, Johansen, Marineau and Pei, for the other directors the time is estimated to be five hours. Actual time spent by Board member may vary based on different responsibilities during the year. Key employees, who work full-time, may work in excess of the standard 40-hour work week.

Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals, Kaiser Foundation Health Plan of the Northwest, Kaiser Foundation Health Plan of Colorado, and Kaiser Foundation Health Plan of Ohio have the same Directors. The hours reported for outside Directors for Part V represent the total average weekly time spent by each Director on all of these organizations' affairs during 2006.

**KAISER FOUNDATION HOSPITALS  
EMPLOYEE COMPENSATION FOR FORM 990 REPORTING PURPOSES  
FOR TAX YEAR 2006**

**TOP FIVE EMPLOYEES**

NAME	TITLE	HOURS see note 7	(C1) COMPENSATION PRE-2006	(C2) COMPENSATION 2006	(D1) BENEFITS 2006	(D2) BENEFITS PAID 2007	(E) EXP ACCT/ OTHER ALLOW.
			see notes 3 & 4	see notes 3 & 4	see notes 3, 4 & 5	see Notes 3, 4 & 5	see notes 3, 4 & 6
GREGORY ADAMS	VP	40	349,385	489,516	119,900	199,416	0
MICHAEL ALEXANDER*	VP	40	770,280	384,347	258,244	7,105	0
JULIE ANN PETRINI	VP	40	148,577	450,497	136,446	183,807	0
BETTIE COLES	VP	40	684,024	394,852	156,095	130,655	0
JOANN ZIMMERMAN	VP	40	139,490	450,220	50,962	259,638	0

**NOTES: See Statement 13 for notes applicable to the above reporting.**

## **KAISER FOUNDATION HOSPITALS**

**94-1105628**

**December 31, 2006**

### **STATEMENT PART III**

#### **FORM 990, PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS**

Kaiser Foundation Health Plan, Inc. (Health Plan) is a California not-for-profit corporation organized for the public benefit and generally exempt from income tax under Internal Revenue Code Section 501(c)(3), and comparable state statutes, for the purpose of providing hospital based health and medical care services. The Internal Revenue Service made the initial determination of Health Plan's exempt status effective June 2, 1949, under Section 101(6) of the Internal Revenue Code of 1939. Such Section is the predecessor of Section 501(c)(3) of the Internal Revenue Code of 1986. Health Plan is listed in IRS Publication 78, Cumulative List of Organizations Exempt From Tax.

Health Plan shares a common board of Directors with Kaiser Foundation Hospitals (Hospitals) and three affiliated Health Plan subsidiaries. Two additional health plans with community based boards are affiliated with Health Plan. Health Plan is the principal controlling member of the five operating subsidiary health maintenance organizations in the integrated health care delivery system commonly known as "Kaiser Permanente." Each of these member organizations is also generally exempt from Federal income tax under the provisions of Internal Revenue Code Section 501(c)(3).

Kaiser Permanente is an integrated health care delivery system that in 2006 served over 8.7 million members in the following states; California, Hawaii, Oregon, Washington, Colorado, Georgia, Ohio, Maryland, Virginia and the District of Columbia. It is the largest private pre-paid health care program in the United States with approximately 147,000 employees and approximately 14,000 full-time equivalent physicians in the affiliated dedicated physicians practice groups.

Hospitals owns and operates hospitals in California, Hawaii, and Oregon. These hospitals provide services to all persons in the communities in which they are located. These services are made available to members of the community regardless of race, sex, religion, national origin or ability to pay. In addition, Hospitals provides for and/or arranges for hospital based care, extended care and home health care to the approximately 8.7 million individual members of Kaiser Permanente.

Emergency rooms located within hospital facilities owned and operated by Hospitals are available to the public on a non-discriminatory basis. The policy of Hospitals is that all persons who present themselves to an emergency room in a hospital owned and operated by Hospitals will be evaluated by an appropriately trained nurse or physician. Depending on the person's medical condition, they will be stabilized and referred or transported to an appropriate facility, or if medically appropriate, they will be admitted into the hospital for treatment.

Hospitals provides a financial assistance program to assist persons who cannot afford hospitalization and/or medical care. Hospitals also sponsors activities and programs to support the general health education and condition of the members of the communities in which the hospitals are located.

Please see the attachment, "Kaiser Permanente Community Benefit Report for Kaiser Foundation Health Plan, Inc. for 2006." This report will provide a description of activities conducted by Health Plan in the accomplishment of its exempt purposes and for the benefit of the community in which it conducts its activities.

## **2006 COMMUNITY BENEFIT REPORT KAISER FOUNDATION HOSPITALS**

Kaiser Foundation Hospitals (KFH) and Kaiser Foundation Health Plan, Inc. (KFHP), with its five principal operating, tax-exempt subsidiary health plans—Kaiser Foundation Health Plan of Colorado; Kaiser Foundation Health Plan of Georgia, Inc.; Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.; Kaiser Foundation Health Plan of the Northwest; and Kaiser Foundation Health Plan of Ohio—are nonprofit corporations that are part of the integrated health care delivery system known as the Kaiser Permanente Medical Care Program or “Kaiser Permanente.”

This report describes the structure of Kaiser Permanente and documents the National Community Benefit activities, programs and services of KFH in California, Hawaii, Oregon and Washington, and KFHP and its subsidiaries, combined.

In 2006, Kaiser Permanente served 8.6 million people in nine states: California, Colorado, Georgia, Hawaii, Maryland, Ohio, Oregon, Virginia, Washington and the District of Columbia. This program is the largest private nonprofit health care program in the United States with 126,347 full time employees, more than 13,000 physicians and 119 dentists. In California, KFHP and KFH served 6.5 million members, with nearly 104,000 full time administrative, clerical and technical employees, as well as 10,655 Permanente physicians representing all specialties. KFHP and KFH in Hawaii served approximately 223,284 members, and have 3,902 full time employees and 378 Permanente physicians. In the Northwest, KFHP and KFH served 483,552 Health Plan members and another 181,503 dental members with 848 Permanente physicians, 119 Permanente dentists and 6,429 full time clinical, administrative and technical personnel.

Kaiser Permanente is an integrated health care delivery system that combines the provision and financing of health care services. People who elect to enroll in a Kaiser Permanente health plan receive a full range of prepaid health care services, including hospital care, professional care in hospitals and physicians' offices, x-ray and laboratory services, physical therapy, emergency, ambulance transportation, preventive services, health education and certain prescribed drugs. More comprehensive drug coverage is also provided through a separate coverage rider.

In the hospital-based regions—California, Hawaii, Oregon and Washington—Kaiser Permanente is comprised of several separate legal organizations: KFH - a California nonprofit public benefit corporation exempt from federal income tax under Internal Revenue Code 501(c)(3), KFHP - a California nonprofit public benefit corporation exempt from federal income tax under Internal Revenue Code 501(c)(3); Northwest Health Plan - an Oregon nonprofit corporation; and The Permanente Medical Group, Inc., Southern California Permanente Medical Group, Hawaii Permanente Medical Group, Inc., and Northwest Permanente Physicians, PC (collectively, “Permanente Medical Groups”), each of which is a separate, independent, multi-specialty group of physicians and the Permanente Dental Associates, PC, an independent multi-specialty group of dentists organized as a professional organization.

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

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

KFHP and KFH are separate corporations governed by identical boards of directors. KFHP accepts responsibility to provide or arrange necessary hospital services and facilities for Health Plan members. KFHP owns and operates 28 licensed hospitals, including three licensed hospitals with multiple campuses in California, Hawaii and Oregon, which provide emergency and inpatient services to all persons in the community. Staff privileges are available on a nondiscriminatory basis to physicians in the communities served. KFHP also contracts with other community hospitals to provide hospital services to members for specialized care and other services.

In California, KFHP medical centers are located in the cities of Anaheim, Baldwin Park, Bellflower, Fontana, Fremont, Fresno, Harbor City, Hayward, Los Angeles, Manteca, Oakland, Panorama City, Redwood City, Richmond, Riverside, Roseville, Sacramento, San Diego, San Francisco, San Rafael, Santa Clara, Santa Rosa, Santa Teresa, South Sacramento, South San Francisco, Vallejo, Walnut Creek, West Los Angeles, and Woodland Hills. In Hawaii, the Moanalua Medical Center is located in the City of Honolulu on the island of Oahu. In Oregon, the Sunnyside Medical Center is located in the City of Clackamas.

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

#### **KAISER PERMANENTE'S COMMITMENT TO THE COMMUNITY**

Through the Kaiser Permanente mission, the organization contributes to the health of the communities in two related ways. First, Kaiser Permanente strives for excellence in serving its 8.6 million members, through market-leading performance in quality, service and affordability. By doing so, Kaiser Permanente provides a discipline in the marketplace by demonstrating meaningful value, and affordability, and generating resources to reinvest in the community's health.

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

This latter approach, which Kaiser Permanente calls Direct Community Benefit Investment (DCBI), is fundamental to being a nonprofit organization. It embodies the organization's commitment to improve the health of communities beyond services to Health Plan members. It is more than traditional corporate citizenship or corporate philanthropy. It is an intentional, planned, budgeted, measurable, accountable creation for better health in our communities. It is done in collaboration with, not in isolation from, the community. DCBI serves to fulfill Kaiser Permanente's social purpose, justify its tax-exempt status, and differentiate it from other healthcare organizations.

This tradition of community benefit dates from the earliest days of the Program, when charitable care to non-employees, and later, nonmembers, was initiated. That heritage has continued through the years in Kaiser Permanente's early participation in publicly financed programs such as Medicaid and Medicare, establishment of residency training and medical research programs, and later in the development of the Educational Theatre, Safety Net Partnerships, Community Health Initiatives and Charitable Coverage Programs.

In 2001, the Board reaffirmed DCBI as a national program and set the following four goals:

- Address critical questions in American health care that the program's history, culture and competencies position it uniquely to examine
- Build the reputation of Kaiser Permanente for its leadership in helping to solve major health challenges

- Create a program that engages the creativity and spirit of the people of Kaiser Permanente at all levels
- Meet the requirements placed on KFH, KFHP, and its subsidiary health plans, as tax-exempt organizations that return value to the communities served beyond the provision of health care to members.

The Board directed that this new DCBI program be guided by a national strategy, with continued local flexibility and implementation. The program is supported by national and regional funding pools, and built on the organization's integrated health care system. Community benefit investments are concentrated in four areas.

- *Vulnerable Populations* – Address the financing and delivery problems of populations that are vulnerable due to socioeconomic status, illness, ethnicity, age, or other disabling factors.
- *Evidence-based Medicine* – Develop and communicate the evidence base to determine what form of medical care works, for which patients and populations, under what circumstances, at what cost and in which delivery settings
- *Education* – Evaluate and demonstrate educational models for the health professions in integrated care systems and for health care consumers for managing their own health and obtaining health care services.
- *Public Policy* – Develop and disseminate public policy information that reflects the interests of the nation as a whole

The Board elaborated that at least 75% of total community benefit funding will be directed to program priorities within the four focus areas and the remaining 25% of funding will be directed by local regions to respond to local community benefit needs and opportunities that may or may not be within the four key focus areas.

As part of the new approach, the Board approved the formation of a National Community Benefit Governance Council, and established a standing Community Benefit Committee of the Board of Directors to oversee the new program. The Board also designated a national executive of KFHP and KFH to lead Kaiser Permanente's Community Benefit Program as a full-time assignment. Raymond J. Baxter, PhD is the Senior Vice President for Community Benefit, reporting to the CEO and Chairman of the Board.

#### **COMMUNITY BENEFIT PROVIDED BY KAISER FOUNDATION HOSPITALS**

KFH's principal purpose is to provide inpatient medical and surgical care, extended care and home health care to members of the public without regard to age, sex, race, religion or national origin. KFH's general community benefits are.

- *Emergency departments* – KFH operates full-time emergency departments in each of its 28 licensed hospitals, including three licensed hospitals with multiple campuses in California, Hawaii and Oregon. Emergency medical services are available to all individuals regardless of their ability to pay
- *Care provided to all patients* – Hospital care is provided to individuals with health care coverage from any private or government-sponsored health plan, insured and uninsured referrals from safety net and other public health partnerships, and uninsured patients admitted through the emergency department.
- *Open Medical Staff Privileges* – Staff privileges in the hospitals are available to community practitioners who are not affiliated with a Permanente Medical Group.

- *Board of Directors* – KFH and KFHP have identical 14-member Boards of Directors. The board is comprised of individuals from the academic world and private industry who are representative of the community. George C. Halvorson serves as the Chairman and Chief Executive Officer for the KFHP and KFH Boards of Directors.
- *Reinvestment of Surplus Revenues* – KFHP pays KFH for hospital services and all surplus revenues are reinvested for capital replacement or expansion of facilities and equipment, debt amortization, improvement in patient care and services, and other community benefit services including charity care, medical education and research.

#### **THE COMMUNITY BENEFIT PROGRAMS IN CALIFORNIA, HAWAII, OREGON AND WASHINGTON**

In 2006, Kaiser Permanente spent approximately \$807 million or approximately 2.3% of revenue, to support the Community Benefit Program in the community. In the hospital-based regions, California, Hawaii, Oregon and Washington, KFHP and KFH spent \$752 million, of which \$370 million is allocable to health plan and another \$382 million is allocable to the hospitals. A breakdown of the 2006 DCBI dollars attributable to KFHP and KFH nationally is described in Attachment A, and those dollars attributable to KFHP and KFH for its hospital-based regions (California, Hawaii, Oregon and Washington) in Attachment B.

The following identifies many of the signature community benefit programs and services funded by both KFHP and KFH regionally grouped according to the national focus areas.

#### **VULNERABLE POPULATIONS**

KFH and KFHP's hospital-based regions expended \$651 million to address the financing and delivery of health care for populations vulnerable due to socio-economic status, illness, ethnicity, age or other factors in 2006. Of that amount, \$283 million is attributed to KFH and \$368 million is attributed to KFHP. Following are highlights of the programs and services provided to vulnerable populations in California, Hawaii, Oregon and Washington.

#### **MEDICAL CARE SERVICES**

KFH and KFHP provide medical care services for vulnerable populations in many ways. These include charitable care programs and participation in public programs for low-income individuals such as Medicaid and the State Children Health Insurance Program (SCHIP). KFH provided services and coverage valued at \$257 million and KFHP contributed an additional \$364 million to support under- and uninsured residents in California, Hawaii, Washington and Oregon.

#### **Charitable Care (Medical Financial Assistance and Charitable Coverage)**

KFH and KFHP provide charity care to low-income vulnerable populations through the Medical Financial Assistance and Charitable Coverage Programs. In 2006, KFH and KFHP cared for more than 255,300 charity care applicants and nearly 66,000 charitable coverage members. KFH contributed \$70 million and KFHP contributed \$75 million to assist these vulnerable low-income patients pay for care provided in Kaiser Permanente facilities in California, Hawaii, Oregon and Washington.

#### ***Medical Financial Assistance (MFA)***

KFH contributed approximately \$40 million and KFHP contributed \$4.7 million to assist patients with limited or no resources to pay for care provided in Kaiser Permanente facilities. Each hospital-based region offers financial assistance to help families and individuals that are unable to meet all or part of the cost of medical care on an immediate and nonrecurring basis. Kaiser Permanente expanded its charity care program to include discounted charges for uninsured patients below 400% federal income guidelines and aligned contracted collection agency practices with Kaiser Permanente social values. The amount reported under this category is only part of the funds spent by KFH and KFHP for the poor and uninsured. The organization's commitment to charitable care is also reflected in a variety of other programs and initiatives such as the Charitable Coverage Program and grants and donations to community clinics and other safety net providers.

The MFA program in California strives to assist families and individuals that are unable to meet all or part of the cost of medical care on immediate and nonrecurring basis. The program is designed to assist as many patients as reasonably possible and is generally available to people in greatest financial need, including those experiencing unusual or unfortunate circumstances. In 2006, the program served 247,373 applicants.

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

The MFA Program in Hawaii helps families and individuals that are unable to meet all or part of the cost of health care services and supplies. In 2006, the program served 328 patients. In addition, KFH in Hawaii provided charitable laboratory services for the Tzu Chi Free Clinic on the island of Oahu.

#### **Charitable Health Coverage Program**

Approximately 66,000 low-income adults and children who were not eligible for other public or privately sponsored coverage received health care coverage through one of Kaiser Permanente's Charitable Health Coverage Programs in California, Hawaii, Oregon and Washington. KFHP contributed \$71 million and KFH contributed an additional \$30 million to provide subsidized care for these underserved populations in 2006.

The Steps Plan and Kaiser Permanente Child Health Plan are the specific products that form the Charitable Health Coverage Programs in California.

- *Kaiser Permanente Steps Plan* – The Steps Plan provided 14,031 members the opportunity to continue their health care coverage at reduced cost when experiencing financial difficulty due to job loss, involuntary reduction in work hours, legal separation, divorce or death of a spouse. Typically, participants are not eligible for any public or private group health insurance plan, and have family income between 100% and 300% of the federal income guidelines. The plan is available to parents of children enrolled in AIM, Healthy Families or the Kaiser Permanente Child Health Plan as well as to individuals participating in vocational training programs offered through government, private industry councils and social agencies. The Steps Plan premium is subsidized at four levels or steps: 20%, 40%, 60% and 80%. Participants are placed in an initial premium step based on their current family income. They remain at the initial step for one year and are then moved to the next higher step.
- *Kaiser Permanente Child Health Plan (KPCHP)* – The Child Health Plan provides medical and dental coverage to eligible children (birth through 18) in families with income up to 300% of the federal income guidelines who do not have access to employer-subsidized coverage and do not qualify for public programs because of family income or immigration status. Child Health Plan provides comprehensive benefits including preventive care, inpatient and outpatient services, prescription drugs, vision and dental care. Premiums are \$8 or \$15 per child per month, depending on family income, for a maximum of three children (additional children are covered free of charge). In 2006, 49,139 children received care and coverage through this program.

In Oregon and Washington, the Northwest Health Plan and KFH provided medical services and coverage valued at \$3.7 million to provide subsidized coverage to 2,825 low-income adults and children who are not eligible for standard Medicaid or privately funded coverage. The Charitable Health Coverage Program consists of the Transitions and Child Health Program.

- *Transitions* – Individuals must be actively enrolled in Portland Community College classes and have to be eligible for this program. The annualized income of the subscriber's household must



be less than 250% of applicable federal income guidelines during the enrollment period. Students must not be eligible for any other health plan benefit coverage. To be eligible for the program, each individual must reside within the Northwest Health Plan's service area and maintain a 2.0 grade point average. Graduates who become employed are eligible for an additional six months or until the employer-paid coverage is activated. Enrollment by year-end was 857.

- *Child Health Plan* – Northwest Health Plan offers full subsidy health insurance for eligible low-income children in 129 Multnomah and Salem-Keizer elementary schools. The participating school districts act as the administrator for the program and are responsible for outreach, eligibility determination and enrollment. Children are referred to the program based on medical need identified through school nurses or school staff. The annualized household income of the children must be at least 250% of the applicable federal income guidelines and between the ages of 3 through 18, or in their senior year of school. Total enrollment for year-end 2006 was 1,968.

#### **Participation in Medicaid and Other Publicly Financed Programs**

KFH and KFHP have a long history of participating in publicly financed health programs. In 2006, \$459 million was expended (in excess of reimbursement) and 258,401 people were served in government sponsored programs for low-income people in California, Hawaii, Oregon and Washington. Approximately \$171 million is attributed to services provided by KFHP and \$288 million is attributed to KFHP.

Kaiser Permanente Medi-Cal Managed Care, Medi-Cal Fee-for-Service and Healthy Families are specific government sponsored health care coverage programs in California.

- *Medi-Cal* – KFHP enrolled 120,818 Medi-Cal (Medicaid) managed care members in California, providing nearly 49,000 inpatient days and more than 652,000 outpatient visits in 2006. KFHP subcontracts with local initiatives in Alameda, Contra Costa, Los Angeles, Riverside, San Bernardino, San Francisco, and Santa Clara Counties, with county-organized health systems in Napa and Solano Counties and Orange County. KFHP also contracts directly with the state of California through their Geographic Managed Care Plan for Sacramento and San Diego Counties, and through the Prepaid Health Plan for Marin and Sonoma Counties.
- *Medi-Cal Fee-for-Service* – KFHP and KFHP in California provided \$76.1 million in subsidized care to 21,128 Medi-Cal Fee-for-Service patients. Of this amount approximately \$58.1 million is attributed to services provided by KFHP.
- *Healthy Families* – KFHP enrolled nearly 110,000 children in this federal and state funded insurance program that provides low- and moderate-income families with health insurance for their children under 19 years of age. The program provides comprehensive health benefits, including dental and vision care. To qualify, families must have a total income between 100% and 250% of the federal income guidelines and the children must be ineligible for Medi-Cal coverage.

In Hawaii, KFHP and KFHP served both Medicaid members and Medicaid Fee-for-Service beneficiaries.

- *Quest & Medicaid Fee-for-Service* – KFHP and KFHP provided care to 19,558 individuals enrolled in Quest, Hawaii's Medicaid Program, and expended approximately \$15.5 million on subsidized medical care services. The Hawaii Region also contributed an additional \$2.2 million on subsidized care for Medicaid Fee-for-Service patients.

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

- *Oregon Health Plan* – During 2006, the Northwest Health Plan and KFHP served approximately 4,373 enrollees on a prepaid basis by year-end. Northwest Health Plan receives monthly capitated premiums determined by claims experience provided to the OHP. Division of Medical

Assistance Program (DMAP) determines all eligibility and provides enrollment electronically to KPOP.

- *Washington Basic Health Plus (BHP-Plus)* – This is Washington's Medicaid program for children, under the age of 19. Northwest Health Plan offers coverage to those eligible members in Clark and Cowlitz counties. These are children less than 19 years of age whose parent(s) are enrolled in WA Basic Health (non-Medicaid) or coverage to adult women through the "Maternity Benefits Program" that are on Basic Health and become pregnant. If the women do not apply for Maternity Benefits program within 30 days of confirmation of pregnancy, prenatal care and delivery will not be covered. If they apply for the Maternity Benefits Program and are rejected by Medicaid, the WABH (non-Medicaid) will extend their coverage for prenatal care and delivery beyond the 30 days. By year-end, enrollment totaled 1,084 members.
- *The Washington Basic Health Plan* – This health care coverage program administered by the Washington State Health Care Authority is not associated with Medicaid. This plan provides basic health care coverage to low-income persons who do not qualify for Medicaid or Medicare and fall below 200% federal income guidelines. The Northwest Health Plan provides a subsidy for eligible participants who reside in either Clark or Cowlitz counties. At year-end, the Northwest Health Plan and KFJ provided care for 2,986 individuals enrolled in this program.
- *Medicaid to Nonmembers* – Northwest Health Plan and KFJ provided more than \$2.4 million in subsidized care to Medicaid Fee-for-Service patients. When a Medicaid nonmember receives services from Kaiser Permanente providers at contract hospitals or outpatient services as a result of hospital visit follow-up, or in-patient services for Medicaid members in Oregon, these expenses are recorded as non-capitated services and are reported as professional and non-professional losses for Medicaid nonmembers.

#### **Grants and Donations for Medical Care Services**

In 2006, KFJ donated \$16.1 million to 315 nonprofit and community-based agencies in California, Hawaii, Oregon and Washington to support the delivery of medical care by community providers. The following are examples of programs and organizations funded by KFJ:

- KFJ in California provided \$198,972 to the California Primary Care Association to develop solutions for greater access to specialty care for uninsured patients who get their primary care within non-profit community clinics and public hospitals and health systems. The project will conduct a baseline assessment through a literature review to synthesize relevant research findings to date and state-wide research to define and measure current specialty care access and to identify successful practices among safety net providers. The project will convene relevant stakeholders to foster discussions to increase understanding of the scope and intensity of the problem, focus attention on system change agents, and raise public awareness and visibility about the crisis. As a means to consider short and long-term strategies for addressing the issue, the project will document two to four pilot projects representing best practices in areas such as simplifying referrals, reducing patient wait times, and improving provider training. Finally, this project will publish data briefs and make presentations to raise public awareness of this issue and conduct analyses of data to explore opportunities to remove barriers.
- Multnomah County Health Department received a \$100,000 grant from KFJ in the Northwest Region as part of their Safety-net Partnership Initiative. The majority of the funds provided referral services for uninsured patients who receive specialty services from community providers at deep discounts (>50%). Most of the visits are imaging for pregnant women. The remainder of the grant supported direct medical services to homeless families via a medical outreach van. The mobile medical van operates five days a week. In the first six months of the project, the outreach van provided 1,541 medical encounters to 824 clients, 543 of them had no previous access to primary medical care.

- KFH in Northern California awarded \$2.3 million among four safety net providers, Community Partnerships of Santa Clara, San Francisco Community Clinic Consortium, Community Health Center Network and Central Valley Health Network as part of their 'Core Operations, Health Information Technology Initiative, Collaboration with Public Hospital, and PHASE' pilots. The focus of this initiative is to expand the efforts of member community health centers in order to implement disease registries, expand functionality of electronic health record systems, and expand population-based care through the establishment of bridges/interfaces with commonly used laboratories and health information technology systems. An additional focus of this initiative is to develop systems to provide network-wide capacity for benchmarking population-based data for population specific quality improvement planning.

#### **COMMUNITY-BASED PROGRAMS FOR VULNERABLE POPULATIONS**

KFH spent \$15.6 million to provide a variety of programs to individuals who live and work in the California, Hawaii, Oregon and Washington communities. The programs listed below are free and open to all community members irrespective of health insurance status.

##### ***Learning Centers***

In 2006, over \$2.7 million was spent by KFH on counseling, education, and social services for disadvantaged children and their families in Southern California available through the Watts Counseling and Learning Center (WCLC) and Educational Outreach Program (EOP). WCLC provides mental health and counseling services, assistance to children with learning disabilities, and pre-employment training to high school youth, as well as operates a state-licensed preschool program, a summer day camp, and "Kids Can Cope" support groups for children dealing with siblings or parents fighting cancer. EOP provides education and support services to primarily Latino youth, ages 10 to 14, of the San Gabriel Valley in East Los Angeles County. The focus of EOP is to provide dropout prevention programs in a community setting. Currently, EOP provides nine different programs both in English and Spanish to children and parents during after-school hours and on Saturdays.

##### ***Youth and Other Employment Programs***

KFH in California spent approximately \$1.9 million to fund youth employment programs aimed at improving education and job skills, or providing employment opportunities for targeted populations. Through the Summer Youth and INROADS programs, Kaiser Permanente employed more than 468 youth in 2006.

#### **Grants and Donations for Community-Based Programs**

In 2006, KFHP and KFH donated \$11 million to 642 nonprofit and community-based agencies in California, Hawaii, Oregon and Washington to support a variety of community services for vulnerable populations. The following are examples of programs and organizations funded by KFH.

- The Institute for the Study of Human Knowledge's (ISHK) Share Literacy program was awarded \$90,000 from KFH in Northern California. Responding to the current nationwide school budget crisis, ISHK has launched a new initiative, 'Share Literacy,' to expand book donations. Now in its fourth year, the literacy project has touched more than 100,000 children who own or have access to books through a number of established literacy programs.
- KFH in the Northwest awarded a total of \$200,000 to four community-based organizations, Loaves & Fishes Centers Inc., Social Services of Clackamas County, Senior Townhouse, Inc., and Lower Columbia Community Action Council for their senior nutrition programs. The community benefits supported home delivered meals homebound seniors, as known as "Meals on Wheels" programs and congregate meals offered at community centers.
- KFH in Southern California gave a \$150,000 capital campaign grant to *New Economics for Women* to develop a new Prosperity Center for low-income women and their families of Pico-Union/Westlake, one of the poorest Latino communities of Los Angeles. The Center is designed

to provide quality, culturally-competent primary and preventive care services and will include a business growth center, a health clinic, and a wellness center. By targeting women in poverty, New Economics for Women seeks to stabilize families and the neighborhoods where they live by helping single parents learn strategies and earn resources for success and transform communities by developing strategies to eliminate poverty.

- KFH in Hawaii supported the Kalihi Valley Instructional Bike Exchange (KVICE) program by funding the bicycle registrations required by the state. The KVICE program funded by a Robert Wood Johnson Foundation Active Living by Design grant, partners with a local cycle shop. The objective for the program is to teach young people how to fix a bike and make repairs as needed to encourage more bike riding. The bike shop staff offer assistance in a warehouse close to public housing making repair equipment accessible. Bikes are free to anyone willing to work on repairs.

### **EVIDENCE-BASED MEDICINE**

KFH spent approximately \$21 million to support clinical and health research activities and medical libraries. Kaiser Permanente conducts more research than any other non-academic institution in the United States. In 2006 Kaiser Permanente investigators in California, Hawaii, Oregon and Washington participated in 1,965 research and evaluation studies, partnering with several prominent academic research institutions, including Harvard University, Oregon Health & Sciences University, Stanford University, University of California (Los Angeles, Berkeley and San Francisco), University of Southern California, University of Washington, National Institutes of Health, Agency for Healthcare Research and Quality and the Centers for Disease Control and Prevention

#### **Clinical and Health Services Research**

For more than 40 years, Kaiser Permanente researchers have leveraged modest grants financed through the Community Benefit Program into major discoveries that have served our communities, influenced national policy, and informed medical practice throughout the nation and the world. Many of the research studies address current health issues and improve care for common conditions where treatment is often linked to community-based efforts, and are broadly disseminated through articles and professional presentations.

In California, KFH has three research departments: the Division of Research (DOR), Northern California, established in 1961; Department of Research & Evaluation (R&E) Southern California, established in the early 1980's and Kaiser Foundation Research Institute (KFRI). Two nursing research units for KFH in California also engage in studies on nursing practices, patient care, and patient outcomes in order to improve clinical practices. The Center for Health Research (CHR) is the primary research department for KFH in Oregon and Washington, and the Center for Health Research Hawaii (CHRH) is a formal subdivision of CHR in Hawaii

CHR, CHRH, DOR, KFRI and R&E—together with the Northern and Southern California Nursing Research Departments—spent \$15.4 million to help support primary research studies, published more than 600 articles annually and present findings in medical education forums and conferences. The following is a sampling of the evidence-based studies conducted in 2006.

- *Study: "When Human Participants in Research Complain, Ask Questions or Express Concern. Protecting Vulnerable Populations in an HMO Setting"*  
Data from 84 human participants from 2004-2005 was gathered retrospectively from existing records of questions, complaints and concerns submitted to the Institutional Review Board at an HMO to improve human participant education in understanding of the research process. Most (80%) of the participants had questions regarding the informed consent process, recruitment letters and risks associated with their participation in clinical trials. Monolingual Latinos and elderly participants (68%) were the most frequent callers with questions related to their

understanding of the informed consent process. The difficulties vulnerable human participants encounter during recruitment and the informed consent process implicate our understanding of bioethical issues and psychological principles. There are still ways to improve vulnerable populations' participation in research which require new strategies designed to protect their health, safety and welfare.

- Study: Parental Perception of Neighborhood Safety and Children's Physical Activity*  
 The current study investigates whether parental perception of danger in one's neighborhood is associated with physical activity in children aged 10-12. Over 200 parent-child dyads are enrolled in the study. All parent/caregivers will be interviewed on the telephone and child interviews will be either over the phone or in-person. Interview topics include general health, physical activity, perception of neighborhood safety, where child spends his/her time, and extent of adult supervision. In addition, a subset of 25 children will wear an accelerometer for a week to assess physical activity. The study expects to learn how parental perception of neighborhood safety is associated with physical activity in children aged 10-12 and learn more about the relationship between children's perception of danger and their own physical activity levels and the correlation between objective measures of neighborhood danger and perception of danger among parents.
- Study: Recovery Group Pilot Project*  
 The purpose of this project was to develop and evaluate a low-cost, consumer/counselor-led health education and support intervention to foster self-care and recovery among adults with mental illness. The project accomplished all proposed aims, including: demonstrating the feasibility, acceptability, and value of the group intervention, identifying a reasonable length for the intervention (16 weeks), recruiting and retaining participants from minority groups, further refining the facilitators' manual, and collecting three waves of participant data (baseline, post-group follow-up, and 10 months post-baseline). Results showed statistically significant reductions in mental health symptoms and significant improvements in functioning, self-reported mental health, self-reported quality of life, and self-reported sense of control over important areas of life. Analyses also suggest that individuals who were experiencing more difficulties at baseline and who had lower Recovery Assessment Scale scores benefited more from the group intervention than those who had better scores in these same areas.
- Study: The Work, Weight, Wellness (3W) Project*  
 This study is being conducted by Kaiser Permanente's Center for Health Research investigators in Hawaii and Northwest to test innovative worksite interventions designed to reduce obesity. Researchers are assessing the impact of multiple environmental changes and weekly onsite weight management groups of body mass index (BMI), weight, health behaviors, absenteeism and worker's compensation claims of 12,000 hotel employees on the island of Oahu. The study expects to develop new insights about how employers can field workplace health promotion programs.

#### **Health Sciences and Medical Libraries**

KFH spent approximately \$3.8 million to support its medical libraries, and other health resource and information dissemination services. These programs give medical staff and the greater professional community access to health-related research conducted within and outside of Kaiser Permanente. Medical libraries participated in an inter-loan system with other community hospitals, supported students in training and education programs to conduct literature searches and conducted searches for community clinics and other community-based organizations on advances in medical treatment, clinical protocols and new development on specific health issues. During 2006, health sciences and medical libraries in California, Hawaii, Oregon and Washington completed 269,000 requests for general knowledge and literature searches for research purposes.

#### **Tumor Board and Cancer Registry**

KFH spent \$1.5 million to support the Tumor Board and Cancer Registry. Besides being a statistical database utilized by clinicians and researchers within the region, the registry submits statistics to the

National Cancer Data Base annually. The Cancer Program, which oversees the registry, is surveyed for accreditation every three years by the American College of Surgeons Commission on Cancer

### **EDUCATION**

KFHP and KFH in the hospital-based regions spent \$71.4 million to educate consumers and health care professionals in California, Hawaii, Oregon and Washington.

### **CONSUMERS**

KFH spent nearly \$10.2 million and KFHP spent \$114,353 on community wellness and health education programs for consumers in 2006.

### **Community Health Education and Prevention Programs**

KFH provided a variety of activities and programs to assist health care consumers in managing their health and well-being. The hospitals serve as the primary site for the dissemination of health education information to both Health Plan and community members who access these facilities through the health education centers. Other programs and services are offered in various community locations.

### **Regional Community Health Education**

During 2006, the KFH Regional Health Education Departments in California, Hawaii, Oregon and Washington undertook specific community focused projects and partnered with several nonprofit community agencies to provide additional services. The following are examples of the community programs aimed at educating health care consumers.

- The Southern California Regional Health Education Department was the primary technical assistance provider for The California Endowment's Healthy Eating Active Communities (HEAC) Initiative, in collaboration with Kaiser Permanente's Healthy eating Active Living Initiative. Regional Health Education consulted on development of intervention strategies, reviewed logic models and work plans, identified needs and shared of Kaiser Permanente current behavioral modification practices. The main project sites included South Central Los Angeles, Baldwin Park in the San Gabriel Valley, Chula Vista in San Diego County and Santa Ana in Orange County. Each site consists of 3 major partners—a school district, a county public health department and a neighborhood group. Regional Health Education also coordinated trainings and provided participant material. The training focused on BMI screening, weight goals, brief focused advice, prevention messages, and introduction to community advocacy.
- The Northern California Region partnered with local community agencies, BANANAS, Inc., Berkeley-Albany YMCA Early Childhood Services and the Community Child Care Coordinating Council of Alameda County to provide training on asthma management and diabetes control for children to childcare providers.
- "Start Steppin with Kaiser Permanente" was an event that featured a workday walk around Tamarind Park in downtown Honolulu and health fair. Over 265 participants walked twice around the 1000 step course. Volunteers held banners at every 250 steps markers and as each participant reached the markers they were rewarded with a healthy incentive such as bottled water, snack bars, fruit, lip balm, etc.
- KFH in the Northwest collaborated with Community Choices 2010 to provide Clark County residents with "Walk around Guides." This guide highlights the county's trails and provides information on how the residents affected by poor nutrition, diabetes, obesity and asthma can lead a healthy life and enjoy walking on the local trails. KFH worked on creation, production, distribution, evaluation of the guides and provided funding to more than 50,000 guides.

### **Educational Theatre Programs**

Educational Theatre Programs (ETP) uses live theatre, music, comedy and drama to inspire children, teens and adults to make healthier choices and better decisions about their well-being. These

educational programs were developed with the advice of teachers, parents, students, health educators, medical professionals and professional theatre artists. All performances are delivered by professional actors who are also trained as peer health educators, and performed free of charge for the community. ETP also provides schools and organizations with supplementary educational materials, such as workbooks, parent and teacher guides and student wallet cards to reinforce the messages presented on stage.

KFH in California spent \$7.0 million to provide more than 474,000 children and adults the opportunity to view one of the 1,879 performances during 2006. The current repertoire includes:

- *The Best ME* – a program for grades 3-6 that helps students understand the benefits of making healthier life choices.
- *Zip's Great Day* - Musical comedy for elementary school children about making healthy choices and avoiding conflict.
- *P.E.A.C.E. Signs* - Conflict resolution and anti-violence program for upper-elementary school students.
- *Drummin' Up Peace* – A multi-intervention program that promotes conflict resolution to help students increase peace.
- *Someone Like Me* – a production that uses drama, music, and humor to address adolescent issues.
- *Amazing Food Detective* - Bilingual (English/Spanish) program for elementary school kids on making informed food choices and snacking in moderation to avoid obesity and its health problems.
- *ARRR-STHMA!* - Entertaining production that focuses on dealing with childhood asthma.
- *Nightmare on Puberty Street* - Dramatic presentation about the joys and angst of adolescence.
- *Secrets* - HIV/AIDS educational drama for high school students.
- *The Swashbuckling Adventures of Jaime in the World of Red, the Reading Pirate* – promotes the importance of literacy to students.

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

#### **Grants and Donations for Consumer Education**

KFH donated \$1.2 million to support more than 110 nonprofit community-based health education programs in California, Hawaii, Oregon and Washington.

- KFH in Southern California gave a grant to Esperanza Community Housing Corporation to support the Community Health Promoters Program. The program trains 25 residents of the Adams/Hoover community of Los Angeles, a medically underserved community facing poverty, chronic health problems, low educational attainment and sub-standard housing. The 25 residents receive professional training and mentoring to provide health education and outreach to 25,000 community residents. Esperanza Community Housing Corporation created the Community Health Promoters Program in 1995, and has trained over 280 bilingual and trilingual community leaders.
- In the Northwest, KFH made a charitable contribution to the Oregon Public Broadcasting's (OPB) on "*Meth: The Oregon Front*." This documentary explains how methamphetamine use started as a fad among West Coast motorcycle gangs in the 1970's and has now spread across the United States. This program explores the devastating effect on many Oregonians' lives. OPB will

expand upon this work with a series of programs that track the impact of methphetamines on individuals, families and communities, and what is being done to combat the problem.

- A \$200,000 grant from KFH in Northern California was given to Bay Area Black United Fund, Inc (BABUF) for the 2007 African American Health Summit. The bi-annual Health Summit provides participants with updates on African American health disparity intervention strategies, models or best practices, and create partnerships that help to reduce disparities in the health of African Americans. What began as an Alameda County effort has taken root in other Bay Area black communities, and has emerged as a broad-based coalition of community leaders, public/private agencies, service providers, and community volunteers working together to plan and implement what is now known as the Bay Area African American Health Initiative (BAAAH).
- KFH in Hawaii continued to support the Kapiolani Poison Prevention Program (KPPP). The KPPP provides education of the importance for accidental poison prevention in Hawaii and responded to questions to more than 19,000 people. The KFH donation supported the printing and dissemination of 510,000 poison hotline stickers inserted into the front cover of local phone books. The removable stickers serve as an alert for parents and caregivers to call the new poison hotline for immediate assistance. The program has been transferred to the Hawaii State Department of Health for on-going support and maintenance.

#### **HEALTH CARE PROFESSIONALS**

In 2006, KFH spent \$61.2 million to educate and train individuals in California, Hawaii, Oregon and Washington who were pursuing or enhancing their health care careers. A few of the training and educational programs available to the community are described below.

##### **Continuing Medical Education**

KFH spent approximately \$4.8 million to provide continuing medical education to community physicians and providers, and physicians affiliated with the Permanente Medical Groups and other health care providers. More than 5,000 different continuing education programs were offered during 2006, with over 35,400 continuing education units (CEU) earned in California, Hawaii, Oregon and Washington.

##### **Graduate Medical Education**

Kaiser Permanente's first KFH Graduate Medical Education (GME) program began nearly 60 years ago in Oakland, California. Today, all hospital-based regions provide training and education for medical residents and interns. The nationally acclaimed program attracts some of the top medical school graduates in the United States and serves as a national model by educating the next generation of physicians in an integrated health care delivery system. Residents are offered the opportunity to serve a large, culturally diverse patient base and in a setting with sophisticated technology and information systems, established clinical guidelines and an emphasis on preventive and primary care.

KFH contributed \$44 million to educate nearly 2,500 interns and residents in California, Hawaii, Oregon and Washington. The majority of medical residents are studying within the primary care medicine areas of Family Practice, Internal Medicine, Ob/Gyn, Pediatrics, Preventive Medicine, and Psychiatry. An additional 80 unpaid residents and fellows received training in Dermatology, Endocrinology, Family Practice, Internal Medicine, Geriatrics, Genetics, Obstetrics & Gynecology, Otolaryngology, Pathology, Pediatrics, Palliative Medicine, Plastic Surgery and Rheumatology in Oregon and Washington.

##### **Nurse Practitioner and Other Non-Physician Training Programs**

During 2006, KFH supported more than 7,800 students pursuing a career in the allied health care field and spent \$11 million on training and education programs for nurse practitioners, nurses, radiology and sonography technicians, physical therapists, post-graduate psychology and social work students, pharmacists, and other non-physician health professionals.



### **Grants and Donations for the Education of Health Care Professionals**

KFH spent \$1.8 million to support the training and education of health care professionals in California and the Northwest. Sixty-seven nonprofit agencies and academic institutions received community benefit funds

- A \$105,000 grant was awarded to the Oregon Health Career Center to fund the Medical Assistance Pathways project. This project trained a cohort of 20 bi-lingual students in the medical assistance program at Clackamas Community College. Curriculum included second language training materials for the students. Bi-lingual medical assistants are in such a high demand most of the students were offered jobs by their clinical placement training site employers
- KFHP in Southern California provided California State University San Marcos (CSUSM) Foundation with a \$172,500 grant to establish an Accelerated Entry Level Baccalaureate program. Students with a baccalaureate degree in any field of study receive a bachelor's nursing degree in an eighteen-month accelerated education program. The grant supports the identification of faculty members to create the core curriculum, determination of faculty qualifications for development of the courses, development of procedures and protocols for admission and matriculation of students, and research for distance learning sites for videoconferencing and web based courses
- An \$80,000 grant was made support to the Genetic Counseling Program at California State University Stanislaus. The program has been developed in collaboration with several key individuals in the Genetics Department at KFHP-Oakland and in the Pediatrics Department at the University of California, San Francisco (UCSF). Input was also provided from a broad membership of individuals on the Genetic Counseling Program Advisory Board.

### **PUBLIC POLICY**

Both KFHP and KFHP recognize that public policy influences the environment in which we operate and impacts the communities we serve. In 2006, KFHP contributed \$0.8 million and KFHP spent \$1.3 million to advance public policy. Kaiser Permanente's public policy strategy includes building public/private partnerships to advance population-health, supporting legislation that advances expanded access, health promotion and disease prevention, as well as convening policy makers and researchers to develop knowledge-based public policy.

#### **Institute for Health Policy (IHP)**

The mission of KFHP's IHP is to advance the understanding of key health policy issues and to support, in collaboration with others, health policy that will improve health and the manner in which health care and financing systems serve the members of our communities. In 2006, KFHP contributed \$1.3 million to support a number of IHP's conferences, roundtables and policy briefings.

In December 2006, IHP convened a roundtable to discuss universal coverage proposal with key California stakeholders groups involved in efforts to extend healthcare coverage to the state's estimated 6.5 million uninsured residents. The proposal played an important role in stimulating further discussion and action in Sacramento.

#### **Grants and Donations for Public Policy**

KFHP spent \$0.8 million to support various nonprofit organizations. The following are examples of programs funded within this category in 2006:

- The Women's Foundation of California received \$75,000 from KFHP in Northern California with the goals of developing nonprofit women leaders as public policy advocates for health and environmental issues. The KFHP donation supported the Environmental Health and Justice Program, and Women's Policy Institute.

- KFH in Southern California contributed to Vision y Compromiso 4<sup>th</sup> Annual "Hacia Una Vida Digna y Sana" Statewide Promotora-Community Health Worker Conference in which 1,000 promotoras and community health workers from six regions across the state as well as delegations from other location in the Unites States and Mexico. The conference highlighted the opportunities for promotoras and community health workers to continue to develop their leadership skills, advocacy and build their capacity to become critical resources for the community that they serve.

#### **OTHER COMMUNITY BENEFITS**

In 2006, KFH in California, Hawaii, Oregon and Washington spent approximately \$7 million on other community benefit activities and programs beyond the national focus areas.

#### **Other Grants and Donations**

Approximately \$5.7 million was spent on other community grants and donations by KFH in California, Hawaii, Oregon and Washington.

- KFH in Northern California donated \$1 million to Doctors Medical Center (DMC) in San Pablo to support their implementation of an electronic health record system. The funds helped DMC to complete the required IT infrastructure reconstruction to support the new enterprise-wide information system. The new system will allow physicians to review patient's medical histories, and test results in a more timely method to improve patient-center care.

#### **Community Giving Campaigns**

In 2006, KFH contributed \$0.2 million to support Community Giving Campaigns, a program-wide effort that has a direct impact on local communities. While a number of federations, including America's Charities, Black United Fund, Earth Share and United Way, and the many charities they represent, are listed in Campaign materials, the Campaign also supports a write-in option, which allows participants to donate to the non-profit 501(c) of their choice. Participants can make a donation using payroll deduction or make a one-time contribution via cash, check or credit card. Kaiser Permanente underwrites all of the associated processing costs for the Campaign, so 100% of all pledges go directly to the organizations our employees and physicians choose to support.

ATTACHMENT A**2006 NATIONAL DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM**

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

CB PRIORITIES	NETOTAL HEALTH PLAN TOTAL	NATIONAL SPT TOTAL	NATIONAL CB TOTAL
<b>VULNERABLE POPULATIONS</b>			
Medical Care Services	\$404,001,035	\$256,776,183	\$660,777,217
Community-Based Programs	2,250,523	15,552,601	17,803,124
Other Vulnerable Populations	5,892,479	10,261,422	16,153,901
<i>Subtotal:</i>	<i>412,144,036</i>	<i>282,590,206</i>	<i>694,734,242</i>
<b>EVIDENCE-BASED MEDICINE</b>			
Research	1,650,394	15,443,415	17,093,809
Medical Libraries	80,121	3,783,359	3,863,480
Other	318,633	1,607,585	1,926,218
<i>Subtotal:</i>	<i>2,049,148</i>	<i>20,834,359</i>	<i>22,883,507</i>
<b>EDUCATION</b>			
Consumer	3,651,037	10,036,963	13,688,000
Health Professionals	3,956,700	61,229,431	65,186,131
<i>Subtotal:</i>	<i>7,607,737</i>	<i>71,266,394</i>	<i>78,874,131</i>
<b>PUBLIC POLICY</b>			
Public Policy Grants & Expenses	1,331,511	843,305	2,174,816
<i>Subtotal:</i>	<i>1,331,511</i>	<i>843,305</i>	<i>2,174,816</i>
<b>OTHER COMMUNITY BENEFITS</b>			
Other CB Grants/Expenses	932,649	6,398,001	7,330,650
Community Giving	398,308	189,352	587,660
<i>Subtotal:</i>	<i>1,330,957</i>	<i>6,587,353</i>	<i>7,918,310</i>
<b>TOTAL</b>	<b>\$424,463,389</b>	<b>\$382,121,617</b>	<b>\$806,585,006</b>

**ATTACHMENT B**

**DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM  
2006 KFH & KFHP COMMUNITY BENEFIT FINANCIALS**

The following chart summarizes 2006 Community Benefit investments by KFH and KFHP for **California, Hawaii, Oregon & Washington**. The investments in the community reflected in the chart are unaudited

2006 CB PRIORITIES	KFHP TOTAL	KFHP TOTAL	CB TOTAL
<b>VULNERABLE POPULATIONS</b>			
Medical Care Services	\$363,635,808	\$256,776,183	\$620,411,991
Community-Based Programs	0	15,552,601	15,552,601
Other Vulnerable Populations	4,769,513	10,261,422	15,030,935
<i>Subtotal:</i>	<i>368,405,321</i>	<i>282,590,206</i>	<i>650,995,527</i>
<b>EVIDENCE-BASED MEDICINE</b>			
Research	0	15,443,415	15,443,415
Medical Libraries	0	3,783,359	3,783,359
Other	0	1,607,585	1,607,585
<i>Subtotal:</i>	<i>0</i>	<i>20,834,359</i>	<i>20,834,359</i>
<b>EDUCATION</b>			
Consumers	114,353	10,036,963	10,151,317
Health Professionals	0	61,229,431	61,229,431
<i>Subtotal:</i>	<i>114,353</i>	<i>71,266,394</i>	<i>71,380,747</i>
<b>PUBLIC POLICY</b>			
Public Policy Grants & Expenses	1,257,511	843,305	2,100,816
<i>Subtotal:</i>	<i>1,257,511</i>	<i>843,305</i>	<i>2,100,816</i>
<b>OTHER COMMUNITY BENEFITS</b>			
Other CB Grants/Expenses	331,297	6,398,001	6,729,298
Community Giving Campaigns	0	189,352	189,352
<i>Subtotal:</i>	<i>331,297</i>	<i>6,587,353</i>	<i>6,918,650</i>
<b>TOTAL</b>	<b>\$370,108,482</b>	<b>\$382,121,617</b>	<b>\$752,230,099</b>

**KAISER FOUNDATION HOSPITALS**  
**FEIN: 94-1105628**  
**December 31, 2006**

**Part IV, Line 50a, RECEIVABLES FROM CURRENT AND FORMER OFFICERS,  
DIRECTORS, TRUSTEES AND KEY EMPLOYEES**

Pursuant to the terms of the organization's accountable expense reimbursement plan, certain expenses may be paid by the organization on behalf of its officers, directors and key employees which are subsequently repaid by such person to the organization. At any point during the normal business cycle, there may be amounts receivable from such persons pursuant to the accountable plan.

## KAISER FOUNDATION HOSPITALS

94-1105628

## FORM 990, PART 1, CONTRIBUTIONS, GIFTS AND GRANTS RECEIVED

12/31/2006

	<b>TOTAL</b>	<b>GOVERNMENT CONTRIBUTIONS</b>	<b>DIRECT SUPPORT</b>	
TOTAL GRANTS RECEIVED BY NORTHERN CA REGION	\$54,515,782	\$34,224,574	\$20,291,208	SEE DETAILS ON FOLLOWING PAGES
TOTAL GRANTS RECEIVED BY SOUTHERN CA REGION	\$5,857,461	\$2,761,234	\$3,096,227	
TOTAL GRANTS RECEIVED BY NORTHWEST REGION	\$23,708,391	\$130,323	\$23,578,068	
TOTAL GRANTS RECEIVED BY HOME OFFICE	\$3,932	\$0	\$3,932	
TOTAL GRANTS RECEIVED BY HAWAII REGION	\$32,842	\$0	\$32,842	
	\$84,118,408	\$37,116,131	\$47,002,277	

# SCAL Research & Evaluation Finance

## 2006 Annual Revenue Report

Full Cost Center	Title	Principal Investigator	Sponsor	Pass-through Entity	Cash Received
01-002-8062	HIV Drug Resistance Mutations as Predictors of Clinical Outcomes	Towner, William J. M.D.	National Institute of Allergy and Infectious Diseases	The Leland Stanford Junior University	\$3,862.64
01-002-9133	M.D. for Life: Making Decisions for Life	Towner, William J. M.D.	UC Universitywide AIDS Research Program	University of California, Los Angeles	\$4,585.82
01-101-9133	Contract Title: Universitywide AIDS Research Program IRB Title: M.D. for Life: Making Decisions for Life	Spotkov, Jared M. M.D.	UC, Los Angeles	University of California, Los Angeles	\$15,749.90
01-202-8030	Initiation and Propagation of Asthmatic Inflammation	Christiansen, Sandra C. M.D.	National Institute of Diabetes and Digestive Kidney Disease	Veterans Medical Research Foundation	\$19,322.31
01-202-8031	Epidemiology of Pelvic Floor Disorders: Prevalence and Effects of Vaginal Delivery on Pelvic Floor Function	Luber, Karl M. M.D.	National Institute of Child Health and Human Development	None	\$8,340.53
01-202-8033	Action to Control Cardiovascular Risk in Diabetes (ACCORD) Trial	Dudl, James R. M.D.	National Heart, Lung, and Blood Institute	University of Washington	\$357,502.54
01-202-8034	CALM: Improving Primary Care Anxiety Outcomes	Guzman, Erwin MD	National Institute of Mental Health	University of California, San Diego	\$101,892.56
01-202-8040	Adverse Childhood Experience as a Determinant of Chronic Disease Risk: Family Risk Factors and Long-Term Consequences.	Felitti, Vincent J. M.D.	Centers for Disease Control and Prevention	None	\$38,337.94
01-202-8060	A Clinical Trial to Evaluate the Benefit of Adding Octreotide (SMS 201-995 PA LAR) to Tamoxifen Alone or to Tamoxifen and Chemotherapy in Patients with Axillary Node-Negative, Estrogen-Receptor-Positive, Primary Invasive Breast Cancer	Polikoff, Jonathan A. M.D.	National Cancer Institute	National Surgical Adjuvant Breast and Bowel Project (NSABP)	\$306,845.00

Full Cost Center	Title	Principal Investigator	Sponsor	Pass-through Entity	Cash Received From To
01-202-8079	Study of Tamoxifen and Raloxifene (STAR) for the Prevention of Breast Cancer	Polikoff, Jonathan A. M.D.	National Cancer Institute	National Surgical Adjuvant Breast and Bowel Project (NSABP)	\$22,187.95
01-206-8030	Osteoporosis Risk Factors in Men and Women of an Ethnically Diverse Population	Blau, Eric M. M.D.	The Scripps Research Institute	None	\$1,458.47
01-206-8034	Pediatric Asthma Controller Trial (PACT) for the Childhood Asthma Research and Education Network	Zeiger, Robert S. M.D.	National Heart, Lung, and Blood Institute	University of California, San Diego	\$12,753.98
01-206-8035	Web-based Evaluation of Tools for Shared PSA Decisions	Hamori, Charles MD	Centers for Disease Control and Prevention	University of California, San Diego	\$6,093.54
01-206-8038	Acute Intervention Management Strategies for the Childhood Asthma Research and Education Network	Zeiger, Robert S. M.D.	National Heart, Lung, and Blood Institute	University of California, San Diego	\$60,908.13
01-206-8039	Childhood Asthma Management Program Continuation Study/Phase 2 (CAMPCS/2)	Zeiger, Robert S. M.D.	National Heart, Lung, and Blood Institute	University of California, San Diego	\$130,560.74
01-207-8033	ACCORD EYE Study	Dudl, James R. M.D.	National Heart, Lung, and Blood Institute	University of Washington	\$2,622.39
01-250-8058	Cystic Fibrosis Foundation Patient Registry	Lieberthal, Allan S. M.D.	Cystic Fibrosis Foundation	None	\$32,890.00
01-990-8032	CALGB Affiliate Institution Services Agreement from the University of Chicago for Cancer and Leukemia Group B Case Study Services	Polikoff, Jonathan A. M.D.	National Cancer Institute	The University of Chicago-Cancer and Leukemia Group B Foundation	\$198,509.60
01-990-8033	ACCORD MIND Study	Dudl, James R. M.D.	National Heart, Lung, and Blood Institute	University of Washington	\$6,071.37
01-990-8036	Cancer Research Network (CRN) Infrastructure and Diffusion Studies	Quinn, Virginia P. Ph.D.	National Cancer Institute	Group Health Cooperative (GHC)	\$98,363.12



Full Cost Center	Title	Principal Investigator	Sponsor	Pass-through Entity	Cash Received From To
01-990-8040	Phytoestrogens and Progression of Atherosclerosis	Pettiti, Diana B. M.D.	National Center for Complementary and Alternative Medicine	University of Southern California, Los Angeles	\$37,481.52
01-990-8042	Randomized, Single Blinded Study of the Safety and Immunogenicity of the Pentavalent DTaP-Hep B-IPV Combination Vaccine (Pediarix™ GlaxoSmithKline (GSK) Biologicals) Administered to Healthy Neonates and Infants at Birth, 2 and 6 Months of Age with DTaP (Infanrix® GSK) Administered at 15 Months of Age Compared to a Routine Infant Schedule at 2, 4, 6 and 15 Months of Age	Ackerson, Bradley K. M.D.	National Institute of Health	Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center	\$6,073.73
01-990-8046	Natural History of Prostatism: The Olmsted County Study	Jacobsen, Steven J MD		Mayo Clinic Rochester	\$6,796.36
01-990-8050	A Telephone Screening Test of Cognitive Function	Jacobsen, Steven J MD	National Institute of Diabetes and Digestive Kidney Disease		
01-990-8058	The Epidemiology of Gestational Diabetes Mellitus in a Multi-Ethnic Population	Crooks, Valerie C. D.S.W.	Department of Health Services	None	\$30,853.00
01-990-8060	A Clinical Trial to Evaluate the Benefit of Adding Octreotide (SMS 201-995 PA LAR) to Tamoxifen Alone or to Tamoxifen and Chemotherapy in Patients with Axillary Node-Negative, Estrogen-Receptor-Positive, Primary Invasive Breast Cancer	Lawrence, Jean M. ScD	American Diabetes Association Clinical Research Award	None	\$55,509.51
01-990-8063	Hyperglycemia and Adverse Pregnancy Outcome (HAPO) (Including DNA Ancillary Study)	Polikoff, Jonathan A. M.D.	National Cancer Institute	National Surgical Adjuvant Breast and Bowel Project (NSABP)	\$469,775.00
		Sacks, David A. M.D.	National Institute of Child Health and Human Development	Northwestern University	\$171,400.74

Full Cost Center	Title	Principal Investigator	Sponsor	Pass-through Entity	Cash Received From To
01-990-8068	Alzheimers' Disease and Estrogen Replacement	Crooks, Valerie C. D.S.W.	National Institute on Aging	None	\$391,862.40
01-990-8071	Trial to Reduce Insulin-Dependent Diabetes in the Genetically at Risk (TRIGR) Recruitment Site	Lawrence, Jean M. ScD	National Institute of Health	University of California, Los Angeles	\$2,098.21
01-990-8077	Chronic Kidney Disease Morbidity, Mortality and Predictors	Derose, Stephen F. M.D.	National Institute of Diabetes and Digestive Kidney Disease	None	\$174,657.98
01-990-8079	Study of Tamoxifen and Raloxifene (STAR) for the Prevention of Breast Cancer	Polikoff, Jonathan A. M.D.	National Cancer Institute	National Surgical Adjuvant Breast and Bowel Project (NSABP)	\$46,818.96
01-990-8080	Prevention and Control of Diabetes in Families	Quinn, Virginia P. Ph.D.	National Institute of Diabetes and Digestive Kidney Disease	University of Southern California, Los Angeles	\$142,965.98
01-990-8081	CRN-HIT 2	Quinn, Virginia P. Ph.D.	National Cancer Institute	Kaiser-Center for Health Research	\$4,635.01
01-990-8085	Epidemiologic Evaluations of Drug Safety	Quinn, Virginia P. Ph.D.	Food and Drug Administration	Division of Research (DOR)	\$15,102.51
01-990-8086	Interviewing Long-Term Colorectal Cancer Survivors: A Pilot Study	Haque, Reina Ph.D.	National Cancer Institute	Group Health Cooperative (GHC)	\$31,090.60
01-990-8087	Comprehensive Linked Data Collection of Medical Events and Immunization Vaccine Safety and Development Datalink, Phase IV/V: Evaluation of Vaccine Safety in Children and Adolescents 7 -17 Years of Age	Marcy, Michael S. M.D.	Centers for Disease Control and Prevention	Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center	\$316,748.12
01-990-8088	Treatment of Children less than 21 years of Age with Newly Diagnosed Acute Non-Lymphocytic Leukemia & Myelodysplastic Syndrome	Cooper, Robert M. MD	National Cancer Institute	National Childhood Cancer Foundation	\$22,338.01
01-990-8100	Breast Cancer Treatment Effectiveness in Older Women	Quinn, Virginia P. Ph.D.	National Cancer Institute	Boston Medical Center	\$23,649.00

Full Cost Center	Title	Principal Investigator	Sponsor	Pass-through Entity	Cash Received From To
01-990-9014	DCIS Ductal Cancer in Situ	Haque, Reina Ph.D.	National Cancer Institute	Group Health Cooperative (GHC)	\$128,500.19
01-990-9130	Social Work in Primary Care Intervention	Gibbs, Nancy E. M.D.	Atlantic Philanthropies	Partners In Care Foundation	\$88,218.11
01-991-8032	SEARCH for Diabetes in Youth 2: Uniform Population Based Approach to Case Ascertain Typology, Surveillance, and Research on Childhood Diabetes	Lawrence, Jean M. ScD	Centers for Disease Control and Prevention	None	\$474,273.67
01-991-8035	Role of Inhaled Corticosteroids in the Secondary Prevention of Asthma: Prevention of Early Asthma in Kids (PEAK)	Zeiger, Robert S. M.D.	National Heart, Lung, and Blood Institute	University of California, San Diego	\$43,487.68
01-991-8036	Antidepressants and Suicidal Behavior in Children and Adolescents	Quinn, Virginia P. Ph.D.	Agency for Healthcare Research and Quality	Division of Research (DOR)	\$23,332.19
01-991-8037	Comparing Pancreatic Cancer Identification Using Health Plan Automated Data	Haque, Reina Ph.D.	National Cancer Institute	Group Health Cooperative (GHC)	\$19,681.41
01-991-8040	Biologic Response of Menopausal Women to 17 Beta-Estradiol (Early Versus Later Intervention Trial With Estradiol ELITE)	Munro, Malcolm M.D.	National Institute on Aging	University of Southern California, Los Angeles	\$67,010.28
01-991-8041	Gynecologic Oncology Group (GOG) Trials	Lentz, Scott E. M.D.	National Cancer Institute	University of California, Irvine	\$6,091.00
01-991-8042	The Role of Sedlin in Maintaining Cartilage Integrity	Tiller, George MD	National Institute of Arthritis and Musculoskeletal and Skin	Vanderbilt University Medical Center	\$8,664.97
01-991-8043	B-Vitamin Atherosclerosis Intervention Trial (BVAIT)	Mahrer, Peter R. M.D.	National Institute on Aging	University of Southern California, Los Angeles	\$10,955.49
01-991-8045	CRN DCIS II [Supplement]	Haque, Reina Ph.D.	National Cancer Institute	Group Health Cooperative (GHC)	\$9,037.84

Full Cost Center	Title	Principal Investigator	Sponsor	Pass-through Entity	Cash Received From To
01-991-8056	Carotid Revascularization Endarterectomy vs. Stent Trial (CREST)	Hye, Robert J. M.D.	National Institute of Neurological Disorders and Stroke	University of Medicine and Dentistry of New Jersey (UMDNJ)	\$86,362.50
01-991-8059	Urinary Incontinence Treatment Network Study Protocol: A Randomized Clinical Trial of Burch Colposuspension and Autologous Fascia Sling Procedures	Menefee, Shawn A. M.D.	National Institute of Diabetes and Digestive and Kidney Diseases	University of California, San Diego	\$83,563.48
01-991-8065	Treatment of Children less than 21 yrs of Age with Newly Diagnosed Acute Non-Lymphocytic Leukemia & Myelodysplastic Syndrome	Cooper, Robert M. MD	National Cancer Institute	National Childhood Cancer Foundation	\$54,642.99
01-991-8068	Phase III Multi-Institutional Randomized Study of Immunization with the gp 100:209-217(210M) Peptide Followed by High Dose IL-2 vs. High Dose IL-2 Alone in Metastatic Melanoma	Gailani, Fawaz M.D.	National Cancer Institute	Chiron Corporation	\$8,000.00
01-991-8070	Diabetic Retinopathy Clinical Research Fong, Donald S. M.D. Network Steering Committee	Jaeb Center for Health Research, Inc.		None	\$350.00
01-991-8074	Genetics of Beta Cell Failure in Mexican Americans #3	Lawrence, Jean M. ScD	National Institute of Diabetes and Digestive and Kidney Diseases	University of Southern California, Los Angeles	\$85,464.89
01-991-8083	ADHD Drugs and Cardiovascular Outcomes -- Phase 1	Quinn, Virginia P. Ph.D.	Food and Drug Administration	Division of Research (DOR)	\$575.61
01-991-8094	Molecular Epidemiology of Fatal Prostate Cancer	Haque, Reina Ph.D.	National Cancer Institute	Kaiser-Center for Health Research	\$135,937.54
01-991-9009	Assessing the Impact of high Deductible Health Plans	Derose, Stephen F. M.D.	Commonwealth Fund	Division of Research (DOR)	\$27,381.51
01-991-9130	California Men's Study (CMS): A Prospective Cohort Study for Prostate Cancer	Quinn, Virginia P. Ph.D.	Department of Health Services-State of California	Division of Research (DOR)	\$17,553.73

Full Cost Center	Title	Principal Investigator	Sponsor	Pass-through Entity	Cash Received From To
01-991-9131	Diabetic Retinopathy Clinical Research Pince, Keith J. M.D. Network Protocol #1A: A Pilot Study of Laser Photocoagulation for diabetic Macular Edema	National Eye Institute	Jaeb Center for Health Research, Inc.		\$790.00
01-991-9132	Diabetic Retinopathy Clinical Research Pince, Keith J. M.D. Network: A Randomized Trial Comparing Intravitreal Triamcinolone Acetonide and Laser Photocoagulation for Diabetic Macular Endema	National Eye Institute	Jaeb Center for Health Research, Inc.		\$85.00
	Misc. Grants < \$5,000				\$1,098,786
	<b>Grand Total</b>				<b>\$4,758,675.25</b>

Region: Northern California  
Contributions, Donations and Grants **Received**  
For Year 12/31/2006

Name of Contributors	Address & Zip + 4	Amt of Donation Received	Check one		Source of Contributions	Purpose (unrestricted, research, etc )	If Contribution is over \$5,000	
			Type of Contributions				Date of Donation	Description, FMV, Date Rec'd
Adiana, Inc	2684 Middlefield Road, Suite A Redwood City, CA 94063-3479	23,942.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
Alexion Pharmaceuticals Inc	352 Knottier Drive Cheshire, CT 06410	9,639.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
American Cancer Society	1599 Clifton Rd NE Atlanta, GA 30329-4251	245,958.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
American Diabetes Association	1701 North Beauregard St Alexandria, VA 22311	143,673.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
Amgen, Inc	1840 DeHavilland Drive Thousand Oaks, CA 91320-1789	108,377.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
Angiotech Pharmaceuticals, Inc	1618 Station Street Vancouver BC Canada V6A 1B6	29,904.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
Astra Zeneca Pharmaceuticals	1800 Concord Pike Wilmington, DE 19850-5437	17,547.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
Athena Neurosciences Inc	800 Gateway Blvd So San Francisco, CA 94080	9,081.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
Aventis Pasteur	Discovery Drive Swiftwater, PA 18370	1,883,763.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
Aviron	297 North Bernardo Ave Mountain View, CA 94043	243,185.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
Berlex Laboratories	300 Fairfield Road Wayne, NJ 07470-7358	7,108.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			
Biogen, Inc	14 Cambridge Center Cambridge, MA 02142	14,729.00	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> NonCash	<input checked="" type="checkbox"/> Public - individuals, corp <input type="checkbox"/> Government	2006 Research			

BioMarin Pharmaceuticals Inc	371 Bel Marin Keys Suite 210 Novato, CA 94949	61,011 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Boehringer Ingelheim Pharmaceuticals, Inc	900 Ridgeburg Rd P.O. Box 368 Ridgefield, CT 06877-0368	28,280 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Boston Scientific/ EP Technologies	5905 Nathan Lane Plymouth, MN 55442	24,168.00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Bristol-Myers Squibb Company	345 Park Avenue New York, NY 10154-0037	221,802 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
California Cancer Research Program	1616 Capitol Avenue Suite 74-421 Sacramento, CA 95814-5052	5,345.00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
California Healthcare Foundation	476 Ninth Street Oakland, CA 94607	36,112 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
California Wellness Foundation	6320 Canoga Avenue Suite 1700 Woodland Hills, CA 91367	59,479 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Centocor	800/850 Ridgeview Drive Horsham, PA 19044	15,221 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Chiron Corporation	4560 Horton Street Emeryville, CA 94608	7,539 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
ChondroGene, Inc	800 Petrolia Rd Unit 15 Toronto, Ontario M3J 3K4 Canada M3J 3K4	202,476 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Commonwealth Fund	One East 75th Street New York, NY 10021	223,574.00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Corus Pharma, Inc	2025 1st Ave Suite 800 Seattle, WA 98121	7,501 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Critical Therapeutics, Inc	60 Westview Street Lexington, MA 02421-3108	49,246 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Crohn's and Colitis Foundation of America	386 Park Avenue South 17th Fl., New York NY 10016	14,287 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research

Cystic Fibrosis Foundation	6931 Arlington Road Bethesda, MD 20814	44,009.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Donald W Reynolds Cardiovascular Center	The Johns Hopkins University 600 North Wolfe Street Baltimore, MD 21287	118,573.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Elian Pharmaceuticals Inc	800 Gateway Blvd So San Francisco, CA 94080	11,959.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Eli Lilly and Company	307 East McCarty Street Indianapolis, IN 46285	159,786.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Ellison Medical Foundation	4710 Bethesda Ave Ste 204 Bethesda, MD 20814-5226	420,328.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
EpiSource, LLC	275 Blue Trail Suite 3 Hamden, CT 06518	8,412.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Exact Laboratornes, Inc	63 Great Road Maynard, MA 01754	5,536.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
FEI Women's Health	222 N Sepulveda Blvd. Suite 1750 El Segundo, CA 90245	18,375.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
FibroGen	225 Gateway Boulevard South San Francisco, CA 94080	42,039.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Genentech, Inc	1 DNA Way South San Francisco CA 94080-4990	128,480.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Genomic Health	301 Penobscot Drive Redwood City, CA 94063	9,090.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Gilead Sciences, Inc	353 Lakeside Drive Foster City, CA 94404	70,268.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
GlaxoSmithKline, Inc	980 Great West Road Brentford, Middlesex Canada TW8 9GS	3,413,016.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Gordon and Betty Moore Foundation	Presidio of San Francisco P O. Box 29910	48,805.00	<u>  X  </u> Cash	<u>      </u> NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research



Hellman Family Research Fund	San Francisco, CA 94129-0910	41,980 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Hoffman-La Roche, Inc	340 Kingsland Street Nutley, NJ 07110	91,571 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Hospira, Inc	275 North Field Dr Bldg H2 Lake Forest, IL 60045	29,136.00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
IDEC Pharmaceuticals Corporation	1011 Torreyana Road San Diego, CA 92121	45,900 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Incyte Corporation	Route 141 and Henry Clay Blvd. Wilmington, DE 19880	19,283 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Inhibitex Inc	1165 Sanctuary Parkway Suite 400 Alpharetta, GA 30004	46,765 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Johnson and Johnson Pharmaceutical Research and Development	920 US Route 202 South P O Box 300 Raritan, NJ 08869-0602	96,186 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
March of Dimes	1275 Mamaroneck Ave White Plains, NY 10605	10,685 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Massachusetts Biologic Laboratories	305 South Street Jamaica Plain, MA 02130	656,197 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Medimmune, Inc	35 West Watkins Mill Rd Gaithersburg, MD 20878	2,700,147 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Merck & Co Inc	1 Walnut Grove Drive Horsham, PA 19044	209,773.00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Muscular Dystrophy Association	3300 East Sunrise Drive Tucson, AZ 85718	48,590.00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
Myogen, Inc	7575 West 103rd Avenue Suite 102 Westminster, CO 80021	35,046 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Alliance for	99 Wallstreet Research Park	67,450.00	<u>X</u> Cash	<u>X</u> Public - individuals, corp	2006 Research

Autism Research	Princeton, NJ 08540		NonCash		Government	Research
National Multiple Sclerosis Society	733 3rd Street New York, NY 10017-3288	30,996 00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Novacea, Inc	601 Gateway Blvd Suite 800 South San Francisco CA 94080	275,058.00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Novartis Pharmaceuticals Corporation	59 Route 10 East Hanover, NJ 07936-1080	104,471 00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Pfizer, Inc	235 East 42nd Street New York, NY 10017	417,259.00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Pharmacia and Upjohn Company	7000 Portage Road Kalamazoo, MI 49001	118,873 00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Procter & Gamble Pharmaceuticals, Inc	P.O Box 8006 Mason, OH 45040-8006	56,443.00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Restless Legs Syndrome Foundation	1610 14th Street NW Suite 300 Rochester, MN 55901	7,942.00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Robert Wood Johnson Foundation	P.O. Box 2316 College Road East and Route 1 Princeton, NJ 08543	36,572 00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Roche Laboratories	340 Kingsland Street Nutley, NJ 07110-1199	138,320.00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Sandler Family Foundation	Box 0509, UCSF San Francisco, CA 94143-0509	73,404 00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Sanofi Research	9 Great Valley Parkway Malvern, PA 19355	426,670 00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research
Sanofi-Synthelabo, Inc	P O Box 4500 Princeton, NJ 0543-4500	959,943 00	<u>X</u> Cash NonCash	<u>X</u>	Public - Individuals, corp Government	2006 Research
Savient Pharmaceuticals Inc	One Tower Center 14th Floor East Brunswick, NJ 08816	28,900 00	<u>X</u> Cash NonCash	<u>X</u>	Public - individuals, corp Government	2006 Research

Schering-Plough	2000 Galloping Hill Road Kenilworth, NJ 07023	80,310 00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Scios, Inc	6500 Paseo Padre Parkway Fremont, CA 94555	41,672 00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Searle Pharmaceuticals	235 East 42nd Street New York, NY 10017	16,309 00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Serono Laboratories, Inc	1 Walnut Grove Drive Horsham, PA 19044	17,569.00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
SpinalMotion, Inc	11130 Fairfax Blvd Suite 100 Fairfax, VA 22030	9,599.00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
St Jude Medical Inc	One Lillehei Plaza St Paul, MN 55117	18,528 00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Takeda Pharmaceuticals	One Takeda Parkway Deerfield, IL 60015	486,365 00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Tanox, Inc	10301 Stella Link Houston, TX 77081	13,741.00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
TAP Pharmaceuticals, Inc	675 North Field Drive Lake Forest, IL 60045	24,698.00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Theratechnologies Inc	2310 Alfred-Nobel Blvd St Laurent, Canada H4S 2A4	161,270 00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Thrasher Research Fund	15 E South Temple St. 3rd Floor Salt Lake City, UT 84150-6910	57,532 00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Tibotec Pharmaceuticals Ltd	Blanchardstown Corp Park Dublin 15 Ireland	124,774 00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
Tobacco Related Disease Research Program	300 Lakeside Drive Oakland, CA 94612-3550	137,475 00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research
UC Berkeley Chancellor's Research Fund	UC Berkeley Berkeley, CA 94720	14,625 00	<u>  X  </u> Cash NonCash	<u>  X  </u> Public - individuals, corp Government	2006 Research

UC Universitywide AIDS Research Program	300 Lakeside Drive 6th floor Oakland, CA 94612	6,932.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
United Cerebral Palsy	1660 L Street, NW Suite 700 Washington DC, 20036-5602	11,216.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
Wayne and Gladys Valley Foundation	1939 Harrison Street Oakland, CA 94612	1,117,580.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
Wyeth Pharmaceuticals Corporation	555 Lancaster Avenue St Davids, PA 19087	1,032,178.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
XDx Inc	750 Gateway Blvd. Suite H So San Francisco, CA 94080	6,408.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
Others -Less than \$5000	Misc Donors	<u>1,947,444.00</u>	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
		<del>20,291,208.00</del> Total Public-Individuals, Corp			
Agency for Healthcare Research and Quality	2101 E. Jefferson, Suite 501 Rockville, MD 20852	\$ 1,407,281.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
Center for Disease Control and Prevention	1600 Clifton Road Atlanta, GA 30333	5,825,743.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
Department of Defense	1100 Defense Pentagon Washington, DC 20301-1100	103,535.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
Food and Drug Administration	5600 Fishers Lane Rockville, MD 20857-0001	164,932.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
Health Resources Services Administration	5600 Fishers Lane Rockville, MD 20857	127,480.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - individuals, corp <u>      </u> Government	2006 Research
Maternal and Child Health Bureau	5600 Fishers Lane Parklawn Bldg Rm 18-05 Rockville, MD 20857	7,013.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - Individuals, corp <u>      </u> Government	2006 Research
National Cancer Institute	6116 Executive Blvd Suite 3036A Bethesda, MD 20892-8322	7,818,198.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>  X  </u> Public - Individuals, corp <u>      </u> Government	2006 Research

National Center for Complementary and Alternative Medicine	6707 Democracy Blvd Suite 401 Bethesda, MD 20892	319,586 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Heart, Lung and Blood Institute	6701 Rockledge Drive Rm 8150 Bethesda, MD 20892	5,075,841 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute for Occupational Safety and Health	200 Independence Ave., SW Room 715H Washington, DC 20201	342,230.00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute of Allergy and Infectious Diseases	6700 N Rockledge Drive Bethesda, MD 20892	165,391 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute of Arthritis and Musculoskeletal and Skin Disease	Bldg. 31, Room 4C02 31 Center Dr - MSC 2350 Bethesda, MD 20892-2350	124,591 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute of Child Health and Human Development	31 Center Drive Bldg 31 Rm 2A32 Bethesda, MD 20892	1,664,833 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute of Deafness and Other Communication Disorders	31 Center Drive, MSC 2320 Bethesda, MD 20892-2320	21,149.00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute of Diabetes and Digestive and Kidney Disease	6707 Democracy Plaza Rm 709A Bethesda, MD 20892	3,514,458 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute of Environmental Health Sciences	111 Alexander Drive Research Triangle Park NC 27709	1,782,481 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute of General Medical Sciences	45 Center Drive MSC 6200 Bethesda, MD 20892-6200	128,609 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute of Mental Health	6001 Executive Boulevard, Room 8184, MSC 9663 Bethesda, MD 20892-9663	670,698 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute of Neurological Disorders and Strokes	6001 Executive Blvd Suite 3309 Bethesda, MD 20892-9531	994,615 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute on Aging	31 Center Drive Bldg 31 Rm 5C27 Bethesda, MD 20892	669,227 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research
National Institute on Alcohol Abuse and Alcoholism	6000 Executive Blvd Wilco Bldg Bethesda, MD 20892-7003	1,409,955 00	<u>X</u> Cash NonCash	<u>X</u> Public - individuals, corp Government	2006 Research

National Institute on Drug Abuse	6001 Executive Blvd Rm 5213 Bethesda, MD 20892-9561	1,444,542.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>      </u> Public - individuals, corp <u>  X  </u> Government	2006 Research
National Institute of Health	Dept of Public Health Science Medical Center Blvd Winston-Salem, NC27157-1063	132,965.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>      </u> Public - individuals, corp <u>  X  </u> Government	2006 Research
National Library of Medicine	8600 Rockville Pike Bethesda, MD 20894	100,704.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>      </u> Public - individuals, corp <u>  X  </u> Government	2006 Research
United States Department of Agriculture	14th and Independence Ave SW Washington DC, 20250	181,219.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>      </u> Public - individuals, corp <u>  X  </u> Government	2006 Research
US Army Medical Research Acquisition Activity	Fort Detrick Frederick, MD 21702-5014	25,488.00	<u>  X  </u> Cash <u>      </u> NonCash	<u>      </u> Public - individuals, corp <u>  X  </u> Government	2006 Research
Others - Less than \$5,000.00		<u>1,810.00</u>	<u>  X  </u> Cash <u>      </u> NonCash	<u>      </u> Public - individuals, corp <u>  X  </u> Government	2006 Research

**3,622,516.00** Total Government Grants Received

**3,451,578.00** Total Northern California Grants Received

agion:10  
Contributions, Donations and Grants Received  
COA 4737 - 4761 For Year 2006

Account Number	Account Title	Payor	Payor's Address	Date	Contributions	Total	Source of Contribution	Purpose
I-000-0000-1831-8030C	NSABP STUDIES	Various (no amounts of \$5000 or more)		Various	50.00	\$ 50.00		
I-000-0000-1831-8030C	NSABP STUDIES	Multicare	737 A. Fawcett P.O. Box 5299 Tacoma, WA 98415-0299	10/31/2006 12/28/2006	35,750.00 8,650.00		P	Research
						<u>\$ 44,400.00</u>		
I-000-0000-1831-8031C	SWOG	Various (no amounts of \$5000 or more)	7979 Wurzbach, Suite U532 San Antonio, TX 78229	Various	6,747.14	\$ 6,747.14	P	Research
I-000-0000-1831-8067C	Bold	Altana Pharma US	P.O. Box 2006 Melville, NY 11747-0103	2/28/2006	95,000.00	\$ 95,000.00	P	Research
I-000-0000-1831-8067C	Bold	AstraZeneca PS&I	Lund Sweden SE-221 87	4/4/2006	59,992.00	\$ 59,992.00	P	Research
I-000-0000-1831-8067C	Bold	Boehringer Ingelheim International GmbH	Binger Str. 173 55246 Ingelheim Germany	7/31/2006	79,979.00	\$ 79,979.00	P	Research
I-000-0000-1831-8067C	Bold	Chiesi Farmaceutici SpA	Via Palermo 26 / A Parma, 43100 Italy	4/30/2006	29,988.00	\$ 29,988.00	P	Research
I-000-0000-1831-8067C	Bold	Glaxo Smithkline	Stockley Park West Uxbridge, Middlesex UB11 1BT England	1/31/2006	52,700.00	\$ 52,700.00	P	Research
I-000-0000-1831-8067C	Bold	Glaxo Smithkline Eesti OÜ	Pärnu mnt 67A, 10134 Tallinn, Estonia	11/30/2006 12/31/2006	4,000.00 4,000.00	<u>\$ 8,000.00</u>	P	Research
I-000-0000-1831-8067C	Bold	Merck & Co., Inc.	P.O. Box 2000 R733-304 Rathway, NJ 07065	2/28/2006	60,000.00	\$ 60,000.00	P	Research
I-000-0000-1831-8067C	Bold	Novartis Pharma AG	WSJ-210.10.36 CH-4056 Basel Switzerland	12/14/2006	15,000.00	\$ 15,000.00	P	Research
I-000-0000-1831-8067C	Bold	University of Kentucky	Special Initiatives Director Markey Cancer Center Lexington, KY 40506	5/31/2006	50,000.00	\$ 50,000.00	P	Research
I-000-0000-1831-8116C	Star	NSABP Foundation, Inc	East Commons Professional Bldg. 4 Allegheny Center, 5th Floor Pittsburgh, PA 15212	Various	4,525.00	\$ 4,525.00	P	Research

1-000-0000-1831-8666C	APD COST	Janssen Medical Affairs, LLC	1125 Trenton-Harbourton Road P.O. Box 200 Titusville, NJ 08560	3/14/2006	3,500.00	\$	3,500.00	P	Research
1-000-0000-1831-8673C	Gestational Diabetes	American Diabetes Foundation	1701 North Beauregard Street Alexandria, VA 22311	3/29/2006 6/14/2006 9/21/2006	25,000.00 25,000.00 25,000.00		<u>\$ 75,000.00</u>	F	Research
1-000-0000-1831-8716C	BMS WEIGHT GAIN	Bristol Meyers Squibb Company	345 Park Avenue New York, NY 10154	9/21/2006	80,000.00	\$	80,000.00	P	Research
1-000-0000-1831-8718C	DISABILITY SURVEY	Inland Empire Health Plan	303 East Vanderbilt Way Suite 400 San Bernardino, CA 92408	9/21/2006	30,000.00	\$	30,000.00	P	Research
1-000-0000-1831-8722C	DIABETES NOVARTIS 2303	Novartis Pharmaceuticals Corporation	One Health Plaza West Point, PA 19486	4/4/2006 5/31/2006	29,122.56 7,244.30		<u>\$ 36,366.86</u>	P	Research
1-000-0000-1831-8726C	DIABETES NOVARTIS 2305	Novartis Pharmaceuticals Corporation	One Health Plaza West Point, PA 19486	4/26/2006 5/31/2006	7,316.98 5,795.44		<u>\$ 13,112.42</u>	P	Research
1-000-0000-1831-8734C	CAD	Medtap International, Inc.	7101 Wisconsin Avenue Suite 600 Bethesda, MD 20814	3/14/2006	339,953.00	\$	339,953.00	P	Research
1-000-0000-1831-8734C	CAD	United Biosource Corporation	7101 Wisconsin Avenue Suite 600 Bethesda, MD 20814	10/31/2006	25,000.00	\$	25,000.00	P	Research
-000-0000-1831-8735C	GOOUT/TAP	Harvard Pilgrim Health Care	Office of Sponsored Programs 133 Brookline Avenue, 5th Floor Boston, MA 02215	11/21/2006	24,000.00	\$	24,000.00	P	Research
-000-0000-1831-8737C	ADE PFIZER	Harvard Pilgrim Health Care	Office of Sponsored Programs 133 Brookline Avenue, 5th Floor Boston, MA 02215	10/31/2006	6,544.68	\$	6,544.68	P	Research
-000-0000-1831-8739C	MERCK METFORMIN	Merck & Company, Inc.	Epidemiology Department, BL 1-7 10 Sentry Parkway Blue Bell, PA 19422	4/26/2006	50,000.00	\$	50,000.00	P	Research
-000-0000-1831-8740C	PAI HPT	Policy Analysis Incorporated	Four Davis Court Brookline, MA 02445	5/31/2006 11/30/2006	116,016.67 8,885.00		<u>\$ 124,901.67</u>	P	Research
-000-0000-1831-8741C	OPHTHA GENETIC	Various (no amounts of \$5000 or more)		Various	897.00	\$	897.00		
-000-0000-1831-8743C	GSK NEW DX	GlaxoSmithKline	Five Moore Drive Research Triangle Park, NC 27709	9/21/2006	35,000.00	\$	35,000.00	P	Research
-000-0000-1831-8744C	PTH OVATION 04/05 03/06	Ovation Research Group	600 Central Avenue Highland Park, IL 60035	2/28/2006 6/29/2006 9/21/2006	83,332.00 41,668.00 11,523.79		<u>\$ 136,523.79</u>	P	Research
-000-0000-1831-8745C	CKD RISK ADVENTIS	Adventis Incorporated	400 Somerset Corporate Blvd. P.O. Box 6944 Bridgewater, NJ 08807-0944	3/29/2006 9/28/2006	102,000.00 51,000.00		<u>\$ 153,000.00</u>	P	Research
-000-0000-1831-8748C	OREO CEA	Free & Clear, Inc	999 3RD Avenue, Ste. 2100 Seattle, WA 98104	2/28/2006 6/14/2006	9,961.79 23,051.74		<u>\$ 33,013.53</u>	P	Research



-000-0000-1831-8751C	METSP0C 10/05 12/06	United BioSource Corporation	7101 Wisconsin Avenue Suite 600 Bethesda, MD 20814	3/29/2006	100,000.00	\$ 100,000.00	P	Research
-000-0000-1831-8753C	AMGEN CKD COST	Amgen	One Amgen Center Drive Thousand Oaks, CA 91320	1/31/2006 2/28/2006 10/31/2006 12/28/2006 12/28/2006	50,600.00 40,848.00 45,007.00 25,025.00 58,520.00	\$ 220,000.00	P	Research
-000-0000-1831-8755C	GSK MYO 10/05 12/07	GlaxoSmithKline	Five Moore Drive Research Triangle Park, NC 27709	9/21/2006	20,000.00	\$ 20,000.00	P	Research
-000-0000-1831-8756C	CKD ESRD 11/05 10/07	Amgen	One Amgen Center Drive Thousand Oaks, CA 91320	2/28/2006 12/28/2006	228,000.00 60,000.00	\$ 288,000.00	P	Research
-000-0000-1831-8758C	PID 12/05 07/07	Pfizer Inc.	US Outcomes Research New York, NY 10017	1/31/2006	100,000.00	\$ 100,000.00	P	Research
-000-0000-1831-8759C	AIDS PFIZER A4001028	Pfizer Inc.	50 Pequod Avenue, MS 6025-B21R New London, CT 06320	3/14/2006 6/14/2006 6/14/2006 8/9/2006 8/31/2006 8/31/2006 10/31/2006	24,375.00 300.00 4,137.00 3,640.00 3,367.00 300.00 689.00	\$ 36,808.00	P	Research
000-0000-1831-8763C	SOF ROCHE CPMCRI	California Pacific Medical Center Research Institut	135 Betty Street, Suite 5700 Lobby 4 San Francisco, CA 94107	12/14/2006	15,152.00	\$ 15,152.00	P	Research
000-0000-1831-8764C	MERCK LDL	Merck & Company, Inc.	U.S. Human Health P.O. Box 4 West Point, PA 19486-0004	5/31/2006 6/14/2006 11/21/2006	50,000.00 35,000.00 38,500.00	\$ 123,500.00	P	Research
000-0000-1831-8768C	Genentech Food Allergies	Genentech, Inc.	One DNA Way, Mail Stop #214-B South San Francisco, CA 94080	10/31/2006	75,000.00	\$ 75,000.00	P	Research
000-0000-1831-8769C	HMO RESEARCH NETWORK	Various (no amounts of \$5000 or more)		Various	300.00	\$ 300.00	P	Research
000-0000-1831-8776C	MDR HIV	Abbott Laboratories	200 Abbott Park Dept. OL96, Bldg. AP30-4 Abbott Park, IL 60064	10/31/2006	59,583.05	\$ 59,583.05	P	Research
100-0000-1831-8777C	BMS IMDM 9/06 12/07	Bristol-Myers Squibb Company	345 Park Avenue New York, NY 10154	10/31/2006	25,000.00	\$ 25,000.00	P	Research
100-0000-1831-8778C	BIRO 11/06 10/07	Sanofi-Aventis U.S. Inc.	300 Somerset Corporate Blvd. Bridgewater, NJ 08807	11/21/2006	50,000.00	\$ 50,000.00	P	Research
100-0000-1831-8781C	PAI 11/06 10/07	Policy Analysis Incorporated	Four Davis Court Brookline, MA 02445	12/14/2006	62,500.00	\$ 62,500.00	P	Research

000-0000-1831-8782C	GSK ABACAVIR ABC107442	GlaxoSmithKline	Five Moore Drive Research Triangle Park, NC 27709	12/28/2006 12/28/2006	6,818.00 7,375.00	P	Research
000-0000-1831-8783C	GSK PRED	SmithKline Beecham Corporation	P.O. Box 13681 Philadelphia, PA 19101	12/28/2006	65,000.00	P	Research
000-0000-1831-9042C	SEEK	Group Health Cooperative	Administrative and District Office 5615 W. Sunset Hwy. Spokane, WA 99224	7/17/2006 9/21/2006 10/31/2006	7,170.00 682.50 112.50	P	Research
000-0000-1831-9042C	SEEK	Various (no amounts of \$5000 or more)		Various	175.00		
000-0000-1831-9048C	PROV FOR AUDIT ADJ	The Commonwealth Fund	1 East 75th Street New York, NY 10021	6/29/2006	22,870.00	F	Research
000-0000-1831-9061C	IRE-FIT	Merck & Company, Inc.	U.S. Human Health P.O. Box 4 West Point, PA 19486-0004	2/28/2006 7/17/2006	30,000.00 30,000.00	P	Research
000-0000-1831-9116C	TEX MEX 1/06 4/06	State of Texas, Department of State Health Services	1111 N Loop Austin, Texas 78756	9/21/2006	15,000.00	G	Research
000-0000-1831-9490C	FY04 EQUIPMENT	OOAHS Bioterrorism fund	400 Kruse Way Place Building 2, Suite 100 Lake Oswego, OR 97035	8/16/2006 8/31/2006 9/20/2006 10/26/2006 11/9/2006 11/21/2006	13,535.06 1,787.18 5,475.90 12,655.87 1,209.83 19,659.03	G	Non-research Federal Bioterrorism fund
000-0000-1831-9494C	WORKFORCE	Clackamas County	2051 Kaen Road Suite 470 Oregon City, OR 97045	3/1/2006 5/31/2006 10/31/2006	32,000.00 16,000.00 13,000.00	G	Non-research Nursing Program assistant
000-0000-1831-9495C	FY 05	Various (no amounts of \$5000 or more)		Various	3,110.00		
000-0000-1831-9496C	CYSTIC FIBROSIS	Various (no amounts of \$5000 or more)		Various	4,080.00		
000-0000-1831-8601C	ARIMIDEX - ICI	Oncology Studies Cash Transferred to 01-000-0000-1831-8608C Astrazeneca	Astrazeneca Pharmaceuticals LP 1800 Concord Pike P.O. Box 15437 Wilmington, DE 19850-5437	4/26/2006 5/31/2006 1/31/2006 9/28/2006 11/21/2006	1,000.00 1,750.00 1,000.00 2,400.00 20,000.00	P	Research
000-0000-1831-8601C	ARIMIDEX - ICI	Various (no amounts of \$5000 or more)		Various	1,800.00	P	Research
000-0000-1831-8659C	AZ/BREAST 0039	Various (no amounts of \$5000 or more)	Astrazeneca Pharmaceuticals LP 1800 Concord Pike P.O. Box 15437 Wilmington, DE 19850-5437	Various	5,750.00	P	Research

1-000-0000-1831-8659C	AZ/BREAST 0039	Various (no amounts of \$5000 or more)	One Baylor Plaza Houston, TX 77030	Various	700.00	\$	700.00	P	Research
1-000-0000-1831-8672C	INTERMUNE C/OV-001	Parexel International	900 Chelmsford Street Lowell, MA 01851	6/14/2006 7/17/2006	6,794.00 4,250.00		<u>\$ 11,044.00</u>	P	Research
1-000-0000-1831-8687C	CELGENE	Celgene	85 Morris Avenue Summit, NJ 07901	10/31/2006	5,260.00	\$	5,260.00	P	Research
1-000-0000-1831-8690C	NOVACEA DN101-002	Various (no amounts of \$5000 or more)		Various	3,600.00	\$	3,600.00		
1-000-0000-1831-8691C	CELGENE CC-5013-MDS-002	Celgene	86 Morris Avenue Summit, NJ 07901	1/31/2006 12/28/2006	15,830.00 4,000.00		<u>\$ 19,830.00</u>	P	Research
1-000-0000-1831-8693C	NOVACEA DN101-004	Novacea, Inc.	601 Gateway Boulevard Suite 800 South San Francisco, CA 90450	6/14/2006 8/31/2006	8,850.00 3,750.00		<u>\$ 12,600.00</u>	P	Research
1-000-0000-1831-8697C	NOVARTIS CPTK787/ZK	Various (no amounts of \$5000 or more)		Various	3,730.00	\$	3,730.00		
1-000-0000-1831-8698C	DENDREON D9902B	Dendreon Corporation	3005 First Avenue Seattle, WA 98121	1/31/2006 2/28/2006 4/26/2006 5/31/2006 5/31/2006 7/17/2006 8/9/2006 8/9/2006 8/31/2006 9/21/2006 10/31/2006 11/30/2006 12/14/2006	16,171.00 902.00 800.00 1,820.00 2,018.00 9,293.00 1,189.00 58.00 14,036.00 7,505.00 6,415.00 13,034.00 2,032.00		<u>\$ 75,273.00</u>	P	Research
-000-0000-1831-8711C	TAIHO TAS-108-004	Various (no amounts of \$5000 or more)		Various	2,883.00	\$	2,883.00	P	Research
-000-0000-1831-8711C	TAIHO TAS-108-004	Taiho Pharma U.S.A., Inc.	210 Carnegie Center 5th Floor Princeton, NJ 08540	4/26/2006 5/31/2006 10/31/2006 10/31/2006 12/14/2006 12/28/2006	1,410.00 4,737.00 9,810.00 3,188.00 4,811.00 4,842.00		<u>\$ 28,798.00</u>	P	Research
-000-0000-1831-8719C	UNITHER OVA-OV-17	Various (no amounts of \$5000 or more)		Various	2,250.00	\$	2,250.00		
-000-0000-1831-8725C	SCN SC015-0005	Seattle Genetics 21823 30th Drive Southeast Bothell, WA 98021		1/31/2006 2/28/2006 9/21/2006	31,666.00 830.00 1,144.00		<u>\$ 33,640.00</u>	P	Research
-000-0000-1831-8731C	GENENTECH OS/2950G	Various (no amounts of \$5000 or more)		Various	5,750.00	\$	5,750.00		

01-000-0000-1831-8742C	CELL THERAPEUTICS PIX301	Cell Therapeutics, Inc.	501 Elliot Avenue West, Suite 400 Seattle, WA 98119	3/29/2006 6/14/2006 10/31/2006	5,606.00 2,040.00 320.00	P	Research
					<u>\$ 7,966.00</u>		
01-000-0000-1831-8746C	TELIK TLK286.3024	Telik, Incorporated	3165 Porter Drive Palo Alto, CA 94304	3/29/2006 5/31/2006	1,570.00 33,838.00	P	Research
					<u>\$ 35,408.00</u>		
01-000-0000-1831-8749C	WYETH CC1-779	Wyeth Pharmaceutical	35 Cambridge Park Drive, 3000-34 Cambridge, MA 02140	2/28/2006 10/31/2006	6,625.00 2,090.00	P	Research
					<u>\$ 8,715.00</u>		
01-000-0000-1831-8760C	CELGENE 5013-MM-016	Various (no amounts of \$5000 or more)		Various	6,300.00 \$		
01-000-0000-1831-8761C	KOSAN KOS-202/NO18401	Kosan Biosciences Incorporated	3832 Bay Center Place Hayward, CA 94545	4/26/2006	42,621.00 \$	P	Research
01-000-0000-1831-8762C	PPD F. HOFFMANN-LA ROCHE B018039	PPD Development, LP	3150 South 17th Street Wilmington, NC 28412	12/14/2006	6,250.00 \$	P	Research
01-000-0000-1831-8765C	GENENTECH TOC3258g	Quintiles/Innovex	P.O. Box 14325 Research Triangle Park, NC 27709	6/14/2006 6/29/2006 11/21/2006 12/14/2006	6,625.00 2,500.00 24,172.00 1,300.00	P	Research
					<u>\$ 34,597.00</u>		
01-000-0000-1831-8766C	CELL GENESYS G-0034	PPD Development, LP	3150 South 17th Street Wilmington, NC 28412	8/9/2006	7,500.00 \$	P	Research
01-000-0000-1831-8767C	SANOFI-AVENTIS ARD6123	Sanofi-Aventis U.S. Inc.	9 Great Valley Parkway P.O. Box 3026 Malvern, PA 19355	6/29/2006	44,225.00 \$	P	Research
01-000-0000-1831-8770C	CELL THERAPEUTICS PIX203	Cell Therapeutics, Inc.	501 Elliot Avenue West Suite 400 Seattle, WA 98119	5/31/2006	27,250.00 \$	P	Research
01-000-0000-1831-8771C	EISAI MEDICAL E7389-0000-211	PRA Research Associates, Inc.	12120 Sunset Hills Road Suite 600 Reston, VA 20190	8/9/2006	31,949.62 \$	P	Research
01-000-0000-1831-8772C	PFIZER A8501001	Pfizer Inc.	50 Pequot Avenue, MS 6025-B21R New London, CT 06320	12/14/2006	16,805.00 \$	P	Research
01-000-0000-1831-8773C	SGN33	Seattle Genetics	Seattle Genetics 21823 30th Drive Southeast Bothell, WA 98021	8/9/2006	37,444.26 \$	P	Research
01-000-0000-1831-8775C	IBIBOTEC PHARM TMC114-C226	Various (no amounts of \$5000 or more)		Various	3,000.00 \$		
01-000-0000-1831-8779C	GENENTECH OSI 3364g	PPD Development, LP	3150 South 17th Street Wilmington, NC 28412	12/14/2006 12/14/2006 12/28/2006	17,871.00 6,625.00 11,005.00	P	Research
					<u>\$ 35,501.00</u>		

STATEMENT OF FIXED ASSETS AND DEPRECIATION

COMBINED DIVISIONS

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

	COST		ACCUMULATED DEPREC/AMORT		2006
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR	DEP/AMORT EXPENSE
LAND	616,550,027	808,245,051	0	0	0
LAND IMPROVEMENTS	130,278,940	159,478,425	102,160,978	111,232,651	4,054,077
BUILDINGS	7,636,441,179	8,183,550,792	3,816,333,896	4,166,223,565	351,995,821
LEASEHOLD IMPROVEMENTS	115,908,363	130,823,223	75,939,444	86,693,763	4,163,241
EQUIPMENT	1,773,909,943	1,724,575,732	1,522,733,976	1,493,147,081	121,118,857
CAPITALIZED SOFTWARE	1,325,668,562	1,561,383,446	559,331,953	811,596,920	263,101,968
CAPITALIZED LEASES	5,876,550	5,876,550	5,800,127	5,800,127	0
CONSTRUCTION IN PROGRESS	2,043,870,233	3,113,830,406	0	0	0
OTHER AMORTIZATION - START UP AND DEFERRED COSTS -					0
TOTALS TO:	BEGINNING OF YEAR	END OF YEAR			
PART IV, LINE 57(A)	13,648,503,797	15,687,763,625			
PART IV, LINE 57(B)				6,674,694,106	
PART IV, LINE 57(C)	7,566,203,423	9,013,069,519			
PART II, LINE 42 COLUMN (B)					744,433,964

**KAISER FOUNDATION HOSPITALS**

**94-1105628**

**DECEMBER 31, 2006**

**ATTACHMENT FOR:**

**FORM 990 PART VI, QUESTION 80 - RELATED AND AFFILIATED ENTITIES**

**KAISER FOUNDATION HEALTH PLAN, INC. AND KAISER FOUNDATION HOSPITALS, CALIFORNIA  
NOT-FOR PROFIT CORPORATIONS, EXEMPT FROM INCOME TAX UNDER INTERNAL REVENUE CODE  
SECTION 501(C)(3), HAVE A CONTROLLING OR AFFILIATED INTEREST IN THE FOLLOWING CORPORATIONS  
AS OF DECEMBER 31, 2006**

EMPLOYER ID #	ENTITY NAME	DIRECT & INDIRECT % CONTROLLED BY KFHP, INC	
SUBSIDIARY ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION HEALTH PLAN, INC , THAT ARE ALSO EXEMPT FROM FEDERAL INCOME TAX UNDER IRC 501(C)(3):			
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST		100%
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO		100%
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC		100%
52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC		100%
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO		100%
23-7425486	COMMUNITY HEALTH PLAN		100%
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC		100%
93-0954562	KAISER HEALTH ALTERNATIVES		100%
94-3299123	CAMP BOWIE SERVICE CENTER		100%
93-0480268	OHP		100%
91-2171891	LOKAHI ASSURANCE, LTD		100%
SUBSIDIARY ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION HEALTH PLAN, INC THAT ARE TAXABLE FOR FEDERAL AND STATE INCOME TAX PURPOSES:			
03-0329760	OAK TREE ASSURANCE, LTD		100%
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES, INC		100%
94-3259432	KAISER PROPERTIES SERVICES, INC		100%
91-1814507	CHP COMPANIES, INC		100%
KAISER FOUNDATION HEALTH PLAN, INC IS AFFILIATED WITH THE FOLLOWING ENTITIES EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3):			
94-1105628	KAISER FOUNDATION HOSPITALS	*(1)	N/A
94-3299125	KAISER HOSPITALS ASSET MANAGEMENT, INC	*(2)	N/A
KAISER FOUNDATION HEALTH PLAN, INC. IS AFFILIATED WITH THE FOLLOWING ENTITIES THAT ARE NOT EXEMPT FROM FEDERAL INCOME TAX.			
94-3245176	KAISER PERMANENTE INTERNATIONAL	*(2)	N/A
94-3292262	KAISER PERMANENTE VENTURES	*(2)	N/A
68-0444615	CARETOUCH, INC	*(2)	N/A
91-2166347	KP ONCALL, LLC (elected to be treated as a disregarded entity for tax purposes)	*(2)	N/A
20-3774729	ARCHIMEDES, INC	*(2)	N/A
20-3924985	HEALTH CARE MANAGEMENT SOLUTIONS, LLC	*(2)	N/A
94-3203402	KAISER PERMANENTE INSURANCE COMPANY	*(3)	50%
N/A	HAMI - COLORADO, LLC (elected to be treated as a disregarded entity for tax purposes)	*(4)	N/A
20-2961620	KP CAL		100%
20-2712661	KPCAL, LLC (elected to be treated as a disregarded entity for tax purposes)		100%
NOTE *(1)	KAISER FOUNDATION HOSPITALS, A CALIFORNIA NOT-FOR-PROFIT CORPORATION, EXEMPT FROM INCOME TAX UNDER THE PROVISIONS OF INTERNAL REVENUE CODE SECTION 501(C)(3), SHARES A COMMON BOARD OF DIRECTORS WITH KAISER FOUNDATION HEALTH PLAN, INC		
NOTE *(2)	THESE ENTITIES ARE SUBSIDIARIES OF KAISER FOUNDATION HOSPITALS		
NOTE *(3)	KAISER PERMANENTE INSURANCE COMPANY IS A NON-EXEMPT LIFE, ACCIDENT AND HEALTH INSURANCE COMPANY OF WHICH 100% OF THE PREFERRED STOCK AND 50% OF THE COMMON STOCK ARE OWNED BY KAISER FOUNDATION HEALTH PLAN, INC THE REMAINING 50% OF COMMON STOCK IS OWNED BY NON-AFFILIATED PHYSICIANS PRACTICE GROUPS		
NOTE *(4)	HAMI - COLORADO, LLC - THE SOLE MEMBER OF THIS LIMITED LIABILITY COMPANY IS KAISER HOSPITALS ASSET MANAGEMENT, INC		

**THE COMMON ADDRESS FOR ALL ENTITIES LISTED ABOVE IS:**

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

KAISER FOUNDATION HOSPITALS  
FEIN: 94-1105628  
12/31/2006

FAMILY AFFILIATIONS REPORTED

NAME	FAMILY MEMBER AFFILIATION
STEVE R ZATKIN	SPOUSE EMPLOYEE OF KFHP INC.
VICTORIA B ZATKIN	SPOUSE, SR. VP, GENERAL COUNSEL AND SECRETARY OF KFHP, INC. AND REGIONAL HEALTH PLANS
CYNTHIA TELLES	COUSIN, PHYSICIAN SOUTHERN CALIFORNIA MEDICAL GROUP
CAROLYN KENNY	SIBLING, PHYSICIAN NORTHWEST MEDICAL GROUP
THEODORE WISE	SIBLING, PHYSICIAN NORTHWEST MEDICAL GROUP
CARLOS ZARAGOZA	SPOUSE EMPLOYEE OF KFHP INC.

**KAISER FOUNDATION HOSPITALS**

**TIN: 94-1105628  
DECEMBER 31, 2006**

**STATEMENT FORM 990 PART VIII  
RELATIONSHIP OF ACTIVITIES TO EXEMPT PURPOSE**

LINE NUMBER 93:

**93A HOSPITAL SERVICES CONTRACT REVENUE**

Revenue received from Kaiser Foundation Health Plan, Inc. and affiliated members of the Kaiser Permanente Medical Care Program ("Kaiser Permanente") for Hospital services provided to enrolled members. Internal Revenue ruling 68-27.

**93B NON-PLAN AND INDUSTRIAL REVENUE**

Revenue received from non-members for health care and from outside insurers for reimbursement for health care services provided to members for work-related injuries or conditions. Revenue excluded under the provisions of Internal Revenue Regulation 1.501(c)(3)-1.

**93C OTHER PROGRAM SERVICE REVENUE**

Revenue received from or on behalf of members for health care services provided under the plans referred to in 93A above.

**93D SUPPLEMENTAL CHARGES / PHARMACY**

Revenue received for co-payments from or on behalf of members for health care services provided under the plans referred to in 93A above. Pharmaceutical sales to members. Revenue excluded under the provisions of Internal Revenue Regulation 1.501(c)(3)-1.

**93F MEDICARE / MEDICAID PAYMENTS**

Revenue received from the Social Security Administration for medical and health care services provided to Plan members covered under Part B of Medicare. Revenue excluded under the provisions of Internal Revenue Regulation 1.501(c)(3)-1.



KAISER FOUNDATION HOSPITALS

94-1105628

FORM 990 PART II - OTHER EXPENSE ADDITIONAL DETAIL

<u>DESCRIPTION</u>	<u>TOTAL</u>	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>
PURCHASED MEDICAL SERVICES	2,807,242,118	2,807,242,118	
PURCHASED NON-MEDICAL SERVICES	988,198,648	285,006,699	703191949
INFORMATION TECHNOLOGY SERVICE ALLOC	(2,255,496,664)	(2,255,496,664)	
INTER REGIONAL CHARGE / COST RECOVERY	(596,852,958)	(596,852,958)	
TOTALS	<u>943,091,144</u>	<u>239,899,195</u>	<u>703,191,949</u>

**KAISER FOUNDATION HOSPITALS**

**FEIN: 94-1105628**

**December 31, 2006**

**Schedule A, Part III, Question 2a:**

Kaiser Foundation Hospitals (KFH) is organized for the public benefit and provides health and medical care services for its members. KFH and Kaiser Foundation Health Plan, Inc. (KFHP Inc.) have common Boards of Directors. KFH and KFHP, Inc. are operated as separate charitable corporations. See **Statement 25** for a list of tax-exempt and non-exempt related entities.

Based on a review of KFH records and Conflict of Interest (COI) statements for these directors, officers and key employees for 2006, KFH did not engage in the sale, exchange, or leasing of property with any of the persons listed on Form 990, Part V.

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

In the normal course of business in carrying out its charitable purposes, KFH may have entered into the sale, exchange, or leasing of property with some of the related entities described in **Statement 25**. KFH relationships with such organizations are conducted at a price which is not less than cost nor more than fair market value basis.

**Schedule A, Part III, Question 2b:**

**Statement 26** provides a list of the directors, officers and key employee family members with whom KFH did business or who were employed by KFH or any KFH affiliate. KFH does not have trustees, creators or substantial contributors.

Based on a review of KFH records and COI statements for these directors, officers and key employees for 2006, KFH did not engage in the lending of money or other extension of credit with any of these persons in 2006. KFHP, Inc. has a program that provides loans to relocate executives. The program was modified in August 2002 to take into consideration the Section 402 provisions of the Sarbanes Oxley Act, limiting certain employees' eligibility for loans.

**KAISER FOUNDATION HOSPITALS**

**FEIN: 94-1105628**

**December 31, 2006**

Based on the COI questionnaires for 2006, **Statement 30, page 1** lists non-affiliated taxable organizations which did business with KFH in 2006 and on which KFH officers, directors, key employees or their families served as an officer, director, or owner. KFH relationships with such organizations are conducted on a fair market value basis and the KFH officer director or key employee abstained from voting on any such matters.

**Schedule A, Part III, Question 2c:**

Form 990, Part V lists the officers, directors and key employees of KFH in 2006. Based on a review of COI statements for these directors, officers and key employees for 2006, **Statement 30, page 1** provides a list of their family members with whom KFH did business or who were employed by KFH or any KFH affiliate. KFH does not have trustees, creators or substantial contributors. Any such indirect transactions are conducted on a fair market value basis.

Based on a review of KFH records and COI statements for these directors, officers and key employees for 2006, KFH did not engage in the furnishing of goods, services, or facilities with any of these persons in 2006.

In the normal course of business in carrying out its charitable purposes, KFH may have entered into the furnishing of goods, services, or facilities with some of the related taxable entities. **Statement 33** generally describes the transactions between KFH and those entities.

Based on the COI questionnaires for 2006, **Statement 30** lists non-affiliated taxable organizations, which did business with KFH in 2006 and on which KFH officers, directors, key employees or their families served as an officer, director, or owner. **Statement 30** also provides a general summary of the transactional relationship (if any) between KFH and such organizations. KFH relationships with such organizations are conducted on a fair market value basis and the KFH officer, director or key employee abstained from voting on any such transaction.

KAISER FOUNDATION HOSPITALS  
FEIN: 94-1105628  
December 31, 2006

**FORM 990, SCHEDULE A, PART III**

NON-AFFILIATED TAXABLE ORGANIZATION RELATIONSHIPS

NAME	NON-AFFILIATED TAXABLE ORG	TRANSACTIONAL RELATIONSHIP
PHILIP A MARINEAU	LEVI STRAUS & CO	NONE
J. NEAL PURCELL	KPMG INTL - RET.	AUDIT & TAX ADVISOR
	OMNI FLIGHT	AIR AMBULANCE
	EMORY	SERVICES
	HEALTHCARE	NONE
EDWARD PEI	FIRST HAWAIIAN BANK	BANKING SERVICES IN HAWAII
RAYMOND BAXTER	UNION BANK	NONE
	PACIFIC CARE	NONE
JERRY FLEMING	INTEGRATED HEALTH CARE ASSOCIATION	VENDOR TO KP HR PROJECT
LARRY Y WILSON	SCHOLASTIC	NONE
THEODORE WISE	HEARX	VENDOR TO KP FOR HEARING AID SERVICES

KAISER FOUNDATION HOSPITALS  
FEIN: 94-1105628  
December 31, 2006

**FORM 990, SCHEDULE A, PART III**

**TAXABLE ORGANIZATION FAMILY RELATIONSHIPS**

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

KAISER FOUNDATION HOSPITALS  
94-1105628  
DECEMBER 31, 2006

STATEMENT LINE 64a  
FORM 990 PART IV, LINE 64a - TAX EXEMPT BOND LIABILITIES

Description	Issue Date	Purpose of Issue	Original Amount	Actual/ Anticipated Comp. Date	Amount of Issue Outstanding 12/31/05	12/31/06	Date of Form 8038 Filing	Unexpended Proceeds	Maturity Date	Repayment Terms	Interest Rate	Security
<b>CALIFORNIA STATE BONDS</b>												
CA STATE CMNTY DVLP Series A	2001	TaxExempt HlthCare Facility	75,000,000		75,000,000	75,000,000	2001	None	2031	Int Only-Prin on Mty	2.55%	GenObligation
CA STATE CMNTY DVLP Series B	2001	TaxExempt HlthCare Facility	75,000,000		75,000,000	75,000,000	2001	None	2031	Int Only-Prin on Mty	3.90%	GenObligation
CA STATE CMNTY DVLP Series C	2001	TaxExempt HlthCare Facility	125,000,000		120,630,000	120,630,000	2001	None	2031	Int Only-Prin on Mty	5.25%	GenObligation
CA STATE CMNTY DVLP Series A	2002	TaxExempt HlthCare Facility	100,000,000		100,000,000	100,000,000	2002		2032	Int Only-Prin on Mty	3.77%	GenObligation
CA STATE CMNTY DVLP Series B	2002	TaxExempt HlthCare Facility	100,000,000		100,000,000	100,000,000	2002		2032	Int Only-Prin on Mty	3.77%	GenObligation
CA STATE CMNTY DVLP Series C	2002	TaxExempt HlthCare Facility	100,000,000		100,000,000	100,000,000	2002		2036	Int Only-Prin on Mty	4.35%	GenObligation
CA STATE CMNTY DVLP Series D	2002	TaxExempt HlthCare Facility	100,000,000		100,000,000	100,000,000	2002		2036	Int Only-Prin on Mty	4.70%	GenObligation
CA STATE CMNTY DVLP Series E	2002	TaxExempt HlthCare Facility	100,000,000		100,000,000	100,000,000	2002		2032	Int Only-Prin on Mty	5.50%	GenObligation
CA STATE CMNTY DVLP Series A	2003	TaxExempt HlthCare Facility	60,000,000		60,000,000	60,000,000	2003		2013	Int Only-Prin on Mty	variable	GenObligation
CA STATE CMNTY DVLP Series B	2003	TaxExempt HlthCare Facility	46,600,000		46,600,000	46,600,000	2003		2025	Int Only-Prin on Mty	variable	GenObligation
CA STATE CMNTY DVLP Series C	2003	TaxExempt HlthCare Facility	48,960,000		48,960,000	48,960,000	2003		2025	Int Only-Prin on Mty	variable	GenObligation
CA STATE CMNTY DVLP Series D	2003	TaxExempt HlthCare Facility	57,500,000		57,500,000	57,500,000	2003		2033	Int Only-Prin on Mty	variable	GenObligation
CAL STATE COMMUNITY DVLP-A	2004	TaxExempt HlthCare Facility	87,500,000		87,500,000	87,500,000	2004		2032	Int Only-Prin on Mty	variable	GenObligation
CAL STATE COMMUNITY DVLP-B	2004	TaxExempt HlthCare Facility	87,500,000		87,500,000	87,500,000	2004		2032	Int Only-Prin on Mty	variable	GenObligation
CAL STATE COMMUNITY DVLP-C	2004	TaxExempt HlthCare Facility	87,500,000		87,500,000	87,500,000	2004		2032	Int Only-Prin on Mty	variable	GenObligation
CAL STATE COMMUNITY DVLP-D	2004	TaxExempt HlthCare Facility	87,500,000		87,500,000	87,500,000	2004		2032	Int Only-Prin on Mty	variable	GenObligation
CAL STATE COMMUNITY DVLP-E	2004	TaxExempt HlthCare Facility	150,000,000		150,000,000	150,000,000	2004		2032	Int Only-Prin on Mty	variable	GenObligation
CAL STATE COMMUNITY DVLP-F	2004	TaxExempt HlthCare Facility	150,000,000		150,000,000	150,000,000	2004		2033	Int Only-Prin on Mty	2.30%	GenObligation
CAL STATE COMMUNITY DVLP-G	2004	TaxExempt HlthCare Facility	150,000,000		150,000,000	150,000,000	2004		2034	Int Only-Prin on Mty	2.30%	GenObligation
CAL STATE COMMUNITY DVLP-H	2004	TaxExempt HlthCare Facility	150,000,000		150,000,000	150,000,000	2004		2034	Int Only-Prin on Mty	2.63%	GenObligation
CAL STATE COMMUNITY DVLP-I	2004	TaxExempt HlthCare Facility	150,000,000		150,000,000	150,000,000	2004		2035	Int Only-Prin on Mty	3.45%	GenObligation
CAL STATE COMMUNITY DVLP-J	2004	TaxExempt HlthCare Facility	100,000,000		100,000,000	100,000,000	2004		2036	Int Only-Prin on Mty	variable	GenObligation
CAL STATE COMMUNITY DVLP-K	2004	TaxExempt HlthCare Facility	150,000,000		150,000,000	150,000,000	2004		2037	Int Only-Prin on Mty	variable	GenObligation
CAL STATE COMMUNITY DVLP-L	2004	TaxExempt HlthCare Facility	100,000,000		100,000,000	100,000,000	2004		2038	Int Only-Prin on Mty	variable	GenObligation
CAL STATE COMMUNITY DVLP-M	2004	TaxExempt HlthCare Facility	150,000,000		150,000,000	150,000,000	2004		2038	Int Only-Prin on Mty	variable	GenObligation
CAL HEALTH FACILITIES FINANCE	1989	TaxExempt HlthCare Facility	11,998,777		40,037,000	40,037,000	1989		2038	Int Only-Prin on Mty	variable	GenObligation
CAL HLTH FACILITY FIN Series A	2006	TaxExempt HlthCare Facility	100,000,000		0	100,000,000	2006		2037	Int Only-Prin on Mty	5.00%	GenObligation
CAL HLTH FACILITY FIN Series B	2006	TaxExempt HlthCare Facility	400,000,000		0	400,000,000	2006		2039	Int Only-Prin on Mty	5.25%	GenObligation
CA STATE CMNTY DVLP Series B	2006	TaxExempt HlthCare Facility	300,000,000		0	300,000,000	2006		2041	Int Only-Prin on Mty	5.00%	GenObligation
CAL HLTH FACILITY FIN Series C	2006	TaxExempt HlthCare Facility	325,000,000		0	325,000,000	2006		2041	Int Only-Prin on Mty	variable	GenObligation
CA STATE CMNTY DVLP Series D	2006	TaxExempt HlthCare Facility	100,000,000		0	100,000,000	2006		2041	Int Only-Prin on Mty	variable	GenObligation
CAL HLTH FACILITY FIN Series E	2006	TaxExempt HlthCare Facility	175,000,000		0	175,000,000	2006		2040	Int Only-Prin on Mty	variable	GenObligation
Miscellaneous Adjustment						-429						
TOTAL TAX-EXEMPT BONDS			4,100,058,777		2,623,727,000	4,123,726,571						

**Kaiser Foundation Hospitals**  
**94-1105628**  
**Year 2006**

**GAIN OR (LOSS) FROM SALES OF ASSETS**

DESCRIPTION	Date Acquired	Date Sold	Proceeds/ Sales Price	Cost/Basis Expense of Sale	Other	Gain or (Loss)
<u>GAIN OR (LOSS) FROM SALES OF INVESTMENTS</u>						
State Street	Various	Various	5,703,769,556	5,627,684,654	-	76,084,902
Impairment Adjustment	Various	Various	-	-	(4,564,715)	(4,564,715)
Other Venture Capital Investments	Various	Various	8,089,576	5,605,263	-	2,484,313
<b>Total Realized Gains from Investments</b>			<b>5,711,859,132</b>	<b>5,633,289,917</b>	<b>(4,564,715)</b>	<b>74,004,500</b>

DESCRIPTION	Date Acquired	Date Sold	Proceeds/ Sales Price	Cost/Basis Expense of Sale	Accum Depreciation	Gain or (Loss)	If an asset sold for over \$10,000, Name of Purchaser
<u>GAINS AND LOSSES FROM SALE OF FIXED ASSETS</u>							
<u>NORTHERN CALIFORNIA REGION</u>							
Miscellaneous Equipment	Various	Various	213,015	888,951	706,972	31,036	
Miscellaneous Retirement	Various	Various	-	77,934,990	77,354,397	(580,593)	
Various projects cancelled	Various	Various	-	2,556,280	-	(2,556,280)	
<b>Subtotal - Northern California Region</b>			<b>213,015</b>	<b>81,380,221</b>	<b>78,061,369</b>	<b>(3,105,837)</b>	

<u>SOUTHERN CALIFORNIA REGION</u>							
<u>Miscellaneous Sales - under \$10,000 per sale summarized in groups</u>							
Medical Equipment	Various	Various	45,723	318,023	312,392	-	
Autos and Trucks	Various	Various	31,125	165,001	165,001	40,093	
Miscellaneous Furniture	Various	Various	168	7,144	1,824	31,125	
Miscellaneous Equipment	Various	Various	45,746	51,933	50,801	(5,152)	
Misc. Equipment Retirements & Write-Offs	Various	Various	-	80,645,019	80,573,315	44,614	
			<b>122,762</b>	<b>81,187,120</b>	<b>81,103,333</b>	<b>(71,704)</b>	
						<b>38,976</b>	

<u>HAWAII REGION</u>							
Miscellaneous Equipment Sale	Various	Various	2,185	27,865	27,865	2,185	
Miscellaneous Equipment Retirement/Write-Offs	Various	Various	-	1,347,940	1,151,126	(196,814)	
			<b>2,185</b>	<b>1,375,805</b>	<b>1,178,991</b>	<b>(194,629)</b>	

DESCRIPTION	Date Acquired	Date Sold	Proceeds/ Sales Price	Cost/Basis Expense of Sale	Accum Depreciation	Gain or (Loss)	If an asset sold for over \$10,000, Name of Purchaser
NORTHWEST REGION							
Medical Equipment	Jan. 2005	Dec. 2005	11,013	11,013	2,638	2,638	Bechman Coulter, Inc 250 S Kramer, Brea, CA 92822
Miscellaneous Sales - under \$10,000 per sale summarized in groups							
Medical Equipment	Various	Various	49,224	1,815,796	1,752,424	(14,148)	
Autos & Trucks	Various	Various	1,175	47,532	47,532	1,175	
Miscellaneous Furniture	Various	Various	707	40,926	38,076	(2,143)	
Miscellaneous Equipment	Various	Various	141	4,291	4,291	141	
Miscellaneous Equip - Retire/Write-Off	Various	Various	-	4,320,752	4,219,715	(101,037)	
			62,260	6,240,310	6,064,676	(113,374)	
KPIT							
Medical Equipment	Various	Various	-	313,264	-	(313,264)	
Total Realized Gains from Investments							
			400,222	170,496,720	166,408,369	(3,688,128)	
GRAND TOTAL							
			5,712,259,354	5,803,786,637	161,843,654	70,316,372	
RECAP OF NET GAIN/(LOSS)							
ORIGINAL COST AND EXPENSE OF SALE			Investments	Fixed Assets	Combined		
			5,633,289,917	170,496,720	5,803,786,637		
OTHER/DEPRECIATION			-4,564,715	166,408,369	161,843,654		
NET COST OR OTHER BASIS			5,637,854,632	4,088,351	5,641,942,983		
LESS GROSS SALES PROCEEDS			5,711,859,132	400,222	5,712,259,354		
NET GAIN/(LOSS)			74,004,500	-3,688,128	70,316,372		

Note#1. All of the foregoing fixed assets and equipment were acquired by purchase by the organization for use in its tax-exempt purpose of providing health care to its enrolled members of the community



**TAXABLE ENTITY RELATIONSHIPS**  
**KAISER FOUNDATION HOSPITALS AND HEALTH PLAN INC.**

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

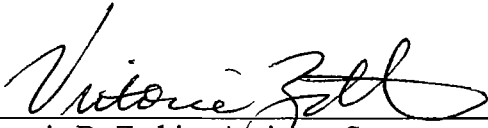
**KAISER FOUNDATION HOSPITALS**

**OFFICER'S CERTIFICATE**

I, the undersigned, Victoria B. Zatkin, Assistant Secretary of Kaiser Foundation Hospitals, a California nonprofit public benefit corporation (the "Corporation"), do hereby certify that:

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

IN WITNESS WHEREOF, I have hereunto set my hand.



Victoria B. Zatkin, Assistant Secretary

September 18, 2007

Date

BYLAWS OF  
KAISER FOUNDATION HOSPITALS

ARTICLE A

PURPOSES

Section A-1.        Principal Purpose.

This corporation's principal purpose is to provide hospital, medical and surgical care, including emergency services, extended care and home health care, for members of the public, without regard to sex, race, religion or national origin, or physical or mental handicap, or to the individual's ability to pay.

Section A-2.        Related Purposes.

This corporation's related purposes are to educate and train medical students, physicians and other health care professionals, and students in the healing arts; to conduct, promote and encourage educational and scientific research in medicine and related sciences and medical and nursing education; and, subject to Sections A-3 and A-4, to support such other charitable, scientific, educational and hospital endeavors as the corporation may deem advisable. The corporation shall make available professional staff privileges to practitioners in the community.

Section A-3.        Nonprofit Character.

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. This corporation is organized under the California Nonprofit Public Benefit Corporation Law for, and its assets are irrevocably dedicated to,

hospital and charitable purposes. The corporation does not and shall not have the power to distribute gains, profits or dividends to its Directors or officers, and no part of its net earnings shall inure to the benefit of any Director or officer of the corporation or to any other individual, but the corporation may compensate Directors and officers for the reasonable value of goods or services that they furnish to the corporation.

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

Upon the corporation's liquidation or dissolution, the Board of Directors shall, after paying or adequately providing for the corporation's liabilities, distribute the corporation's assets to one or more organizations exempt from tax under §501(c)(3) of the Internal Revenue Code of 1986 or any amendment or successor thereto, and whose assets are irrevocably dedicated to charitable, scientific or hospital purposes. The corporation's assets may not be distributed so as to inure directly or indirectly to the benefit of any Director or officer of the corporation, or to any other individual, or to any corporation, trust or organization whose net earnings inure to the benefit of any individual.

Section A-5.            Non-discrimination.

This corporation shall conduct its activities and shall provide its services to all persons equally, without discrimination because of age, sex, race, color, religion, or national origin, or physical or mental handicap, and shall take affirmative action to maintain equality in such matters. No person requiring hospitalization shall be denied admission, if facilities are available, because of his or her inability to pay for services rendered.

Section A-6.            Propaganda or Lobbying Activities.

A substantial part of the activities of this corporation does not consist of attempts to influence legislation by propaganda or otherwise.

## ARTICLE B

### OFFICES

#### Section B-1.        Principal Office.

The principal office of this corporation shall be located at the Ordway Building, One Kaiser Plaza, Oakland, Alameda County, California. The Board of Directors may change the location of the principal office at any time.

#### Section B-2.        Other Offices.

This corporation may at any time establish other offices.

## ARTICLE C

### DIRECTORS

#### Section C-1. Power and Authority of Directors.

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

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

- (a) Commence, conduct and defend legal proceedings;
- (b) Adopt, use and alter a corporate seal, but failure to affix a seal shall not affect the validity of any act or instrument of the corporation;
- (c) Adopt, amend and repeal Bylaws;
- (d) Select, remove and prescribe powers, duties and compensation of officers, agents and employees, and require security for faithful service;
- (e) Qualify to conduct, and conduct activities anywhere in the world;
- (f) Acquire, hold, lease, encumber, convey, exchange, transfer upon trust, or otherwise dispose of real and personal property anywhere in the world, and receive and accept inter vivos or testamentary gifts of real or personal property, or both;

(g) Borrow money, contract debts and issue bonds, debentures, notes or other evidences of indebtedness therefor, and secure the performance of obligations by mortgage or otherwise;

(h) Acquire, subscribe for, hold, own, pledge and otherwise dispose of and represent shares of stock, bonds and securities of any other corporation, domestic or foreign;

(i) Purchase or acquire its own bonds, debentures or other evidences of its indebtedness or obligations;

(j) Make donations for charitable purposes;

(k) Act as trustee under any trust incidental to the principal objects of the corporation, and receive, hold, administer and expend funds and property subject to such trust;

(l) Participate with others in any partnership, joint venture or other association, transaction or arrangement of any kind, whether or not such participation involves sharing or delegation of control with or to others;

(m) Enter into any contracts, assume any obligations or do any other acts incidental to the conduct of corporate affairs or the attainment of corporate purposes;

(n) Do all other acts necessary or expedient for administration of the affairs and attainment of the purposes of the corporation.

#### Section C-2.           Number and Qualification.

The number of Directors may be changed at any time by amendment of these Bylaws by the Board of Directors. Until changed by the Board of Directors, there shall be 14 Directors. Only two Directors shall be inside Directors. All other Directors shall be



independent Directors. Each Director of Kaiser Foundation Health Plan, Inc., a California public benefit corporation ("Health Plan"), is hereby designated as a Director of this corporation pursuant to Section 5220(a) of the California Corporations Code. Each such Director of this corporation shall serve ex officio only so long as he or she is a Director of Health Plan. The Secretary of this corporation shall maintain a list of the directors of the corporation based on written notices received from the Secretary of the Health Plan.

Section C-3.            Chairman and Designated Director.

The Chairman of the Board of this corporation shall be the same individual from time to time serving as Chairman of the Board of Health Plan, who shall serve ex officio as Chairman of this corporation only so long as he or she holds the office of Chairman of the Board of Health Plan. Said Chairman shall designate for service on the Board the same senior officer of this corporation and Health Plan who was designated for service on Health Plan's Board pursuant to Article C, Section C-2, of Health Plan's Bylaws. Each Director shall be counted for purposes of determining the presence of a quorum and shall have one vote.

Section C-4.            Vacancies.

Termination of a Director's service on the Board of Directors of Health Plan, for any reason, shall result in automatic termination of such individual's service (and a resulting vacancy) on the Board of Directors of this corporation. Additional vacancies shall arise whenever and to the extent that the number of Directors is increased as provided in Section C-2. The individual elected to fill any vacancy on the Health Plan

Board of Directors shall automatically become a Director of this corporation by operation of Section C-2.

Section C-5.      Resignations; Notice to Health Plan.

The resignation of any Director from the Board of this corporation shall be effective as a resignation from the Board of Health Plan. The Secretary of this corporation shall provide prompt written notice to the Secretary of Health Plan regarding the resignation or any other termination of service of any Director of this corporation.

Section C-6.      Meetings.

(a)    Place of Meetings. Meetings shall be held at such place as the Board of Directors shall designate in the notice of the meeting, or if not so designated, all meetings shall be held at the principal office.

(b)    Call of Meetings. Meetings of the Board of Directors may be called at any time by the Chairman of the Board, or by any two Directors.

(c)    Notice. Notice of meetings shall be mailed, personally delivered, or delivered by electronic transmission to each Director, at his or her usual business address. Special meetings shall be held upon at least four days' notice by first class mail or forty-eight hours' notice delivered personally or by telephone, including a voice message system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof,

whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.

(d) Proof of Notice. A statement showing service of any notice pursuant to Section C-5(c) may be entered in the minutes of the meeting, and such entry shall be conclusive evidence that notice was duly given. Any waivers, consents and approvals given in lieu of regular notice shall be entered in the minutes of the meeting.

(e) Quorum. A majority of the Directors then in office shall constitute a quorum for the transaction of business. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

(f) Meetings Without Notice. If all Directors are present at any meeting, or if a quorum is present and all Directors not present either (1) sign a waiver of notice of such meeting, or a consent to the holding thereof, whether prior to or after the meeting, or (2) approve the minutes thereof, the transactions of such meeting shall be as valid as if conducted at a meeting regularly noticed.

(g) Adjourned Meetings. A majority of the Directors present at any meeting, although less than a quorum, may adjourn the meeting from time to time, without further notice, until a quorum shall attend. If the meeting is adjourned for more than twenty-four hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

(h) Participation in Meetings. Members of the Board may participate in the meeting through use of conference telephone, electronic video screen communication or other communications equipment. Participation in a meeting through use of conference

telephone or electronic video screen communication or other communications equipment constitutes presence in person at that meeting as long as all members participating in the meeting can communicate with all other members concurrently, and all have means to participate in all matters.

Section C-7.        Action Without a Meeting.

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

## ARTICLE D

### OFFICERS

#### Section D-1.       Officers.

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

#### Section D-2.       Election or Appointment and Term of Office.

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

#### Section D-3.       Subordinate Officials.

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

appointing officer, pursuant to authority conferred by the Board of Directors, may from time to time determine. These officials shall not be officers of the corporation. Such officials holding the title of Senior Vice President or Vice President shall have authority to sign contracts and other documents on behalf of the corporation.

Section D-4.        Removal and Resignation.

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

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

Section D-5.        Vacancies.

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

Section D-6.        Chairman of the Board.

The Chairman of the Board shall be the Chief Executive Officer of the corporation and shall preside at all meetings of the Board of Directors and shall have such other powers and duties as the Board of Directors shall designate or the Bylaws may provide.

Section D-7.        President.

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

Section D-8.        National Senior Vice President.

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

Section D-9.        Secretary.

The Secretary shall be responsible for keeping a book of minutes at the principal office of the corporation or at such other place as the Board of Directors shall designate, of all meetings and all formal actions of the Board of Directors. Minutes of meetings

shall reflect: the time and place of the meetings; whether they were held pursuant to notice, waiver, or consent; if they were held pursuant to notice, the notice given; the names of persons present; the business transacted, and such other matters as the Board of Directors shall designate.

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

Section D-10.      Chief Financial Officer.

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

Section D-11.      Hospital Administrators.

A Hospital Administrator shall be appointed for each hospital operated by the corporation. Each Hospital Administrator shall have adequate education and experience



to undertake primary responsibility for the management and administration of his or her assigned hospital, including quality of care and quality assurance mechanisms and the preparation and maintenance of adequate and accurate medical records for all patients. In addition, the Hospital Administrators are responsible within their respective service areas, for the management and administration of home health agencies and hospice services, including the quality of care and quality assurance mechanisms, and the preparation and maintenance of adequate and accurate medical records for all patients, and the Hospital Administrators shall approve policies, oversee management and fiscal affairs, including budgets, and appoint administrators for home health agencies and hospice services within their respective service areas. Each Hospital Administrator shall have the authority to delegate to appropriate staff the authority to represent the hospital, including, without limitation, the authority to accept licensing reports, citations, and other legal documents from governmental authorities. Each Hospital Administrator shall exercise such authority and perform such other duties as the Board of Directors or his or her immediate supervisor shall designate, or as the Bylaws may provide. The Board shall arrange for monitoring and evaluation of the performance of each Hospital Administrator.

## ARTICLE E

### COMMITTEES AND PROFESSIONAL STAFFS

#### Section E-1. Provision for Committees.

The corporation shall have the following named committees and such other committees as the Board of Directors may appoint to advise and assist the Board of Directors in managing the corporation's affairs:

- (a) Executive Committee
- (b) Audit and Compliance Committee
- (c) Community Benefit Committee
- (d) Compensation Committee
- (e) Finance Committee
- (f) Governance, Accountability and Nominating Committee
- (g) Quality and Health Improvement Committee

#### Section E-2. Meetings.

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

Section E-3.      Action Without a Meeting.

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

Section E-4.      Executive Committee.

A.      Composition.

The Executive Committee shall consist of up to seven (7) Directors, who shall be selected by the Board of Directors, and who shall continue as members of the Committee at the pleasure of the Board. The Committee shall be comprised of one Director who shall serve as Chair, and in addition, only the chairs of the Board's other standing committees. The Committee shall be comprised solely of Directors who are independent. An independent Director is one who:

1.      Has no personal services contract or material relationship with Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals or any of their subsidiaries (a "Kaiser entity") except for Board service;
2.      Is not a partner, executive officer, principal shareholder or director of any entity that (a) has a contract to provide goods or services to a Kaiser entity, and (b) receives more than 1% of its gross revenues from one or more Kaiser entities;
3.      Is not currently and has not been for the past three years employed by a Kaiser entity;

4. Has not during the last three years been part of an interlocking directorate in which an executive of a Kaiser entity served on the compensation committee of another company that concurrently employs the director;
5. Has not during the last one year been affiliated with or employed as a corporate officer, partner, or an audit related employee by a present or former auditor of any Kaiser entity;
6. Is not a "family member", as defined in Section 4958(f)(4) of the Internal Revenue Code, of any person described above;
7. Is free of any other relationship which would interfere with the exercise of independent judgment.

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

B. Authority and Duties.

The Committee will assist the Board in fulfilling its oversight responsibility relating to (1) strategic direction and public positioning, (2) public policy, (3) tax exemption, and (4) executive selection, performance appraisal, and succession. In addition, the Committee will have the authority to act for the Board between meetings as provided herein. The Committee may seek the assistance and counsel of outside advisors, at the company's expense, as the Committee determines is appropriate.

1. Strategic Direction and Public Positioning.

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

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

2. Public Policy.

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

3. Tax Exemption.

The Committee shall have the following responsibilities regarding tax exemption:

- a. Provide oversight of legal and regulatory compliance with respect to tax exemption, including review of operational policies and practices;
- b. Obtain periodic updates concerning laws, regulations; government policies regarding tax exemption and tax-exempt status;

- c. Review and make recommendations regarding major operational policies, practices and strategies that may create risk or enhance compliance with tax exemption requirements.

4. Executive Selection, Performance Appraisal, and Succession.

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

- a. Review and recommend for Board approval goals and objectives for the Chief Executive Officer ("CEO") and evaluate the CEO's performance in light of such goals and objectives, including evaluation of the CEO's oversight of pension plans;
- b. Review with the CEO the selection, hiring and present performance of officers, executives, and other key personnel;
- c. Review management succession plans and processes for assuring development and timely assignment of individuals qualified to assume the responsibilities of key executive positions;
- d. Provide input on the selection and evaluation of senior executives.

5. Acting for Board Between Meetings.

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

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

C. Conduct of Business.

A quorum of the Committee shall consist of a majority of the committee members. The Committee shall report to the Board regarding its recommendations, actions and decisions. The Committee shall annually assess and report to the Board on the performance and effectiveness of the Committee.

Section E-5.        Audit and Compliance Committee.

A. Purpose.

The Audit and Compliance Committee will assist the Board in fulfilling its oversight responsibility relating to (1) the integrity of the company's financial statements, (2) the company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, (4) the performance of the company's internal audit function and independent auditors, (5) the accounting and financial reporting processes of the company and audits of the financial statements of

the company, (6) legal and regulatory compliance systems, and (7) the anti-fraud program. The Committee shall also assist the Board in establishing a corporate culture that encourages a commitment to compliance with law.

B. Composition and Qualifications of Committee Members.

The Committee shall consist of three (3) or more members of the Board, who shall be elected by the Board and who shall continue as members of the Committee at the pleasure of the Board. The Committee shall be comprised solely of independent Directors of the Board. An independent Director for the Committee is one who:

1. Has no personal services contract or material relationship with Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals or any of their subsidiaries (a "Kaiser entity") except for Board service;
2. Is not a partner, executive officer, principal shareholder or director of any entity that (a) has a contract to provide goods or services to a Kaiser entity, and (b) receives more than 1% of its gross revenues from one or more Kaiser entities;
3. Is not currently and has not been for the past three years employed by a Kaiser entity;
4. Has not during the last three years been part of an interlocking directorate in which an executive of a Kaiser entity served on the compensation committee of another company that concurrently employs the director;
5. Has not during the last one year been affiliated with or employed as a corporate officer, partner or an audit related employee by a present or former auditor of any Kaiser entity;



6. Is not a “family member”, as defined in Section 4958(f)(4) of the Internal Revenue Code, of any person described above;
7. Is free of any other relationship which would interfere with the exercise of independent judgment;
8. Is receiving Director’s fees and related expense reimbursement as the only form of compensation from any Kaiser entity.

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

In addition, each member of the Committee must have a working familiarity with basic finance and accounting practices, and at least one member of the Committee must be an “audit committee financial expert” as defined under the Securities Exchange Act of 1934, as amended. The Board shall determine the qualification and independence of Directors for service on the Committee.

C. Responsibilities and Duties.

In addition to the purposes set forth above, the primary responsibilities and duties of the Committee shall be as follows:

1. Audit Review.

Relationship with the Company’s Independent Auditors.

- a. Directly hire, retain, approve compensation and oversee the company’s independent auditors;

- b. Resolve disagreements between management and the independent auditors;
- c. Review and evaluate with management all engagements between the independent auditors and the company, including approval or pre-approval of audit and non-audit services provided by the independent auditors;
- d. At least annually, obtain and review a report by the independent auditors describing the independent auditors' internal quality control procedures, material issues raised by the most recent internal quality control review or peer review of such independent auditors or by any inquiry or investigation by governmental or professional authorities within the preceding five years regarding one or more independent audits carried out by such independent auditors, steps taken by such independent auditors in response, (to assess the independent auditor's independence) all relationships between the independent auditors and the company, and all other subjects required to be disclosed by the independent auditors;
- e. Meet separately on a periodic basis with the independent auditors;
- f. Review with the independent auditors any audit problems or difficulties and management's response; and
- g. Set clear hiring policies for employees or former employees of the independent auditors.

Financial Reporting.

- a. Review and discuss the annual audited financial statements and quarterly financial statements prior to their release with management and the independent auditors. This review includes significant adjustments, management adjustments and accounting estimates, significant new accounting policies and disagreements with management. The chair of the Committee may represent the entire Committee for purposes of this review;
- b. Review with the independent auditors their reports on the annual and quarterly financial statements and all communications required of the independent auditors; and discuss with the independent auditors and management their judgment as to the quality of the company's accounting principles, including the application of the company's accounting principles;
- c. Review management certifications required by the Board with respect to the financial statements;
- d. Review independent auditor attestations with respect to internal controls and the financial statements;
- e. Review with management and the independent auditors any correspondence with regulators regarding the company's financial statements or accounting policies;
- f. Review and discuss on a general basis the types of information disclosed in, and the types of presentations to be made for, earnings press releases, as well as updated or new material financial

information or earnings guidance provided to analysts and ratings agencies;

- g. Review with the independent auditors the proper reporting and audit treatment of off-balance sheet financing arrangements, related party transactions, and similar financial transactions;
- h. Periodically review document retention policies developed by the Chief Compliance Officer and General Counsel.

Audit Plans and Overall Control Environment.

- a. Assist the Board's oversight of the company's compliance with respect to its financial reporting and disclosure processes. Review (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the selection or application of accounting principles, and major issues as to the adequacy of internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles ("GAAP") methods on the financial statements; and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the company;
- b. Regularly review the independent auditor's report submitted to the Committee regarding the company's critical accounting policies and

practices, all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatments preferred by the independent auditor and other material written communications between the independent auditor and management;

- c. Review procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and receive quarterly reports regarding such complaints;
- d. Review with management, the independent auditors and the Vice President - Internal Audit for the company, the company's policies and procedures, including risk assessment and risk management, to ensure the adequacy of internal accounting and financial reporting controls and management's responses with respect to recommendations for internal control improvements;
- e. Review significant reports to management prepared by the internal auditors;
- f. Review the audit plans and activities of the independent auditors and the internal auditors, and the coordination of their audit efforts;
- g. Meet separately on a periodic basis with management;
- h. Meet periodically with management to review the company's major

financial risk exposures and the steps that management has taken to monitor and control such exposures;

- i. Review periodically with management significant new financial regulatory policies and rules;
- j. Review with management letters from the independent auditors relating to material weaknesses and reportable conditions and any other required communications from the independent auditors;
- k. Meet separately on a periodic basis with the Vice President - Internal Audit for the company;
- l. Review and approve the performance, appointment or replacement of the Vice President - Internal Audit for the company;
- m. Review the internal audit department's staffing, budget and responsibilities.

Capital Budget/Expenditure Controls.

- a. Review controls for capital and other major expenditures.

Other.

- a. Regularly report Committee actions to the Board, with such recommendations as the Committee deems appropriate;
- b. Engage and determine funding for outside legal, accounting or other advisors, as necessary and appropriate;
- c. Review and reassess the adequacy of the Committee charter on an annual basis;

- d. Consider such other matters with respect to internal controls and the internal and external audits as the Committee may deem advisable;
- e. Undertake such other responsibilities or tasks as the Board may delegate or assign to the Committee from time to time.

2. Legal and Regulatory Compliance Systems.

The Committee is responsible for ensuring that this company has adequate systems in place for maintaining compliance with federal, state and local laws and regulations, including but not limited to health care, health plan, labor and employment, and environmental health and safety laws and regulations. The Committee shall:

- a. Periodically review the company's compliance program, which includes the compliance infrastructure of accountabilities, plans, resources and agency relations, as well as processes to integrate compliance into operations, such as policies, procedures, controls, training, monitoring, and reporting;
- b. Receive periodic reports of significant legal and regulatory audit activities and compliance risk assessments;
- c. Obtain periodic updates concerning government regulations, policies, and guidelines that provide direction to corporations regarding the management of legal and regulatory compliance;
- d. Review any significant enforcement matters and reports issued by regulators;
- e. Receive reports on the implementation status of compliance resolutions;

- f. Meet separately on a periodic basis with the Chief Compliance Officer and regularly monitor and review performance of the Chief Compliance Officer's functions;
- g. Review significant pending litigation and the professional liability litigation portfolio.

3. Anti-Fraud Program.

- a. Provide oversight of the company's anti-fraud program.

D. Conduct of Business.

A quorum of the Committee shall consist of a majority of the Committee members. The Committee shall report to the Board regarding its recommendations, actions and decisions. The Committee shall annually assess and report to the Board on the performance and effectiveness of the Committee.

The General Counsel and the Chief Compliance Officer shall serve as staff to the Committee.

Section E-6. Community Benefit Committee.

A. Composition.

The Community Benefit Committee shall consist of a minimum of four (4) Directors, and may, in addition, include up to three non-Directors as full voting members. The chairperson of the Committee shall have an understanding of (1) community and government expectations for nonprofit health care organizations, (2) federal tax exemption requirements, for hospitals and health plans with respect to community benefit, and (3) approaches to community benefit by improving care and access for



vulnerable populations, promoting community health, and engaging in research and education.

B. Authority and Duties.

This corporation is organized for, and its assets are irrevocably dedicated to, public and charitable purposes. The Committee has been established to assist the Board in fulfilling its oversight responsibility relating to (1) extending and strengthening community service benefit and value; (2) fulfilling the mission and brand of the corporation; (3) fulfilling the requirements and expectations of the corporation as a nonprofit tax-exempt organization with respect to community benefit; and (4) providing direct community benefit to the larger community, in addition to membership, at the national, regional and local level.

The Committee's oversight responsibilities and duties will include: (1) extending and strengthening community service benefit and activities; (2) review of community benefit financial policies, strategies and financial performance to assure that adequate financial, human and technical investments are maintained; (3) audit review, to ensure the integrity of this corporation's community benefit reports, statements and internal control systems and community benefit risk assessment and management; (4) review of the design and impact of major community benefit initiatives; (5) oversight of legal and regulatory compliance with respect to community benefit, including review of operational policies and practices, and (6) increasing public recognition of community benefit activities and community value. The Committee shall regularly report its findings and recommendations to the Board.

1. Extending and Strengthening Community Service Benefit and Activities.

The Committee shall have the following responsibilities regarding community service benefit and activities:

- a. Review on an ongoing basis the contributions to public and community benefit, including both direct community benefit investments, research and education, and the impact on the community by setting an example for affordable, comprehensive, integrated, and evidence-based care;
- b. Promoting progress in community health improvement, including public policy direction, disease prevention activity, reduction of health disparities among population groups and the development and dissemination of evidence based medicine;
- c. Make recommendations to the Board regarding community benefit policies and procedures;
- d. Review information on general health-related needs in communities, and national trends in health and health care, that help define areas of potential community benefit;
- e. Conduct an annual evaluation of community benefit performance, at the National level and for each Region;
- f. Review, approve and monitor the community benefit created through improvements in member and community health status;
- g. Review draft annual reports on community benefit activities prior to inclusion in the company's Form 990 tax return or submission to the various states.

2. Review Community Benefit Financial Policies, Strategies and Performance.

The Committee shall have the following responsibilities regarding review of community benefit financial policies, strategies and performance:

- a. Make recommendations to the Board annually regarding regional and National community benefit exposure;
- b. Review and recommend Board policies and targets with respect to community benefit expenditures;
- c. Review community benefit performance to assure that adequate financial, human and technical investments are maintained;
- d. Ensure that adequate systems are in place to track and evaluate community benefit.

3. Community Benefit Audit Review.

The Committee shall have the following responsibilities regarding community benefit audit review and risk assessment and management:

- a. Periodically audit regional and national compliance with the Board's community benefit policy and procedures;
- b. Review and discuss the type of information regarding community benefit that is disclosed and presented in financial and non-financial reports, filings and other external communications;
- c. Review significant legislative, regulatory and judicial activity and the community benefit portfolio configuration, and recommend high-level policy direction that will minimize risks.

4. Review Major Community Benefit Initiatives.

The Committee shall have the following responsibilities regarding major community benefit initiatives:

- a. Review and make recommendations regarding major community benefit initiatives, which represent a significant financial, human or technical commitment or which have significant strategic or operational implications;
- b. Review and make recommendations regarding research and education activities;
- c. Serve as champions of approved community benefit plans and identify internal and external resources to support implementation;
- d. Review major program evaluations, as completed, and ongoing regional and National performance metrics, as these are developed and implemented.

5. Legal and Regulatory Compliance Systems.

The Committee shall have the following responsibilities regarding legal and regulatory compliance systems:

- a. Obtain periodic updates concerning government regulations, policies, actions and guidelines that provide direction to organizations regarding the management of legal and regulatory compliance associated with community benefit;
- b. Review and approve major operational policies, practices, and strategies that may create risk for or enhance compliance;

- c. Periodically review community benefit policies and procedures to ensure legal and regulatory compliance;
- d. Periodically review reports of significant legal and regulatory audit activities.

6. Public Recognition and Community Value.

The Committee shall have the following responsibilities regarding increasing public recognition of community benefit activities and community value:

- a. Assure that brand messages include references to community benefit;
- b. Review and promote plans for internal and external communications about community benefit activities and impact on the community;
- c. Learn about, and bring to the attention of the Board, exemplary programs and accomplishments that contribute to public and community benefit.

Section E-7. Compensation Committee.

A. Composition.

The Compensation Committee (the “Committee”) shall be comprised solely of at least three (3) Directors, who shall be selected by the Board of Directors (“the Board”), and who shall continue as members of the Committee at the pleasure of the Board. The Committee shall be comprised solely of Directors who are independent. An independent Director is one who:

- 1. Has no personal services contract or material relationship with Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals or any of their subsidiaries (a “Kaiser entity”) except for Board service;

2. Is not a partner, executive officer, principal shareholder or director of any entity that (a) has a contract to provide goods or services to a Kaiser entity, and (b) receives more than 1% of its gross revenues from one or more Kaiser entities;
3. Is not currently and has not been for the past three years employed by a Kaiser entity;
4. Has not during the last three years been part of an interlocking directorate in which an executive of a Kaiser entity served on the compensation committee of another company that concurrently employs the director;
5. Has not during the last one year been affiliated with or employed as a corporate officer, partner, or an audit related employee by a present or former auditor of any Kaiser entity;
6. Is not a "family member," as defined in Section 4958(f)(4) of the Internal Revenue Code, of any person described above; and
7. Is free of any other relationship which would interfere with the exercise of independent judgment.

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

B. Authority and Duties.

The Committee will assist the Independent Directors of the Board in discharging its responsibility relating to (1) Board compensation, (2) executive compensation, and (3) compensation of the Chief Executive Officer ("CEO"). The Committee may independently obtain the assistance and counsel of compensation consultants and other outside advisors, at the company's expense, as the Committee determines is appropriate and shall be solely responsible for selecting, retaining, approving the fees of, and terminating such consultants and advisors.

1. Board Compensation.

- a. Review and make recommendations to the Board regarding the form and amount of compensation of non-employee Directors;
- b. Periodically recommend to the Board a compensation philosophy for non-employee Directors and amendments thereto.

2. Executive Compensation.

- a. Review individual and organizational performance results and approve proposed changes in the annual compensation of executives and other disqualified person employees;
- b. Determine the reasonableness of total compensation payable to all disqualified person executives within the meaning of Section 4958 of the Internal Revenue Code;
- c. Periodically review and approve a compensation philosophy for executives;
- d. Review and approve all compensation and benefit plans for all executives, including disqualified person executives, including

incentive and retirement plans, employment contracts, perquisites, severance arrangements, and other executive personnel policies; the Committee shall ensure that the relationship between pay and performance supports the Program's performance objectives and fulfills the Program's charitable mission;

- e. Review an annual report on Board and executive compensation prior to inclusion in the company's Form 990 tax returns.

3. CEO Compensation.

- a. Recommend to the Independent Directors of the Board the CEO's compensation and benefits based on the individual performance evaluation performed by the Executive Committee;
- b. Determine the reasonableness of total compensation payable to the CEO within the meaning of Section 4958 of the Internal Revenue Code.

4. Other.

- a. Review and approve the performance, compensation, appointment or replacement of the Vice President – Executive Compensation for the company;
- b. Meet periodically with the Senior Vice President – Human Resources and the Vice President – Executive Compensation;
- c. In keeping with the Corporate Governance Guidelines, the Committee may meet as appropriate in executive session;
- d. Review and assess the adequacy of the Committee Charter on an annual basis;



- e. The Committee may delegate authority to approve compensation for non-disqualified person executives in its discretion.

C. Conduct of Business.

A quorum of the Committee shall consist of a majority of the Committee members.

The Committee shall report to the Board regarding its recommendations, actions and decisions. The Committee shall annually assess and report to the Board on the performance and effectiveness of the Committee.

Section E-8. Finance Committee.

A. Purpose.

The Finance Committee will assist the Board in fulfilling its responsibility relating to (1) the oversight of strategic objectives and projected financial performance to assure current and future financial integrity; (2) monitoring the company's financial position; (3) reviewing the company's financing plans; and (4) reviewing major transactions, investments or expenditures which represent a significant financial commitment or which have significant strategic or operational implications. The Committee shall report regularly its actions and recommendations to the Board.

B. Composition and Qualifications of Committee Members.

The Committee shall consist of three (3) or more members of the Board, who shall be elected by the Board and shall continue as members of the Committee at the pleasure of the Board. The chairperson of the Committee shall have an understanding of capital markets and corporate finance, and members of the Committee shall be familiar with business and financial management.

C. Responsibilities and Duties.

1. Strategic Plans, Budgeting, Performance Tracking and Forecasting.

- a. Review at least annually, oversee and make recommendations to the Board regarding the strategic plan and the implementation of such plan;
- b. Review and recommend actions to the Board regarding the annual operating and capital budgets, and assure their consistency with strategic objectives;
- c. Review at least four times a year financial and operating results against budget targets and strategic plans;
- d. Review periodically projections against budget targets and strategic plans in conjunction with review of operating results.

2. Financings.

- a. Review and approve all bond financings and other major financing transactions that exceed \$25 million;
- b. Review and approve proposed bank credit facilities.

3. Major Transactions.

- a. Capital projects. Review and recommend approval by the Board of all capital projects over \$25 million (project size for purposes of triggering Board approval is determined by total of all components, such as land, building, equipment and, if any, value of leases).  
Notwithstanding the above, management is authorized to approve the purchase of land for a purchase price of up to \$10 million that is (1) located in California, and (2) adjacent to or within ¼ mile of an existing Kaiser Permanente facility.
- b. Property and equipment leases. Review and recommend approval by the Board of leases with total expenditures over \$25 million.
- c. Medical Service Agreements. Review and recommend ratification by the Board of Medical Services Agreements and Dental Services Agreements upon recommendation of the appropriate Regional President.
- d. Hospital closures. Review and recommend approval by the Board of hospital closures.
- e. Major acquisitions or dispositions. Review and recommend approval by the Board of the purchase or sale of subsidiaries or lines of business with a value over \$25 million.

- f. Significant transactions. Review and recommend approval by the Board of other major transactions (e.g., hospital strategies) which have significant financial risk or significant strategic or operational implications.
  - g. Material changes to approved transactions. Review and recommend approval by the Board of any material changes to previously approved transactions.
  - h. Guarantees and Loans. Review and recommend approval by the Board of guarantees or long-term extensions of credit that are (1) over \$25 million, or (2) restricted as to repayment (e.g., subordinated debt issued as required by a state's Department of Insurance) by this corporation to or for the benefit of Kaiser Foundation Health Plan, Inc. or its subsidiaries. Short-term intercompany transactions within the normal course of business may be transacted at the discretion of management, within the limits established by the Board approved Delegation of Authority limits.
4. Pension Plans.
- a. Receive reports from the Chief Executive Officer of Kaiser Foundation Health Plan, Inc. or other appropriate officers on the appointment and performance of the Investment and Administrative Committees at least annually and on retirement plan investment performance at least quarterly.

5. Risk Management and Insurance Arrangements.

The Committee shall have the following responsibilities regarding risk management and insurance arrangements:

- a. Review enterprise risk management issues;
- b. Review and approve insurance arrangements to assure adequacy and appropriateness of self-insured retentions and credit quality of insurers.

6. Other Financial Matters.

- a. Review and approve investment guidelines for investments;
- b. Review and approve delegation of authority approval limits for executives;
- c. Receive periodic management reports regarding company guarantees;
- d. Review and take other necessary actions as may be necessary with regard to matters of a material financial nature.

Section E-9. Governance, Accountability and Nominating Committee.

A. Composition and Qualifications of Committee Members.

The Governance, Accountability and Nominating Committee shall consist of three (3) or more Directors, who shall be elected by the Board, and who shall continue as members of the Committee at the pleasure of the Board. Except for the Chair of the Committee who shall serve also on the Executive Committee, the members of the Committee shall not serve on the Executive Committee. The Committee shall be comprised solely of Directors who are independent. An independent Director for the Committee is one who:

1. Has no personal services contract or material relationship with Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals or any of their subsidiaries (a "Kaiser entity") except for Board service;
2. Is not a partner, executive officer, principal shareholder or director of any entity that (a) has a contract to provide goods or services to a Kaiser entity, and (b) receives more than 1% of its gross revenues from one or more Kaiser entities;
3. Is not currently and has not been for the past three years employed by a Kaiser entity;
4. Has not during the last three years been part of an interlocking directorate in which an executive of a Kaiser entity served on the compensation committee of another company that concurrently employs the director;

5. Has not during the last one year been affiliated with or employed as a corporate officer, partner, or an audit related employee by a present or former auditor of any Kaiser entity;
6. Is not a "family member", as defined in Section 4958(f)(4) of the Internal Revenue Code, of any person described above;
7. Is free of any other relationship which would interfere with the exercise of independent judgment; and
8. Is receiving director's fees and related expense reimbursement as the only form of compensation from any Kaiser entity.

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

The Board shall determine the qualification and independence of Directors for service on the Committee.

**B. Authority and Duties.**

The Committee will assist the Board in fulfilling its oversight responsibility relating to (1) Board and committee composition, performance and function, including nominating and recruiting Board members, (2) conflicts of interest, (3) directors and officers liability insurance arrangements, (4) corporate document review, and (5) performance against specific strategic plans. The Committee shall report its actions and recommendations to the Board regularly.

1. Board and Committee Composition, Performance and Function.

The Committee shall have the following responsibilities regarding Board and committee composition, performance and function:

- a. Make recommendations to the Board regarding Board composition, taking into account various state and federal laws and regulations affecting the composition of the Board, and other criteria as developed and periodically modified by the Board;
- b. In collaboration with senior management, recruit potential Board members;
- c. Make recommendations to the Board regarding criteria for Board membership consistent with an organized assessment and recruitment plan and based on current Board needs that are consistent with the organization's strategy;
- d. Review candidates suggested by management and by other Board members and recommend appropriate candidates for consideration by the Board;
- e. Have the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other terms of engagement and retention;
- f. Oversee development, orientation, training and continuing education of Directors, including the approval of conferences for Directors;



- g. Make recommendations to the Board in collaboration with the Board chair concerning establishment of Board committees and composition of such committees taking into account various state and federal laws and regulations regarding qualifications to serve on board committees;
- h. Conduct an annual evaluation of the Board's performance, including the performance and contribution of each Board member whose term is expiring, the performance of each Board committee, and other issues of corporate governance;
- i. Develop and recommend to the Board corporate governance principles and amendments, and monitor compliance with such principles;
- j. Oversee and review the process for providing information to the Board.

2. Conflict of Interest Matters.

The Committee shall have the following responsibilities regarding conflict of interest matters:

- a. Approve the form of conflict of interest questionnaires completed annually by Directors, officers and certain employees;
- b. Review Directors' responses and recommend appropriate action to the Board with regard to any conflict of interest disclosed by a Director's response and consider waivers or other action related thereto;
- c. Review management reports and actions taken with regard to

responses to conflicts of interest questionnaires from officers and employees;

- d. Review and approve material transactions between the company and any Director or senior executive officer for fairness to the company;
- e. Advise and make recommendations to the Board with respect to the company's code of conduct/ethics ("Principles of Responsibility");
- f. Review processes for implementing and/or enforcing the company's code of conduct/ethics ("Principles of Responsibility"), conflict of interest disclosures, and anonymous reporting mechanism.

3. Directors and Officers Liability Insurance Arrangements.

The Committee shall review and approve directors and officer's liability insurance arrangements at least annually to assure adequacy and appropriateness of self-insured retentions and credit quality of insurers.

4. Corporate Document Review.

The Committee shall have the following responsibilities regarding corporate documents:

- a. Periodically review the company's Articles of Incorporation and Bylaws and recommend amendments to the Board;
- b. Periodically review Board Committee Charters and recommend amendments to the Board.

4. Strategic Plan Performance Updates.

The Committee shall have the following responsibilities regarding strategic plan performance:

- a. Oversight of critical priorities as identified in the Kaiser Permanente Partnership Group Performance Agreement, or any comparable set of strategic agreements and commitments that may be created and entered into from time to time;
- b. Receive reports from senior management on a quarterly basis regarding performance against strategic plans.

Section E-10. Quality and Health Improvement Committee.

A. Composition

The Quality and Health Improvement Committee shall consist of three (3) or more Directors, who shall be selected by the Board, and who shall continue as members of the committee at the pleasure of the Board.

B. Authority and Duties

The Quality and Health Improvement Committee is created to: (1) provide strategic direction for quality assurance and improvement systems; (2) provide oversight of systems designed to monitor on behalf of the Board of Directors that quality care and services are provided at a comparable level to all members and patients throughout the Program across the continuum of care; and (3) provide oversight of the Program's quality assurance and improvement systems and organizational accreditation and credentialing.

The Committee will review and, as appropriate, provide direction in the following areas:

1. Quality Assurance

- a. Overseeing quality systems, including quality goals, objectives, and performance measures;

- b. Identifying and addressing deficiencies in quality;
- c. Reviewing, and as appropriate approving, standards for quality assurance, patient safety, service quality, utilization, and risk management;
- d. Reviewing and addressing the results of internal and external system audits.

2. Quality and Health Improvement

- a. Promoting progress in member and patient health improvement, including public policy direction, disease prevention activity, reduction of health disparities among population groups, and the development and dissemination of evidence based medicine;
- b. Approving annual targets for health improvement, including HEDIS and improvement in members' health that contributes to community well being;
- c. Approving annual targets for service quality including access to services, the care experience and overall member, patient, and purchaser satisfaction;
- d. Monitoring and assessing performance against targets of the care delivery system, including clinical performance and patient satisfaction with the care experience;
- e. Evaluating results of quality improvement activities, including recommended actions and follow-up.

3. Organizational Accreditation & Credentialing

- a. Reviewing accreditation and licensing processes and reports, such

as those of the Joint Commission on Accreditation of Healthcare Organizations, the Centers for Medicare & Medicaid Services, and state agencies;

- b. Reviewing the integrity of systems relating to the selection, credentialing and competence of physicians and other health care practitioners, including systems for granting or terminating privileges, professional staff membership, peer review, proctoring and continuing education;
- c. Reviewing matters relating to the competencies and effectiveness of direct patient care personnel of the hospitals who are not subject to the professional staff privilege process;
- d. Approving applications for appointments/reappointments to Professional Staff, clinical privileges, and other actions related to Professional Staff membership and hospital clinical privileges that require governing body approval;
- e. Approving Professional Staff Bylaws and Rules and Regulations and amendments thereto;
- f. Approving hospital policies and procedures, when governing body approval is required.

The Committee shall report its decisions, actions and recommendations to the Board of Directors.

Section E-11. Auxiliary Organizations and Volunteers.

This corporation may have such auxiliary and/or volunteer organizations, and individual volunteers, of such composition and with such duties, authority and manner of

conducting business as the Board may from time to time deem advisable. The bylaws, any amendments thereto, purpose, and function of each such organization shall be subject to the approval of the Hospital Administrator.

Individual volunteers shall be organized and directed in each hospital by an employee of this organization, a Director of Volunteers. All activities and funds of any auxiliary organization, volunteer organization and or individual volunteers shall be for the benefit of this corporation and their funds shall be expended only in such manner as the regional management of this corporation shall approve, after consultation with the organization or volunteers.

Section E-12.      Other Committees.

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

## ARTICLE F

### PROFESSIONAL STAFFS

#### Section F-1. Provision for Professional Staffs.

The Board of Directors shall make provision for the organization of a Professional Staff at each hospital operated by the corporation, and shall appoint the members thereof. The Professional Staff shall consist of duly licensed physicians and surgeons and at each hospital operated by the corporation where dental services are provided, duly licensed dentists or doctors of dental surgery. Each hospital operated by the corporation where podiatric services are provided may have duly licensed podiatrists on the Professional Staff. Where authorized by law, a hospital may admit duly licensed clinical psychologists to the Professional Staff. The Board of Directors shall adopt governing bylaws for each Professional Staff, after considering such Staff's recommendations, in order that the Staff may be appropriately organized for the care and treatment of patients. Such bylaws shall include provisions prescribing the manner in which the Board of Directors shall fulfill its duty to appoint and regulate the Professional Staff.

#### Section F-2. Professional Staff Authority and Relationship With the Board of Directors.

The attending Medical Professional Staff member shall have full authority in the professional care of any patient, including the preparation and maintenance of adequate and accurate medical records for all patients; provided, however, that all Professional Staff members are expected to observe the policies, procedures, rules and regulations

established by their respective professional staffs. In administrative matters, each hospital Professional Staff shall act in an advisory capacity, maintaining liaison with the Board of Directors through its Chief of Staff, the Hospital Administrator, regional corporate officials, and the corporate officers.

Section F-3.            Membership.

It is recognized that the Board of Directors has ultimate legal and moral responsibility for health care and services rendered in the hospitals, including final authority on the granting, renewing, delineating, reducing, suspending, limiting and terminating of Professional Staff membership and clinical privileges.

All appointments to the Professional Staff shall be for no more than two years, renewable by the Board of Directors for such period upon reapplication. The Board shall act upon applications for appointment, reappointment and renewals or revisions in clinical privileges at its next regular meeting following recommendations from the Executive Committee of the Professional Staff. When an application is rejected, or an appointment is not to be renewed, or when privileges have been, or are proposed to be reduced, suspended, limited or terminated for a medical disciplinary cause or reason, prior to final action on the matter by the Board of Directors, the staff member or applicant shall be afforded the opportunity of a hearing before a judicial review committee of the Professional Staff or arbitrator, in accordance with the Bylaws of the Professional Staff. The committee's or arbitrator's recommendations may be appealed to the Board of Directors at the request of the applicant or staff member, and the Board shall arrange for appointment of an Appellate Review Panel to conduct an appellate hearing. The Appellate Review Panel hearing shall be conducted informally, under



procedures consistent with a fair hearing providing an opportunity to present all pertinent information. The appellate hearing ordinarily shall be limited to written and oral presentations by the appellant, counsel or representatives of the appellant and hospital. Pending final disposition of the matter, the Hospital Administrator and Chief of Staff of the hospital may, by joint action, temporarily suspend or reduce the Professional Staff member's privileges in the best interests of the hospital and its patients.

Section F-4.        Officers.

The Board of Directors shall appoint the Chief of Staff, Assistant Chief of Staff, Chiefs of Departments and service officers of the Professional Staff after recommendation by the Active Staff, Executive Committee or Chief of Staff, as appropriate. Such persons shall hold office until their terms expire or their successors are appointed and accept office. However, each year the Board of Directors shall consider whether to continue the appointment of each such officer.

ARTICLE G  
INDEMNIFICATION OF DIRECTORS, OFFICERS,  
EMPLOYEES, AND OTHER AGENTS

Section G-1. Definitions.

As used in this Article:

(a) "agent" means any person who: (i) is or was a Director, officer, employee, or other agent of this corporation; (ii) or who is or was serving at the request of this corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise; (iii) or who was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of this corporation or of another enterprise at the request of the predecessor corporation;

(b) "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative;

(c) "special proceeding" means: (i) an action by or in the right of this corporation to procure a judgment in its favor; (ii) an action brought under California Corporations Code §5233; or (iii) an action brought by the California Attorney General, or a person granted relator status by the California Attorney General, for any breach of duty relating to assets held by this corporation in charitable trust; and

(d) "expenses" includes attorneys' fees and costs, reasonable fees and costs of consultants and experts, reasonable filing and processing charges and necessary and reasonable travel and related costs, and any expenses of establishing a right to indemnification under Section G-2 or G-5(b).

Section G-2.            Agent Successful on the Merits.

To the extent that an agent has been successful on the merits in the defense of any claim or cause of action or portion thereof in any proceeding in which such agent was a party or was threatened to be made a party to such proceeding, in either case, by reason of the fact that such agent is or was an agent of this corporation, or in defense of any claim, issue, or matter therein, this corporation shall promptly indemnify the agent in full against expenses actually and reasonably incurred by the agent in connection therewith.

Section G-3.            Settlements and Proceedings (Other Than Special Proceedings and Settlements Related Thereto) When Agent Not Successful on the Merits.

Upon making an affirmative determination pursuant to Section G-5, and subject to Section G-7, this corporation shall promptly indemnify any agent who was or is a party or is threatened to be made a party to any proceeding other than a special proceeding by reason of the fact that the agent is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any such proceeding, if the agent acted in good faith and in a manner the agent reasonably believed to be in the best interests of this corporation and, in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the agent did not act in good faith and in a manner which the agent reasonably believed to be in the best interests of this corporation or that the agent had reasonable cause to believe that the agent's conduct was unlawful.

Section G-4. Special Proceedings When Agent Not Successful on the Merits.

Upon making an affirmative determination pursuant to Section G-5, and subject to Section G-7, this corporation shall promptly indemnify any agent who was or is a party or is threatened to be made a party to any threatened, pending or completed special proceeding by reason of the fact that the agent is or was an agent of this corporation, against expenses actually and reasonably incurred by the agent in connection with the defense or settlement of such a proceeding if the agent acted in good faith, in a manner the agent believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

No indemnification shall be made under this Section:

(a) With respect to any claim, issue or matter as to which the agent shall have been adjudged to be liable to this corporation in the performance of the agent's duty to this corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, the agent is fairly and reasonably entitled to indemnity for the expenses, which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the California Attorney General.

Section G-5.            Authorization of Indemnification When Agent Not Successful on the Merits.

Any indemnification under Section G-3 or G-4 shall be made by this corporation only upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section G-3 or G-4, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by this corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by this corporation.

Section G-6.            Advance of Expenses.

Expenses incurred in defending any proceeding may be advanced by this corporation before the final disposition of the proceeding upon receipt of an undertaking satisfactory in form and amount to the Board of Directors by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section G-7.            Other Limitations on Indemnification.

Nothing in this Article shall affect any right to indemnification to which an agent other than a Director or officer is entitled by contract, but, except as provided in Sections G-2 and G-5(b), no indemnification or advance shall be made under this Article if inconsistent with:

(a) A contract, or with the Articles of Incorporation and Bylaws of this corporation, in effect at the time of accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid; or

(b) Any condition expressly imposed by a court in approving a settlement.

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

Notwithstanding the above provisions, the corporation shall indemnify agents to the fullest extent permitted by law.

Section G-9. Insurance.

This corporation shall have the power to purchase and maintain insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article; provided, however, that this corporation shall have no power to purchase and maintain such insurance to cover or indemnify any agent of the corporation for a violation of California Corporations Code §5233 (relating to self-dealing transactions).

Section G-10. Employee Benefit Plan Fiduciaries.

With respect to any proceeding against a person who is a trustee, investment manager or other fiduciary of an employee benefit plan, for acts or omissions relating to such person's fiduciary responsibilities with respect to such plan, this corporation shall indemnify those fiduciaries who are Directors, officers or employees of the corporation, to the maximum extent permitted by law, notwithstanding any other provision of this Article to the contrary.

ARTICLE H  
MISCELLANEOUS

Section H-1.        Inspection of Corporate Records.

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

Section H-2.        Execution or Endorsement of Checks.

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

Section H-3.        Execution of Contracts.

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

corporation by any commitment, contract or engagement, or to pledge its credit or render it liable for any purpose or in any amount unless duly authorized by the Board of Directors.

Section H-4.            Bylaws and Minutes.

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

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

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

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

Section H-6.            Fiscal Year.

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



ARTICLE I  
AMENDMENT AND EFFECT OF BYLAWS

Section I-1.            Previous Bylaws Superseded.

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

Section I-2.            Effect of Bylaws.

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

Section I-3.            Manner of Amendment.

(a) In any Legal Way. These Bylaws may be amended in any manner now or hereafter provided by the applicable provisions of the California Nonprofit Public Benefit Corporation Law.

(b) By Directors. These Bylaws may be amended by majority vote of the Board of Directors at any meeting, provided a quorum of such Board is present and voting.

Section I-4.            Review and Revision of the Bylaws.

The Secretary shall conduct a periodic review of these Bylaws and recommend amendments thereto, as needed.