Form **990** 

Treasury

Department of the

Internal Revenue

DLN: 93490335005036

### **Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

Open to Public Inspection

Serv	vice							
A F	or the	2005 calendar yea	ar, or tax year beginnin	g 01-01-2005 and endin	g 12-31-200	5		
ВС	heck if a	applicable Please		Employer identification number 94-1340523				
ГА	ddress c							
$\Gamma_{N}$	ame cha	ange <b>print or</b>	ONE MATCED DIAZA CLIE	P O box if mail is not delivered	to street addre	ss) Room/suite		
┌ Ir	nitial retu					_	E Telephone	e number
┌ F	ınal retu	Instruc- m tions.	City or town, state or co OAKLAND, CA 94612	ountry, and ZIP + 4			(510) 27	
	mended		,				F A	method Cash Accrual
		n pending				_		metnod j Casn j• Accruai specify) ►
	ррпсацо	<b>♣</b> Section		s and 4947(a)(1) nonexemp Schedule A (Form 990 or 9		H(a) Is this a	ot applicable to group return	o section 527 organizations for affiliates? Yes V No
G V	∥eb sit	t <b>e: ►</b> N/A				<b>H(b)</b> If "Yes" <b>H(c)</b> Are all a		
1 6	i-	-#: # / -bll-		) ◀ (insert no )	1)			See instructions )
						H(d) Is this a	separate retu	ırn filed by an organization
<b>K</b> 0	Check he organizat	ere 🟲 📗 If the organization need not file a retu	ation's gross receipts are noi irn with the IRS, but if the o	mally not more than \$25,000 <sup>-</sup> rganization received a Form 990	The D Package in	covered	by a group π	uling?
				states require a complete r		I Group	Exemption	Number ►
L	Gross r	eceipts Add lines	6b, 8b, 9b, and 10b to	line 12 🕨 36,102,162,9	967	M Check A attach S	F ∏ ıfthe o Sch B (Form 9	rganization is <b>not</b> required to 990, 990-EZ, or 990-PF)
P	art I	Revenue, Ex	penses, and Chan	ges in Net Assets o	r Fund Bal	ances (See	the instru	ctions.)
	1	Contributions, gift	ts, grants, and similar a	amounts received				
	а	Direct public supp	port		1a	3,565,	297	
	b	Indirect public su	ipport		1b	324,0	000	
	C	Government cont	rıbutıons (grants) .		1c			
	d	Total (add lines 1	a through 1c) (cash \$	3,889,297 nor	ncash \$		) <b>1</b> d	3,889,297
	2	Program service r	revenue including gove	rnment fees and contracts	(from Part \	/II, line 93) .	2	24,027,319,413
	3	Membership dues	3					
	4	Interest on saving	4					
	5	Dividends and int	. 5					
	6a	Gross rents .	481					
	ь	Less rental expe						
	С	Net rental income	e or (loss) (subtract line	e 6b from line 6a)			6с	2,334,481
O)	7	Other investment	: income (describe 🕨 )				7	
Revenue	8a	Gross amount fro	m sales of assets	(A) Securities		(B) O ther		
Ω Θ		other than invento	ory	11,979,159,079	8a	232	2,559	
	b	Less cost or other ba	isis and sales expenses	11,881,848,143	8b	1,277	7,160	
	С	Gaın or (loss) (att	tach schedule)	97,310,936	8c	-1,044	1,601	
	d	Net gain or (loss)	(combine line 8c, colu	mns (A) and (B))			. 8d	96,266,335
	9	Special events an	nd activities (attach sc	hedule) If any amount is f	from <b>gaming</b> ,	check here ► 🛚	-	
	а	Gross revenue (no contributions repo	ot including \$ orted on line 1a)	of	9a			
	Ь	Less direct expe	nses other than fundra	ising expenses	9b			
	C	•	, ,	s (subtract line 9b from lin	e 9a)		. 9с	
	10a	Gross sales of inv	ventory, less returns ar	nd allowances	10a			
	b	Less cost of goo	ds sold		10b			
	С	, , ,	, ,	ach schedule) (subtract line 10b	·		10c	
	11						11	89,228,138
	12			c, 7, 8d, 9c, 10c, and 11)			_	24,219,037,664
.0	13			(B))				23,361,993,882
Expenses	14	-	•	column (C))			. 14	706,128,901
χ. Π	15	Fundraising (from	. 15					
ш	16	Payments to affili	16	24.060.422.722				
	17			lumn (A ))			17	24,068,122,783
<u>8</u>	18	•		line 17 from line 12)				150,914,881
4 2	19			g of year (from line 73, col			19	1,678,057,697
Net Ass	20			ances (attach explanation				-137,631,773
_	21	Net assets or fund	a palances at end of ye	ar (combine lines 18, 19,	and 20) .		. 21	1,691,340,805

### 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>B)</b> Program services	(C) Management and general	( <b>D)</b> Fundraising
22	Grants and allocations (attach schedule) (cash \$7,786,313 noncash \$0 )  If this amount includes foreign grants, check here	22	7,786,313	7,786,313		
23	Specific assistance to individuals (attach schedule)	23				
24	Benefits paid to or for members (attach schedule)	24				
25	Compensation of officers, directors, etc	25	0			
26	Other salaries and wages	26	1,363,052,582	1,363,052,582		
27	Pension plan contributions	27	143,029,460	143,029,460		
28	Other employee benefits	28	449,322,817	449,322,817		
29	Payroll taxes	29	59,753,401	59,753,401		
30	Professional fundraising fees	30				
31	Accounting fees	31	1,015,654	1,015,654		
32	Legal fees	32	65,629,336	65,629,336		
33	Supplies	33	1,413,888,483	1,413,888,483		
34	Telephone	34	9,198,444	9,198,444		
35	Postage and shipping	35	21,397,400	21,397,400		
36	Occupancy	36	170,506,936	170,506,936		
37	Equipment rental and maintenance	37	116,580,799	116,580,799		
38	Printing and publications	38	12,508,444	12,508,444		
39	Travel	39	39,913,345	39,913,345		
40	Conferences, conventions, and meetings	40	13,735,247	13,735,247		
41	Interest	41	65,973,171	65,973,171		
42	Depreciation, depletion, etc (attach schedule)	42	193,513,477	193,513,477		
43	Other expenses not covered above (itemize)					
а	See Additional Data Table	43a				
b		43b				
c		43c				
d		43d				
е		43e				
f		43f				
g		43g				
44	Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13–15)	44	24,068,122,783	23,361,993,882	706,128,901	0

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? F Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$\_\_\_\_\_\_, (ii) the amount allocated to Program services \$\_\_\_\_\_\_,

(iii) the amount allocated to Management and general \$\_\_\_\_\_, and (iv) the amount allocated to Fundraising \$\_\_\_\_\_\_,

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.

All c		nents easura	in a clear and concise manner State the number of clients served, ble (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt	Program Service Expenses (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others )
а	SEE STATEMENT			
b	(Grants and allocations \$ 7,786,313)		If this amount includes foreign grants, check here 🕨 🦵	23,361,993,882
c	(Grants and allocations \$	)	If this amount includes foreign grants, check here 🕨 🦵	
	(Grants and allocations \$	)	If this amount includes foreign grants, check here 🕨 🦵	
d				
	(Grants and allocations \$	)	If this amount includes foreign grants, check here 🕨 🦵	
e	Other program services (attach schedule) (Grants and allocations \$	)	If this amount includes foreign grants, check here 🕨 🦵	
f	Total of Program Service Expenses (should equ	ıallın	ne 44, column (B), Program services) 🕨	23,361,993,882

Pa	art IV	Balance Sheets (See the instructi	ons.)					
Not	e:	Where required, attached schedules and amou column should be for end-of-year amounts on		thin the description	(A) Beginning of year			(B) End of year
	45	Cash—non-interest-bearing	4,580,211	45		11,052,362		
	46	Savings and temporary cash investments			1,608,152,032	46		1,648,821,501
	47a	Accounts receivable	47a	981,570,701				
	ь			232,651,652	378,305,462	47c		748,919,049
		Pledges receivable	48a					
	b	Less allowance for doubtful accounts	48b			48c		
	49	Grants receivable				49		
	50	Receivables from officers, directors, truste (attach schedule)			1,300,270	50		1,498,301
	51a	Other notes and loans receivable (attach						
ıΔ		schedule)	51a	19,162,592				
Assets	ь	Less allowance for doubtful accounts	51b		19,162,592	51c	雹	19,162,592
ব	52	Inventories for sale or use			94,433,407	52		107,596,388
	53	Prepaid expenses and deferred charges .		[	46,104,821	53		34,552,283
	54	Investments—securities (attach schedule)		► Cost FMV	2,818,915,936	54	<b>%</b>	2,538,850,449
	55a	Investments—land, buildings, and equipment basis	55a					
	ь	Less accumulated depreciation (attach schedule)	55b			55c		
	56	Investments—other (attach schedule) .	· · ·		38,825,519	56	<b>195</b>	55,732,769
	57a	Land, buildings, and equipment basis	57a	4,185,913,236				
	ь	Less accumulated depreciation (attach schedule)	57b	2,351,155,726	1,885,881,826	57c		1,834,757,510
	58	Other assets (describe ►		)	128,856,321	58	2	101,034,747
	59	T-4-1	- 45 +6		7,024,518,397	59		7,101,977,951
	_	Total assets (must equal line 74) Add line		<del>-</del>	1,835,949,240	60		2,065,924,255
	60 61	Accounts payable and accrued expenses  Grants payable		:::::	1,000,848,240	61		2,000,924,233
	62	Deferred revenue			771,414,684	62		305,183,264
ې	63	Loans from officers, directors, trustees, an		F	<u> </u>			<u></u>
1		schedule)				63		
ž;	64a	Tax-exempt bond liabilities (attach schedu	ule) .	[		64a		
	ь	Mortgages and other notes payable (attach	sched	ule)		64b		
	65	Other liablilities (describe 🕨	)	2,739,096,776	65	193	3,039,529,627	
	66	Total liabilities Add lines 60 through 65	5,346,460,700	66		5,410,637,146		
	Orga	anizations that follow SFAS 117, check here 67 through 69 and lines 73 and 74	<b>▶</b>	nd complete lines				
Š	67	Unrestricted				67		
9110	68	Temporarily restricted		[		68		
Balances	69	Permanently restricted		[		69		
Fund	Orga	anizations that do not follow SFAS 117, chec complete lines 70 through 74						
P.	70	Capital stock, trust principal, or current fui			70			
ets.	71	Paid-in or capital surplus, or land, building		F	-154,999,266	71		-162,999,985
v)	72	Retained earnings, endowment, accumulate		` ` <u> </u>	1,833,056,963	72		1,854,340,790
let.As	73	Total net assets or fund balances (add line 70 through 72,						
Z		column (A) <b>must</b> equal line 19, column (B)	must e	qual line 21)	1,678,057,697	73		1,691,340,805
	74	Total liabilities and net assets / fund balances		· · · · · · · · · · · · · · · · · · ·	7,024,518,397	74		7,101,977,951
				I				Form <b>990</b> (2005)

а	Total revenue, gains, and other su	pport per audited financial stat	tements			а	30,889,037,465
ь	A mounts included on line <b>a</b> but not	• • •					<u> </u>
1	Net unrealized gains on investmen		b1	I			
2	Donated services and use of facilit		b2			1	
3	Recoveries of prior year grants .		b3			1	
4			55			1 1	
7	Other (specify)		b4	6.66	8,937,996		
	Add lines <b>b1</b> through <b>b4</b>					Ь	6,668,937,996
С	Subtract line <b>b</b> from line <b>a</b>					c	24,220,099,469
d	A mounts included on line 12, but r					$\vdash$	24,220,033,403
1	Investment expenses not included		d1	I			
2			- 41			1	
2	Other (specify)		d2		1,061,805		
	Add lines <b>d1</b> and <b>d2</b>		- L			<sub>a</sub>	6,668,937,996
e	Total revenue (line 12) Add lines					e	24,219,037,664
	t IV-B Reconciliation of Exp						
3:11 3	Total expenses and losses per aud				•	a l	30,787,724,070
- b	A mounts included on line a but not					<del>-</del> +	30,707,721,070
1	Donated services and use of facilit		Ь1	1			
			b2			1	
2	Prior year adjustments reported or					-	
3	Losses reported on line 20		b3			1 1	
4	Other (specify)		b4	6.77	9,020,727		
	Add lines <b>b1</b> through <b>b4</b>					Н ь	6,779,020,727
	<del>-</del>					$\vdash$	
c	Subtract line <b>b</b> from line <b>a</b>					C	24,008,703,343
d	A mounts included on line 17, but r		1	1			
1	Investment expenses not included		d1			4	
2	Other (specify)		d2		0 410 440		
	Add lines <b>d1</b> and <b>d2</b>		-	L	59,419,440	ا ہا	E0 410 440
						d	59,419,440
e	Total expenses (line 17) Add lines					e	24,068,122,783
Pari		ctors, Trustees, and Ke employee at any time dur					
		(B) Table and average become	(C) C		(D) Contrib		(E) Expense
	(A) Name and address	<b>(B)</b> Title and average hours per week devoted to position		(C) Compensation employee benefit plans & deferred compensation		account and other allowances	
					plan	ıs	allowances
	STATEMENT 18 19 ISER PLAZA SUITE 1550L	SEE STATMENT 18 &		0		0	0
	LAND, CA 94612	1		_		_	
			<u>L</u>				

'ar	t V-A Current Officers, Director	s, Trustees, and Key	y Employees (cont	tinued)		Yes	No
′5a	Enter the total number of officers, director	rs, and trustees permitted	l to vote on organizatio	n business at board			
	meetings		<u>▶</u> 12				
b	Are any officers, directors, trustees, or ke	y employees listed in For	m 990, Part V - A , or h	ghest compensated			
	employees listed in Schedule A, Part I, or	dependent					
	contractors listed in Schedule A, Part II-	r business					
	relationships? If "Yes," attach a statemer	nt that identifies the indivi	duals and explains the	relationship(s) .	75b	Yes	
c	Do any officers, directors, trustees, or key						
	employees listed in Schedule A, Part I, or						
	contractors listed in Schedule A, Part II-	A or II-B, receive compe	nsation from any other	organizations, whether			
	tax exempt or taxable, that are related to				75c	Yes	
	Note. Related organizations include section						
	If "Yes," attach a statement that identifies		_	en this			
	organization and the other organization(s)						
	including amounts paid to each individual	•	_	- 1			
d	Does the organization have a written conf				75d	Yes	
	t V-B Former Officers, Director	<u>' '</u>					)ther
	Benefits (If any former offi (described below) during the benefits in the appropriate c	cer, director, trustee, e year, list that person	or key employee re below and enter th	ceived compensation	or oth	ner ber	nefits
	benenes in the appropriate c			(D) Contributions to			
	(A) Name and address	(B) Loans and Advances	(C) Compensation	employee benefit plans and deferred compensation plans		oense acc ner allowa	
ar	t VI Other Information (See the	instructions.)				Yes	No
6	Did the organization engage in any activity not pre	viously reported to the IRS? If '	'Yes," attach a detailed des	cription of each activity	76		Νο
7	Were any changes made in the organizing	or governing documents	but not reported to the	IRS?	77		Νο
	If "Yes," attach a conformed copy of the c	hanges					
'8a	Did the organization have unrelated business gross	income of \$1,000 or more duri	ng the year covered by this	return?	78a	Yes	
	If "Yes," has it filed a tax return on Form				78b	Yes	
9	Was there a liquidation, dissolution, termination, or	substantial contraction during t	the year? If "Yes," attach a	statement	79		Νο
0a	Is the organization related (other than by association	on with a statewide or nationwi	de organization) through co	mmon membership,		$\neg \neg$	
	governing bodies, trustees, officers, etc , to any ot	her exempt or nonexempt orga	inization?		80a	Yes	
Ь	If "Yes," enter the name of the organization	on F SEE STATEMENT					
			ether it is 🔽 exempt	er Changyamat			
<b>₹1</b> ~	Enter direct or indirect political expenditu						
	Did the organization file Form 1120-POL for			·	81b		No
	Dia the organization me Form IIIZO-POL IC	or critical years.			I	l l	14 0

_			Tage
	t VI Other Information (continued)	Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	a	No
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue		
	ın Part I or as an expense ın Part II (See ınstructions ın Part III ) 82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	a Yes	
Ь	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? 831	b Yes	†
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	а	Νο
Ь	If "Yes," did the organization include with every solicitation an express statement that such contributions or		1
	gifts were not tax deductible?	b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	a	1
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	b	
	If "Yes," was answered to either 85a or 85b, <b>do not</b> 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		
е	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85e	g	
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?	h	
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)		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Part IX	Yes	
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under		1
	section 4911 ► 0 , section 4912 ► 0 , section 4955 ► 0		
Ь	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	ь	No
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		(
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		
90a	List the states with which a copy of this return is filed 🕨		
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions ) 90b		16,215
91a	The books are in care of NATIONAL DIRECTOR OF TAX  Telephone no (510) 271	-6385	
	ONE KAISER PLAZA STE 1550L  Located at  OAKLAND, CA  ZIP +4  94612		
Ь	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)?  91	Yes	N o
	If "Yes," enter the name of the foreign country 🛌		
	See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , Report of Foreign Bank and Financial Accounts		
c	At any time during the calendar year, did the organization maintain an office outside of the United States?	с	No
	If "Yes," enter the name of the foreign country 🕨		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here		▶ 「
	and enter the amount of tax-exempt interest received or accrued during the tax year • 92		

Part VIII A	Inalysis of Incom	e-Producing Activ	<b>rities</b> (Se	e the instructions.	.)		
Note: Enter gr	ross amounts unless ot	herwise indicated.		ed business income	<del>                                     </del>	ion 512, 513, or 514	(E)
			( <b>A</b> ) Business code	(B) Amount	(C) Exclusion code	<b>(D)</b> Amount	Related or exempt function income
93 Program	n service revenue						
a MEMBE	R HEALTH CARE						16,441,049,111
<b>b</b> SUPPLE	EMENTAL REV						1,167,390,857
c NON-P	LAN & INDUSTR		524114	4,685,184			31,935,749
d OTHER	PROGRAM SERV		524114	16,707,928			173,270,169
e							
<b>f</b> Medicar	re/Medicaid payments						6,192,280,415
<b>g</b> Fees an	nd contracts from gove	ernment agencies					
94 Member	rship dues and assess	ments					
95 Interest o	on savings and temporary o	cash investments					
<b>96</b> Dividen	ids and interest from s	ecurities					
97 Netrent	tal income or (loss) fro	om real estate					
<b>a</b> debt-fin	nanced property						
<b>b</b> non deb	ot-financed property				16	2,334,481	
98 Net renta	al income or (loss) from per	rsonal property					
<b>99</b> Other in	nvestment income .						
<b>100</b> Gaın or (I	loss) from sales of assets o	ther than inventory			18	96,266,335	
•	ome or (loss) from spe	•					
	profit or (loss) from sal						
<b>103</b> Other re	evenue <b>a</b> PARKING	GARAGES			03	4,051,949	
b INT/EX	T INT INCOME				14	85,176,189	
С		_			1 -	,	
d							
e	.   /-	.)1 (5))		21 202 112		107 020 054	24 005 026 201
	al (add columns (B), (D	(B), (D), and (E))		21,393,112		187,828,954	24,005,926,301
Note: Line 105	plus line 1d, Part I, sh	ould equal the amount o	n line 12, Pai	rt I.			
	e organization's exem	pt purposes (other thar	n by providir	ng funds for such pu	rposes)		
Part IX 1		rding Taxable Su	bsidiarie	s and Disregard	led Entities	(See the instru	
	(A) ress, and EIN of corporatio ship, or disregarded entity ata Table	n, Percentage of ownership interes	.t %	<b>(C)</b> Nature of activities		( <b>D)</b> Total income	<b>(E)</b> End-of-year assets
			%				
			%				
			%				
Part X	Information Rega	rding Transfers A	Associate	d with Personal	Benefit Co	ntracts (See th	<u> </u>
(b) Did the d	organization, during th	r, receive any funds, directly e year, pay premiums,	dırectly orı	ndırectly, on a perso			
		70 and Form 4720 (see i			and and the second	tamanta - 11 mm	ant of much
		declare that I have examine and complete Declaration of					
Please L		·		•	2006-1	1-13	
Sign	Signature of officer				Date	1 13	
Here	DEBORAH STOKES VP & (	CONTROLLER					
	Type or print name and t						
<u>  r</u>			In	ata		Draparar's CCN or D	FIN (See Can Inst W
D-:-	Preparer's		0	ate	Check if self-	riepalei s 55N Of P	ΓΙΝ (See Gen Inst W
Paid	signature				empolyed •		
Preparer's		L			•		
Use	Firm's name (or yours if self-employed),					EIN Þ	
Only	address, and ZIP + 4	CPMG LLP					
Only	· ·						
Only	- F	KPMG LLP 55 SECOND STREET SAN FRANCISCO, CA 94105				Phone no 🕨	

DLN: 93490335005036

**SCHEDULE A** (Form 990 or 990EZ) 牣

Department of the Treasury Internal Revenue Service

### Organization Exempt Under Section 501(c)(3)

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

Supplementary Information—(See separate instructions.) ▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ 2005

OMB No 1545-0047

Name of the organization KAISER FOUNDATION HEALTH PLAN INC

**Employer identification number** 

94-1340523

Part I	Compensation of the Five Highest Paid Employe	es Other Than Officers	s, Directors, and Trustees
	(See page 1 of the instructions. List each one. If there	are none, enter "None.")	

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances	
SEE STATEMENT	SEE STATEMENT				
SEE STATEMENT OAKLAND,CA 94612	40	0	0	0	
	-				
Total number of other employees paid over \$50,000	6,725				
Part II-A Compensation of the B	ive Highest Paid Indepe	ndent Contractor	s for Professiona	al Services	

### (See page 2 of the instructions. List each one (whether individual or firms). If there are none, enter

"None "\

nvone.")		
(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
KAISER FOUNDATION HOSPITALS		
ONE KAISER PLAZA	MEDICAL SERVICES	9,068,377,577
OAKLAND,CA 94612		
SOUTHERN CALIF PERMANENTE MEDICAL		
393 EAST WALNUT STREET	MEDICAL SERVICES	4,126,535,928
PASADENA,CA 91188		
THE PERMANENTE MEDICAL GROUP		
1950 FRANKLIN STREET 18TH FLOOR	MEDICAL SERVICES	3,616,215,680
OAKLAND,CA 94612		
HAWAII PERMANENTE MEDICAL GROUP		
3288 MOANALUA ROAD	MEDICAL SERVICES	114,335,746
HONOLULU, HI 96819		
EMI EMPLOYERS MUTUAL INC		
700 SOUTHEAST CENTRAL PARKWAY	3RD PARTY ADM-AMBULN	115,054,589
STUART,FL 34994		
Total number of others receiving over \$50,000 for 1,581		
professional services		

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

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

(a) Name and address of each independent contractor paid more than \$50,	000 <b>(b)</b> Type of service	(c) Compensation
CAMPBELL EWALD		
393 EAST WALNUT STREET	ADVERTISING	16,452,804
PASADENA,CA 91188		
RUDULPH AND SLETTEN INC		
EUREKA RD SUITE 200	CONSTRUCTION	16,183,641
ROSEVILLE, CA 95661		
ID MEDIA		
PO BOX 100544	MEDIA	11,651,006
ATLANTA,GA 30384		
PRICEWATERHOUSECOOPERS LLP		
PO BOX 31001-0068	CONSULTING	14,713,767
PASADENA,CA 91110		
SPERION CORPORATION		
PO BOX 730476	STAFFING	7,247,373
DALLAS,TX 75373		
Total number of other contractors receiving over \$50,000 for other services	,054	

1	Statements About Activities (See page 2 or the instructions.)		res	
	During the year, has the organization attempted to influence national, state, or local legislation, include a	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 ► \$ 2,744,341 (Must equal amounts on line 38, Part V	/I-A, or line		
	ı of Part VI-B )	1	Yes	
	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 descri	iption of the		
	lobbying activities			
	During the year, has the organization, either directly or indirectly, engaged in any of the following acts wi	th any		
	substantial contributors, trustees, directors, officers, creators, key employees, or members of their family	lies, 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 trans	sactions.) 📆		
1	Sale, exchange, or leasing property?	2a	Yes	
)	Lending of money or other extension of credit?	2b	Yes	
	Furnishing of goods, services, or facilities?	2c	Yes	
ı	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	Yes	
:	Transfer of any part of its income or assets?	2e		N
l	Do you make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of	f how you		
	determine that recipients qualify to receive payments )	3a	İ	ĺИ
,	Do you have a section 403(b) annuity plan for your employees?	3b	Yes	
	During the year, did the organization receive a contribution of qualified real property interest under section	on 170(h)? <b>3c</b>		N
	Did you maintain any separate account for participating donors where donors have the right to provide ac	dvice		
	on the use or distribution of funds?	4a	İ	ĺМ
	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b		N
•а	organization is not a private foundation because it is (Please check only ONE applicable box )	nstructions.)		! 
Pa		nstructions.)		I
Pa	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)	nstructions.)		ı
°a	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V)	nstructions.)		
Pa	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V)  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)	· · · · · · · · · · · · · · · · · · ·	s name	:, ci
°a	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V)  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)	· · · · · · · · · · · · · · · · · · ·	s name	, ci
°a	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V)  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state  An organization operated for the benefit of a college or university owned or operated by a government	Enter the hospital'	s name	e, ci
•а	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)	Enter the hospital'		e, ci
0	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit of	Enter the hospital'		e, ci
0	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V)  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit o Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)	Enter the hospital'		e, ci
0	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state ▶  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit of Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  A community trust Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)	Enter the hospital' ental unit r from the general p	ublic	
0	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii)  and state  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit of Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  A community trust. Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives. (1) more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions, more than 331/3% of its support from contributions.	Enter the hospital' ental unit r from the general p	ublic d gross	S
0	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(ii)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii)  and state  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit of Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  A community trust. Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives. (1) more than 331/3% of its support from contributions, many receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and	Enter the hospital' ental unit r from the general p nembership fees, an	ublic d gross <b>331/3</b> %	5
0	organization is not a private foundation because it is. (Please check only <b>ONE</b> applicable box.)  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii). (Also complete Part V.)  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii).  and state.  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv). (Also complete the <b>Support Schedule</b> in Part IV-A).  An organization that normally receives a substantial part of its support from a governmental unit of Section 170(b)(1)(A)(vi). (Also complete the <b>Support Schedule</b> in Part IV-A).  A community trust. Section 170(b)(1)(A)(vi). (Also complete the <b>Support Schedule</b> in Part IV-A).  An organization that normally receives. (1) more than 331/3% of its support from contributions, more receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and its support from gross investment income and unrelated business taxable income (less section 51).	Enter the hospital' ental unit r from the general p nembership fees, ar d (2) no more than 1 tax) from busines	ublic d gross 331/3% ses	s <b>6</b> o
0	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii)  and state  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv). (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit of Section 170(b)(1)(A)(vi). (Also complete the <b>Support Schedule</b> in Part IV-A)  A community trust. Section 170(b)(1)(A)(vi). (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives. (1) more than 331/3% of its support from contributions, more ceipts from activities related to its charitable, etc., functions—subject to certain exceptions, and its support from gross investment income and unrelated business taxable income (less section 51 acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the <b>Support</b> .)	Enter the hospital ental unit  r from the general prembership fees, and (2) no more than and 1 tax) from busines	ublic d gross 331/39 ses : IV-A	s ∕oot
0	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit of Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)  A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)  An organization that normally receives (1) more than 331/3% of its support from contributions, more receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and its support from gross investment income and unrelated business taxable income (less section 51 acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support An organization that is not controlled by any disqualified persons (other than foundation managers	Enter the hospital' ental unit  r from the general p nembership fees, and (2) no more than 1 tax) from busines bort Schedule in Par ) and supports orga	ublic d gross <b>331/3%</b> ses : IV-A nizatio	s <b>%</b> of
0	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state   An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit of Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  A community trust Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives (1) more than 331/3% of its support from contributions, more receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and its support from gross investment income and unrelated business taxable income (less section 51 acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the <b>Support</b> An organization that is not controlled by any disqualified persons (other than foundation managers described in (1) lines 5 through 12 above, or (2) sections 501(c)(4), (5), or (6), if they meet the	ental unit  r from the general properties of the content of the co	ublic d gross <b>331/3%</b> ses : IV-A nizatio	s <b>⁄o</b> o
0	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state ▶  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit of Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  A community trust Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives (1) more than 331/3% of its support from contributions, more receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and its support from gross investment income and unrelated business taxable income (less section 51 acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the <b>Support described</b> in (1) lines 5 through 12 above, or (2) sections 501(c)(4), (5), or (6), if they meet the Check the box that describes the type of supporting organization ▶ Type 1 Type 2	Enter the hospital' ental unit  r from the general p membership fees, and (2) no more than 1 tax) from busines bort Schedule in Par ) and supports orgatest of section 509  Type 3	ublic d gross <b>331/3%</b> ses : IV-A nizatio	s <b>%</b> of
Pa	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state   An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit of Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  A community trust Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives (1) more than 331/3% of its support from contributions, more receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and its support from gross investment income and unrelated business taxable income (less section 51 acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the <b>Support</b> An organization that is not controlled by any disqualified persons (other than foundation managers described in (1) lines 5 through 12 above, or (2) sections 501(c)(4), (5), or (6), if they meet the	ental unit  r from the general properties of the content of the co	ublic d gross 331/39 ses : IV-A nizatio (a)(2)	s <b>%</b> of ) ns
• • • • • • • • • • • • • • • • • • •	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state ▶  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit of Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  A community trust Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives (1) more than 331/3% of its support from contributions, more receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and its support from gross investment income and unrelated business taxable income (less section 51 acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the <b>Support described</b> in (1) lines 5 through 12 above, or (2) sections 501(c)(4), (5), or (6), if they meet the Check the box that describes the type of supporting organization ▶ Type 1 Type 2	ental unit  r from the general properties of the content of the co	ublic d gross 331/39 ses : IV-A nizatio (a)(2)	s <b>%</b> of ) ns
• • • • • • • • • • • • • • • • • • •	organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box )  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)  A school Section 170(b)(1)(A)(ii) (Also complete Part V )  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii)  and state ▶  An organization operated for the benefit of a college or university owned or operated by a government Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)  An organization that normally receives a substantial part of its support from a governmental unit or Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  A community trust Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)  A norganization that normally receives (1) more than 331/3% of its support from contributions, more receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and its support from gross investment income and unrelated business taxable income (less section 51 acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the <b>Support</b> An organization that is not controlled by any disqualified persons (other than foundation managers described in (1) lines 5 through 12 above, or (2) sections 501(c)(4), (5), or (6), if they meet the Check the box that describes the type of supporting organization ▶ Type 1 Type 2  Provide the following information about the supported organizations (see page 5 of the	ental unit  r from the general properties of the content of the co	ublic d gross 331/39 ses : IV-A nizatio (a)(2)	s ⁄oo ) ns

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.

Cale	ndar year (or fiscal year beginning in)	(a) 2004	<b>(b)</b> 2003	<b>(c)</b> 2002	(d) 2001	(e) Total
15	Gifts, grants, and contributions received (Do not include unusual grants See line 28 )	1,752,009	2,408,629	2,080,028	1,689,081	7,929,747
16	Membership fees received					0
17	Gross receipts from admissions, merchandise					
	sold or services performed, or furnishing of	21,944,427,763	20,533,938,473	17,161,066,790	15,521,745,505	75,161,178,531
	facilities in any activity that is related to the	21,944,427,703	20,333,930,473	17,101,000,790	13,321,743,303	73,101,170,331
	organization's charitable, etc , purpose Gross income from interest, dividends, amounts					
18	received from payments on securities loans					
	(section 512(a)(5)), rents, royalties, and	04.004.554	102 217 061	16 676 004	22 670 000	245 657 417
	unrelated business taxable income (less section	94,084,554	102,217,961	16,676,804	32,678,098	245,657,417
	511 taxes) from businesses acquired by the					
19	organization after June 30, 1975  Net income from unrelated business activities					
19	not included in line 18					0
20	Tax revenues levied for the organization's benefit					
	and either paid to it or expended on its					C
	behalf The value of services or facilities furnished to					
21	the organization by a governmental unit without					
	charge Do not include the value of services or					C
	facilities generally furnished to the public without					
	charge Other income Attach a schedule Do not include					
22	gain or (loss) from sale of capital assets	3,708,799	2,824,696			6,533,495
	<b>%</b>	, ,	, ,			, ,
23	Total of lines 15 through 22	22,043,973,125	20,641,389,759	17,179,823,622	15,556,112,684	75,421,299,190
24	Line 23 minus line 17	99,545,362	107,451,286	18,756,832	34,367,179	260,120,659
25	Enter 1% of line 23	220,439,731	206,413,898	171,798,236		
26	Organizations described on lines 10 or 11: a Er				▶ 26a	
b	Prepare a list for your records to show the name of	and amount contr	ributed by each pe	erson (other than	a	
	governmental unit or publicly supported organizati				ed	
	the amount shown in line 26a Do not file this list	with your return. I	Enter the total of a	all these excess		
	amounts				<b>▶</b> 26b	
c	Total support for section 509(a)(1) test Enter line	24, column (e)			<b>▶</b> 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) d	ivided by line 26c	(denominator))		► 26f	
27	Organizations described on line 12: a For amou	ınts ıncluded ın lın	es 15, 16, and 1	7 that were receiv	ved from a "dısqua	alıfıed person,"
	prepare a list for your records to show the name of	, and total amount	s received in eac	h year from, each	ı "dısqualıfıed pers	son "
	Do not file this list with your return. Enter the sun	n of such amounts	for each year			
	(2004)0 (2003)0		(2002)0		(2001)0	
b	For any amount included in line 17 that was receiv	ed from each pers	on (other than "dı	isqualified persor	ns"), prepare a list	for your
	records to show the name of, and amount received	for each year, tha	t was more than t	he <b>larger</b> of <b>(1)</b> th	he amount on line	25 for the year
	or (2) \$5,000 (Include in the list organizations de	scribed in lines 5	through 11, as w	ell as ındıvıduals	) Do not file this $% \left( \frac{1}{2}\right) =\left( \frac{1}{2}\right) \left( \frac{1}$	list with your
	return. After computing the difference between the	amount received	and the larger am	ount described ir	n <b>(1)</b> or <b>(2)</b> , enter	the sum of
	these differences (the excess amounts) for each y	ear				
	(2004) 0 (2003) 0		(2002)0		(2001)0	
c	Add Amounts from column (e) for lines 15	7,929,	747 16	0		
	1775,161,178,531 20		0 21	0	► 27c	75,169,108,278
d	Add Line 27a total 0	and line 27b tota	al	0	► 27d	(
e	Public support (line 27c total minus line 27d total)	)		_	<b>▶</b> 27e	75,169,108,278
f	Total support for section 509(a)(2) test Enter am	ount from line 23,	column (e) 🕨	<b>27f</b> 75,42	1,299,190	
g	Public support percentage (line 27e (numerator) d	ivided by line 27f	(denominator))		<b>▶</b> 27g	99 67 %
H	Investment income percentage (line 18, column (e	e) (numerator) div	ided by line 27f (	denominator))	<b>▶</b> 27h	0 33 %
28	Unusual Grants: For an organization described in li	ne 10, 11, or 12 t	hat received any	unusual grants di	urıng 2001 throug	h 2004,

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

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)
(To be completed ONLY by an eligible organization that filed Form 5768)

he	ck 🟲 a 🦵 ıf the organization belong	s to an affiliated group Check 🟲 🕨 🦵 if yo	ou checked	"a" and "limited cor	itrol" provisions apply
		bbying Expenditures " means amounts paid or incurred )		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influe	nce public opinion (grassroots lobbying)	36		
37	Total lobbying expenditures to influe	nce a legislative body (direct lobbying)	37		
38	Total lobbying expenditures (add line	es 36 and 37)	38		
39	Other exempt purpose expenditures		39		
40	Total exempt purpose expenditures	(add lines 38 and 39)	40		C
41	Lobbying nontaxable amount Enter t	he amount from the following table—			
	If the amount on line 40 is—	The lobbying nontaxable amount is—			
	Not over \$500,000	20% of the amount on line 40	լ		
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000			
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	}   41		
	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000			
	Over \$17,000,000	\$1,000,000	기		
42	Grassroots nontaxable amount (ente	r 25% of line 41)	42		
43	Subtract line 42 from line 36 Enter	-0- ıf lıne 42 ıs more than lıne 36	43		С
44	Subtract line 41 from line 38 Enter	·0- ıf lıne 41 ıs more than lıne 38	44		C
					•
	Caution: If there is an amount on either	er 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 11 of the instructions )

		Lo	bbying Expendit (	ıres During 4-Yea	ar Averaging Peri	od
	Calendar year (or fiscal year beginning in) 🏲	(a) 2005	<b>(b)</b> 2004	(c) 2003	(d) 2002	(e) Total
45	Lobbying nontaxable amount					
46	Lobbying ceiling amount (150% of line 45(e))					
47	Total lobbying expenditures					
48	Grassroots nontaxable amount					
49	Grassroots ceiling amount (150% of line 48(e))					
50	Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For rep	orting onl	y by or	ganizations that	t did not com	plete Part Vi	I-A) (See j	page 11	of the	instructio	ກs.) 🕏

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

- a Volunteers
- **b** Paid staff or management (Include compensation in expenses reported on lines **c** through **h.**)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- **g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines **c** through **h.**)

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

1	of the instructions.)						
	Yes	No	A mount				
		Νo					
	Yes						
		Νo					
	Yes		144,29				
	Yes		8,31				
	Yes		259,68				
	Yes		1,897,77				
	Yes	·	434,26				
			2,744,34				

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

a Trans	fers from the reporting	g organization to a no	ncharitable exempt organization	of	[	Yes	No
(i)	Cash				51a(i)		Νo
	O ther assets				a(ii)		Νo
_	transactions				!!		
			narıtable exempt organizatıon		b(i)		Νo
	Purchases of assets		· -		b(ii)		Νo
	Rental of facilities, ed		sets		b(iii)		Νo
	Reimbursement arrar	-			b(iv)		Νο
	Loans or loan guaran				b(v)		Νο
			fundraising solicitations		b(vi)		No
			er assets, or paid employees ete the following schedule Colur		C		No
trans a	action or sharing arran	ngement, show in colu	orting organization If the organi mn (d) the value of the goods, ot (c)		<u> </u>		
ne no	A mount involved	Name of noncha	aritable exempt organization	arrangeme		, 4114	
descri	•	of the Code (other th	with, or related to, one or more to the section 501(c)(3)) or in sect	• •	Г	Yes	F
11 16	(a)		(b)	(c)			
	Name of organiza	ation	Type of organization	Description of rela	ationship		

### **TY 2005 Cash Grants Paid Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Class of Activity	Recipient's name	Address	Amount	Relationship
	SEE COMMUNITY BENEFIT REPORT ATTACH	ONE KAISER PLAZA STE 1500 OAKLAND, CA 94612	7,786,313	NONE

### **TY 2005 Investments - Other Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Description	Book Value	Cost/FMV
EQUITY - OAKTREE	282,437	
CA ECON DEV LENDING	250,000	
COMM BANK OF THE BAY	50,000	
HEARX WEST LLC	57,127	
BROADLANE	8,250,000	
ORDW AY INTL	120,000	
LOKAHI ASSURANCE	1,241,610	
KPIC	31,349,724	
HAWAII-PROPERTY HELD FOR SALE	14,131,871	

	efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93490335005036
--	--------------------------------------	-----------------	---------------------

### **TY 2005 Investments - Securities Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Description	Book Value	Cost/FMV
PUBLICLY TRADED SECURITIES		
AND OTHER INVESTMENTS	2,538,850,449	

### **TY 2005 Other Assets Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Description	Beginning of Year Amount	End of Year Amount
NOTES RECEIVABLE	15,491,908	0
OTHER LONG TERM ASSETS	4,966,852	11,809,570
THIRD PARTY ACCOUNT RECEIVABLE	0	7,014,657
GOODWILL	0	492,000
PREPAID PENSION	108,397,561	81,718,520

### **TY 2005 Other Changes in Net Assets Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Description	Amount
NET UNREALIZED LOSS ON INVESTMENTS	121,601,070
INTERREGIONAL TRANSFERS	8,000,000
RESTRICTED DONATED CAPITAL RECD/RELEASED	720
PRINCIPLE	8,029,983

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93490335005036

### **TY 2005 Other Expenses Included Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Description	Amount
ASSETS - RECLASS	1,061,805
ACCOUNTING PRINCIPLE	8,029,983
SUBSIDIARIES & ELIMINATIONS	6,769,928,939



# **TY 2005 Other Expenses Not Included Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Description	Amount
BAD DEBT EXPENSE - RECLASS	59,419,440

	efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93490335005036
--	--------------------------------------	-----------------	---------------------

### **TY 2005 Other Liabilities Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Description	Beginning of Year Amount	End of Year Amount
RESERVE - PHYSICIAN RETIREMENT	1,629,618,009	1,757,308,698
RESERVE FOR AUTO & UNEMPLOY.	78,749,028	351,809
RESERVE FOR PROFESSIONAL & PUB	77,919,567	229,863,919
RESERVE FOR WORKERS COMP RISKS	296,680,763	93,382,389
LONG-TERM EXTERNAL LIABILITIES	299,366	283,081
POST RETIREMENT BENEFIT LIAB	376,944,651	458,325,225
OTHER CURRENT LIABILITIES	191,775,106	192,051,074
CURRENT INSTALLMENTS LT DEBT	15,328	9,779
OTHER LONG-TERM LIABILITIES	87,094,958	307,953,653



## TY 2005 Other Notes/Loans Receivable Short Schedule

Name: KAISER FOUNDATION HEALTH PLAN INC

Category/Name	Amount
COMMUNITY HEALTH PLAN	19,162,592

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93490335005036

### **TY 2005 Other Revenues Included Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Description	Amount
BAD DEBT EXPENSE - RECLASS	-59,419,440
SUBSIDIARIES & ELIMINATIONS	6,849,958,506
INTERENTITY INVESTMENT INT.	-121,601,070



## **TY 2005 Other Revenues Not Included Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Description	Amount
ASSETS - RECLASS	-1,061,805

### **TY 2005 Non Electing Public Charities Statement**

Name: KAISER FOUNDATION HEALTH PLAN INC

**EIN:** 94-1340523

**Statement:** 

efile GRAPHIC print - DO NOT PROCESS As Filed Data - DLN: 93490335005036

### **TY 2005 Other Income Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Description 2003		2002	2001	2000	Total
PARKING	3,708,799	2,824,696			6,533,495



### **TY 2005 Self Dealing Statement**

Name: KAISER FOUNDATION HEALTH PLAN INC

Line Number	Explanation				
2a					

Line Number	Explanation			
2b				

Line Number	Explanation				
2c					

Software ID:

**Software Version:** 

**EIN:** 94-1340523

Name: KAISER FOUNDATION HEALTH PLAN INC

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
a EMPLOYEE RELATED EXPENSES	43a	21,902,103	21,902,103		
b EMPLOYEE DEVELOPMENT EXPENSES	43b	16,813,999	16,813,999		
c BASIC CONTRACTUAL PAYMENTS	43c	17,293,901,168	17,293,901,168		
d CLAIMS - IN AREA & OUT OF AREA	43d	982,142,256	982,142,256		
e SEE STATEMENT 30 ADDL DETAIL	43e	240,988,729	240,988,729		
f MEMBERSHIP DUES AND FEES	43f	919,028	919,028		
g DUES & SUBSCRIPTIONS	43g	3,007,833	3,007,833		
h PROFESSIONAL & PUBLIC LIAB INS	43h	225,469,082	225,469,082		
i OTHER INSURANCE	43i	231	231		
j BAD DEBT EXPENSE	43j	59,419,440	59,419,440		
k BUSINESS LICENSES & TAXES	43k	8,902,633	8,902,633		
I PROPERTY TAXES	431	19,770,971	19,770,971		
m ADVERTISING & MKTING EXPENSES	43m	207,677,557	207,677,557		
n BANKS SVC CHG, CRDT CARD FEES	43n	16,070,903	16,070,903		
o INTERDIV MEDICAL SERVICES	43o	55,616,935	55,616,935		
p MISCELLANEOUS EXPENSES	43р	61,710,570	61,710,570		
q ALLOCATED ADMIN EXPRECLASS	43q	706,128,901		706,128,901	
r CORPORATE INCOME TAX ON UBI	43r	875,135	875,135		

#### Form 990, Part IX - Information Regarding Taxable Subsidiaries and Disregarded Entities:

(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
OAK TREE ASSURANCE LTD ONE KAISER PLAZA SUITE 1550L OAKLAND, CA94612 03-0329760	100 0	CAPTV INSURER	5,488,429	25,134,699
KAISER PROPERTIES SERVICES INC ONE KAISER PLAZA SUITE 1550L OAKLAND, CA94612 94-3259432	100 0	R/E BROKERAGE	1,510,710	637
KAISER PERMANENTE INSURANCE CO ONE KAISER PLAZA SUITE 1550L OAKLAND, CA94612 94-3203402	50 0	INSURANCE	117,032,634	78,091,409
CHP COMPANIES INC ONE KAISER PLAZA SUITE 1550L OAKLAND, CA94612 91-1814507	100 0	HOLDING CO	0	1,000
KAISER PERMANENTE HEALTH ALTER ONE KAISER PLAZA SUITE 1550L OAKLAND, CA94612 94-3113684	100 0	MEDICAL SVCS	10,107,667	3,941,751

Line Number	Explanation			
2d	FORM 990, PART V			

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

### **TY 2005 Supplemental Support Schedule**

Name: KAISER FOUNDATION HEALTH PLAN INC

Year	Gifts, Grants and Contributions Received	Membership Fees Received	Gross Receipts From Admissions, Etc.	Gross Investment Income And Post 1975UBI	Net UBI Pre 1975	Tax Revenues Levied For Organization's Benefit	Value Of Services, Facilities Furnished By Government	Other Income	Total
2005	1,752,009		21,944,427,763	94,084,554				3,708,799	22,043,973,125
2004	2,408,629		20,533,938,473	102,217,961				2,824,696	20,641,389,759
2003	2,080,028		17,161,066,790	16,676,804					17,179,823,622
2002	1,689,081		15,521,745,505	32,678,098					15,556,112,684

## KAISER FOUNDATION HEALTH PLAN, INC. FORM 990 TAX YEAR 2005

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

DESCRIPTION	Date Acquired	Date Sold	Proceeds/ Sales Price	Cost/Basis Expense of Sale	Accum Depreciation	Gain or -Loss
See Note -	#1	#2				
GAINS AND LOSSES FROM SALE OF INVE	ESTMENTS	]				
State Street	Vanous	Various	11 070 150 070	11 970 171 071		400 007 000
Adjustment for Impairment	Vanous	Vanous	11,979,159,079	11,872,171,271 3,265,423	• -	106,987,808 -3,265,423
Miscellaneous adjustments	Various	Vanous		6,411,449	-	-6,411,449
Total Realized Gains from Investments			11,979,159,079	11,881,848,143	0	97,310,936
GAINS AND LOSSES FROM SALE OF FIXE	D ASSETS	1			<del></del>	
NORTHERN CALIFORNIA REGION		-				
Controllable Equipment	Vanous	Vanous	2,450	30,457,147	30,255,015	-199,682
Non-Capital Equipment	Vanous	Vanous	0	731,757	729,639	-2,118
Initial Complement Equipment	Vanous	Vanous	0	1,706,365	1,582,279	-124,086
Autos and Trucks	Various	Various	16,000	159,140	159,140	16,000
Asset Write-off	Various	Vanous	,	44,502	,	-44,502
Subtotal - Northern California Region			18,450	33,098,911	32,726,073	-354,388
SOUTHERN CALIFORNIA REGION						
Sale of Vehicles	Various	Vanous	11,600	181,122	137,442	-32,080
Sale of Vehicles	Various	Vanous	39,456		,	39,456
Sale of Miscellaneous Assets	Vanous	Vanous	93,700			93,700
Trade-in Credits	Vanous	Vanous	67,417			67,417
Misc Asset Retirements	Vanous	Vanous	•	248,987		-248,987
Misc Asset Write-Offs	Various	Various		422,457		-422,457
Miscellaneous Adjustments	Various	Vanous		·	43,444	43,444
Subtotal - Southern California Region			212,173	852,566	180,886	-459,507
Hawaii						
Medical Equipment	Various	Various				0
Miscellaneous Equipment & Furniture	Various	Various	1,936			1,936
Asset Retirement	Various	Various		25,022		-25,022
Asset Wnte-off	Various	Various		206,968		-206,968
Subtotal - Hawaii			1,936	231,990	0	-230,054
PROGRAM OFFICE						
Computer - Laptop Retirement				4,693	4,041	-652
Net Gains on Sales of Fixed Assets			232,559	34,188,160	32,911,000	-1,044,601
Combined Totals			11,979,391,638	11,916,036,303	32,911,000	96,266,335
						<del></del>
RECAP OF NET GAIN/(LOSS)			Investments	Fixed Assets	Combined	
ORIGINAL COST AND EXPENSE OF SALE			11,881,848,143	34,188,160	11,916,036,303	
DEPRECIATION			0	32,911,000	32,911,000	
NET COST OR OTHER BASIS			11,881,848,143	1,277,160	11,883,125,303	
LESS GROSS SALES PROCEEDS			11,979,159,079	232,559	11,979,391,638	
NET GAIN/(LOSS)			97,310,936	-1,044,601	96,266,335	

## KAISER FOUNDATION HEALTH PLAN, INC. FORM 990 TAX YEAR 2005

94-1340523

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

	Date	Date	Proceeds/	Cost/Basis		Gain
DESCRIPTION	Acquired	Sold	Sales Price	Expense	Accum	or
				of Sale	Depreciation	-Loss
See Note -	#1	#2				

Note #1: All equipment and other fixed assets were acquired by purchase by the organization for use in its tax-exempt purpose of providing health care services on a mostly prepaid basis to its enrolled members. The organization acquired the assets on the open market at prices that were competitive with similar property at the time of acquisition.

Note #2: All equipment and other fixed assets have been disposed of either by sale to the general public, donation to other Section 501(c)(3) tax-exempt organizations or by abandonment.

After a good faith effort to market the assets deemed no longer serviceable to the organization in its purpose, where reasonable such assets are sold to the highest offer given the condition, age, and usability of the asset.

## KAISER FOUNDATION HEALTH PLAN, INC. FORM 990 TAX YEAR 2005

94-1340523

#### 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.

	COS	ST	ACCUMULATED	2005	
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR	DEP/AMORT EXPENSE
LAND	310,450,253	302,747,858	0	0	0
LAND IMPROVEMENTS	39,131,503	39,420,855	30,711,720	32,677,958	1,966,239
BUILDINGS	1,879,099,965	1,973,593,397	861,328,440	945,810,189	83,901,888
LEASEHOLD IMPROVEMENTS	494,215,231	529,609,612	271,787,578	313,690,794	42,101,222
EQUIPMENT	834,236,370	768,246,508	704,160,459	652,714,825	32,427,305
CAPITALIZED SOFTWARE	449,254,382	449,759,528	372,993,740	406,261,960	33,116,823
CAPITALIZED LEASES	46,805	46,805	0	0	0
CONSTRUCTION IN PROGRESS	120,429,254	122,488,673	0	0	0
TOTALS TO PART IV, LINE 57(A)	4,126,863,763	4,185,913,236		0.054.455.700	
PART IV, LINE 57(B)			2,240,981,937	2,351,155,726	
PART IV, LINE 57(C)	1,885,881,826	1,834,757,510			
PART II, LINE 42 COLUMN (B)					<u>193,513,477</u>

#### KAISER FOUNDATION HEALTH PLAN, INC 94-1340523 12/31/05

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

(A) NAME	(B) TITLE/ HOURS* WEEKLY		(C1) COMPENSATION PRE 2005	(C2) COMPENSATION 2005	(D1) BENEFIT 2005	(D2) BENEFIT PAID 2006	(E) EXP ACCT/ OTHER ALLOW
see note 2	*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
DIRECTORS:							
George C Halvorson	Director & Chairman		SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
Daniel P Garcia	Director		SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
Barbara D Blum	Director to March 2005	5	0	29,625	0	0	0
Christine K Cassel	Director	11	0	133,000	0	0	0
Thomas W Chapman	Director	8	0	161,173	14,000	0	0
William R Graber	Director	6	0	156,333	0	0	0
J Eugene Gngsby III	Director	8	0	159,975	0	0	0
Kım J Kaiser	Director	7	0	167,500	0	0	0
J Neal Purcell	Director	8	0	158,000	14,000	0	0
Philip A Manneau	Director	5	0	139,833	0	0	0
Robert L Ridgley	Director retired December 2005	5	0	151,182	0	0	0
Cynthia Telles	Director	6	0	162,475	0	0	0
Hans Tjian	Director to August 2005	5	0	86,222	0	22,000	0
Sandra Thompkins	Director from June 2005	3	0	91,917	0	0	0
OFFICERS AND KEY EMPLO	YEES						
President and Regional Presi	dents						
George C Halvorson	CEO & President	40	2,605,083	2,817,749	1,592,563	1,570,000	0
Mary Ann Thode	Regional President-NorCal	40	864,709	783,973	607,334	209,127	0
Benjamin K Chu	Regional President-SoCal from February 2005	40	0	516,384	94,803	214,326	12,000
Janice L Head	Regional President-Hawaii	40	352,173	455,175	239,537	70,072	0
National Officers and Key Em	ployees						
Raymond J Baxter	Senior Vice President	40	198,023	712,176	751,128	213,979	0
Robert E Bnggs *	Senior Vice President to February 2005	40	3,798,344	3,893,545	114,996	3,334	0
Robert M Crane	Senior Vice President	40	864,331	669,079	281,766	247,120	0
J Clifford Dodd	Senior Vice President	40	902,636	1,068,153	744,539	472,256	0
Jerry C Fleming	Senior Vice President	40	868,993	593,001	285,285	236,951	0
Daniel P Garcia	Senior Vice President	40	564,016	632,352	423,952	261,962	10,891
Mitchell J Goodstein	Senior Vice President	40	275,643	586,037	235,189	170,975	0
Kathryn Lancaster	Senior Vice President from February 2005	40	156,539	577,854	240,701	323,499	0
Lawrence B Leisure	Senior Vice President	40	11,540	857,051	314,252	278,100	0
Louise Liang, MD	Senior Vice President	40	639,260	921,996	352,336	348,958	0
Leslie A Margolin	Senior Vice President	40	1,417,493	1,276,512	475,781	483,580	0
Laurence G O'Neil	Senior Vice President	40	784,495	743,212	331,953	298,551	0
Arthur M Southam, MD	Senior Vice President	40	1,308,033	1,364,458	359,644	533,681	0
Bemard J Tyson	Senior Vice President	40	1,170,760	1,102,085	433,058	431,302	0
Robert Walton	Senior Vice President	40	303,933	568,266	115,599	173,161	0
Herman M Weil	Senior Vice President	40	305,834	403,798	197,935	135,422	0
Larry Wilson	Senior Vice President	40	257,352	549,432	232,469	163,694	0
Theodore E Wise	Senior Vice President	40	217,367	536,279	168,255	132,653	0
Steven R Zatkın	Senior Vice President	40	512,031	815,098	657,832	333,189	0
Thomas R Meier	Vice President/Treasurer	40	166,555	330,101	123,589	154,818	0
Deborah Stokes	Vice President/Controller	40	184,465	387,744	125,771	114,031	0
Carol H Cox	Assistant Secretary	40	0	56,089	21,308	. 0	0
Steven Doshay	Assistant Secretary	40	31,163	233,880	25,620	57,218	0
Jennifer Gardner	Assistant Secretary	40	0	73,936	9,320	4,625	0
Judith M Mears	Assistant Secretary	40	99,248	314,784	194,954	99,026	0
Wayne Morns	Assistant Secretary	40	162,942	331,120	92,402	50,261	0
Indraut Obeysekere	Assistant Secretary	40	0	266,941	25,965	59,427	0
Carlos Zaragoza Victoria B Zatkin	Assistant Secretary Assistant Secretary	40 40	38,998 33,467	261,822 225,589	51,117 60,622	70,943 66,581	0

NOTES. See following page for notes applicable to the above reporting

#### KAISER FOUNDATION HEALTH PLAN, INC. 94-1340523 12/31/05

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

(A) NAME	(C1) COMPENSATION PRE 2005	(C2) COMPENSATION 2005	(D1) BENEFIT 2005	(D2) BENEFIT PAID 2006	(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
George C Halvorson	0	0	• (		0
Daniel P Garcia	0	0	(	-	0
Barbara D Blum	0	0	(		0
Christine K Cassel	0	0		0	0
Thomas W Chapman	0	13,050		0	0
William R Graber	0	0	,	0	0
J Eugene Grigsby III	0	12,910	(	=	0
Kım J Kaiser	0	0		0	0
J Neal Purcell	0	14,817	8,83		0
Philip A Marineau	0	0		0	0
Robert L Ridgley	0	17,200		0	0
Cynthia Telles	0	10,750	,	0	0
Hans Tjian	0	0		0	0
Sandra Thompkins	0	0	(	•	0
Mary Ann Thode	0	0	(		0
Benjamin K Chu	0	0	(		0
Janice L Head	0	0	(	-	0
Raymond J Baxter	0	0	(		0
Robert E Briggs *	0	0	(	-	0
Robert M Crane	0	0	(	-	0
J Clifford Dodd	0	0	(		0
Jerry C Fleming	0	0	(		-
Mitchell J Goodstein	0	0	(		0
Kathryn Lancaster	0	0	(	•	0
Lawrence B Leisure	0	0	(		0 0
Louise Liang, MD	0	0	(	•	0
Leslie A Margolin Laurence G O'Neil	0	0	(		0
Arthur M Southam, MD	o o	0	(		0
Bernard J Tyson	0	0	(	-	0
Robert Walton	o o	0	(		0
Herman M Weil	0	0	(	-	0
Larry Wilson	0	0	(	•	0
Theodore É Wise	ő	0	(	•	0
Steven R Zatkın	o o	0	(	•	0
Thomas R Meier	0	0	(	•	0
Deborah Stokes	0	0	(	•	0
Carol H Cox	0	0	(	· -	0
Steven Doshay	0	0	(	•	0
Jennifer Gardner	0	0	(	•	0
Judith M Mears	0	0	(	•	0
Wayne Morris	0	0	(	•	0
Indrajit Obeysekere	ő	0	(	•	0
Carlos Zaragoza	ŏ	0	(	-	0
Victoria B Zatkin	0	0	(	-	0
VICTORIA D ZAMIII	· ·	3	`	,	U

NOTES. See following page for notes applicable to the above reporting.

#### KAISER FOUNDATION HEALTH PLAN INC. 94-1340523 12/31/2005

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

(A) NAME	(B) LOANS AND ADVANCES	(C1) COMPENSATION PRE 2005	(C2) COMPENSATION 2005	(D1) BENEFIT	(D2) BENEFIT	(E) EXP ACCT/
See Note 2	ADVANCES	See Notes 3 & 4	See Notes 3 & 4	2005 See Notes 3, 4 & 5	PAID 2006 See Notes 3, 4 & 5	See Notes 3, 4 & 6
BARRY L WILLIAMS	0	55,499	0	0	0	0
DAVID R ANDREWS	0	0	0	8,798	0	0
DEAN MORTON	0 0	0 400	0	498 0	0	0
EDWARD PENHOET HENRY M KAISER	0		Ö	8,817	626 0	0
BARBARA WEST	0	2,584	0	10,082	1 018	ō
BRUCE BEHNKE	0	232,029	0	10,205	13 060	0
CHESTER BIEGANSKI DAVID M LAWRENCE	0	259 1,889,427	0	0 16,2 <del>66</del>	0 330,079	0
GEORGE TOMBERLIN	Ö	92,939	Ö	9,484	2 257	Ö
JAMES SAMUEL	0	1 020 149	0	0	2,174	0
JAMES VOHS JOSEPH HUMMEL	0	111,39 <del>6</del> 305,574	0	12,843 15,643	0 19,125	0
KIRK MILLER	Ö	968,356	ŏ	38 790	21,469	0
L DALE CRANDALL	0	526,192	0	14,589	61,339	0
LYNN ABRAHAM	0	215,226	0	0	3,447	0
PATRICIA SIEGEL PETER HOHL	0	824,964 628,865	0	11 616 152 901	2,792 0	0
PHILIP J JENSEN	Ö	245	ŏ	0	Ö	ŏ
RICHARD CORDOVA	0	11,907	0	0	7,982	0
RICHARD PETTINGILL TIMOTHY E SULLIVAN	0	80 587 29,600	0	0	36 044 14 299	0
WILLIAM GILLESPIE	0	445 869	0	22 597	9,147	0
VAUGHAN ACTON	0	61,082	0	0	0	0
CATHY ANDERSON	0	5,711	0	0	2,137	0
RICHARD ANDERSON RICHARD BARNABY	0	0 1,703,645	0	9 539 11,275	0	0
PHILIP BERETTA	Ŏ	0	ŏ	9,302	ŏ	Ŏ
TIMOTHY BLAKELY	0	0	0	10,232	0	0
ALFRED BOLDEN	0	0	0	9 211	0	0
PAUL BRANDES THEODORE CARPENTER	0 0	0	0	20,548 20 208	0	0
KENNETH COLLING	ŏ	2,749	Ö	20,208	5,215	ŏ
SHARON COMDEN	0	0	0	21,573	0	0
JOSEPH CRISCIONE ANDREW DUBILL	0	0	0 0	9 552 20 301	0	0
DUANE EASON	0	ő	ŏ	9 029	Ö	Ö
ROBERT ERICKSON	0	0	Q	11 501	0	0
ROBERT ESSINK	, O	0	0	10,337 21,603	0	0
GARY FERNANDEZ PAUL FINGERMAN	0	255	0	21,603	0	0
JUNE FINSTERLE	0	38 402	0	8 208	0	0
SHARON FLAHERTY	0	0	0	8,208	0	0
SCOTT FLEMING RICHARD FROH	0	0 28 104	0	9,395 14 562	12 643	0
MARK HELLENDER	Ō	0	Ō	8,208	0	0
MICHAEL KATCHER	0	0	0	8 208	0	0
RICHARD LANDIS JAMES LANE	0	0	0	8,208 9,637	0	0
W LINDGREN	0	Ö	ŏ	9,441	ŏ	Ŏ
WILLIAM LITTLE	0	18,252	0	0	0	0
ALLAN MANN	0	4,238 388	0	9,224 8,700	0 178	0
DENISE MILLER WAYNE MOON	0	0	0	22 304	0	0
MARILYN MORRISH	0	0	0	9,308	0	0
JOSEPH MULROY	0	0	0	9,308	0	0
PHILIP NEWBOLD SARA NEWTON	0	197 692 0	0	0 9,048	0	0
WALTER PALMER	0	ŏ	Ö	8,866	Ö	ŏ
KATHRYN PAUL	0	0	0	9 125	0	0
JERRY PHELAN	0	0	0	10,956 9,308	0	0
DAVID POCKELL SUSAN PORTH	0	0	0	8,208	Ö	Ö
BARBARA ROBERTSON	0	0	0	2,315	0	0
WILLIAM ROSE	0	0	0	9,955	0	0
ARTHUR ROSENFELD JOHN RUML	0 0	0 0	0	9,233 8,482	0	0
SIDRA SEELEY	Ö	ŏ	Ö	8,363	ŏ	Ö
GRETCHEN SEIFERT	0	0	0	20,604	0	0
WILLIAM SLAYMAN	0	0	0	8,670	0	0 0
RONALD WACKER DANIEL WAGSTER	0	0	Û	915 24,843	0	0
ALVIN WASHINGTON	Ö	0	Õ	8,208	Ö	0
ALVA WHEATLEY	0	0	0	9,948	0	0
ROBERT WILLIAMS	0	326,014 0	0	20 208 8,290	2,272 0	0
JOHN CAPENER SANDRA COX	0	0	0	8,767	0	0
TIMOTHY REED	0	0	0	10,072	0	0
EDGAR CARLSON	0	0 0	0	10,608	0	0
THOMAS FLEISHMAN HUGH JONES	0	0	0	11,153 10 965	0	0
RONALD KOENEKE	ō	ō	Ō	11 215	Ō	Ō

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

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

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

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

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

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

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

Some of the amounts shown as Compensation were actually earned in years prior to 2005. This compensation is effectively reported in Part V twice — once in the year deferred and again in the year paid. However, the compensation is only paid once. The disclosure rules mandate that significant amounts of compensation are double-counted in both 2004 and 2005. For instance, column C1 includes amounts paid in 2005 for achievement of performance goals for prior years, and column D2 includes payments scheduled for 2006 for performance goals achieved in 2005.

Note #5 – The Organization offers various benefit plans, both qualified and non-qualified. Among the benefits offered to the officers listed on Form 990, Part V-A line 75 c are a qualified Defined Benefit Plan (Plan A), a qualified Defined Contribution Plan (Plan B), a Section 403(b) Tax Sheltered Annuity Plan (TSA), a Section 457(b) Deferred Compensation Plan (CAP), and health and welfare benefit plans. Included in Benefits reported for this purpose are the value of the annual contributions to Plan B, TSA, CAP and certain health and welfare benefit plans. Estimates for 2005 accruals for future benefits under Plan A are included in column D1.

94-1340523

For other benefit plans available to executives which provide future benefits earned during 2005 (where the specific amounts are available and determinable by the time this tax report is filed), the amount is included in the Benefits column D1 reported in this return. Amounts determinable at year-end under termination of employment arrangements calling for future payments in a subsequent year are included in the D1 Benefit Plans column for this purpose. Individuals noted with (\*) may have amounts included by reason of termination of employment and from benefit plan accounts that were previously earned.

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

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

**Note #7** – The average weekly time spent on the organization's affairs during 2005 is reported based on individual records for Directors Kaiser, Ridgley, Graber, Cassel, Grigsby, Chapman, Thompkins, Purcell and Telles; for the other directors the time is estimated to be five hours. Actual time spent by Board member may vary based on different responsibilities during the year. Key employees, who work full-time, may work in excess of the standard 40-hour work week.

Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals, Kaiser Foundation Health Plan of the Northwest, Kaiser Foundation Health Plan of Colorado, and Kaiser Foundation Health Plan of Ohio have the same Directors. The hours reported for outside Directors for Part V represent the total average weekly time spent by each Director on all of these organizations' affairs during 2005.

FEIN: 94-1340523

12/31/05

## NON-AFFILIATED TAXABLE ORGANIZATION RELATIONSHIPS

NAME	NON-AFFILIATED TAXABLE ORG	TRANSACTIONAL RELATIONSHIP
PHILIP A MARINEAU	LEVI STRAUS & CO	NONE
HANS TIJAN	WESTAMERICA BANCORPORATION	NONE
RAYMOND BAXTER	UNION BANK	NONE
ROBERT RIDGLEY	NORTHWEST NATURAL GAS COMPANY	GAS SUPPLIER FOR NORTHWEST REGION
LARRY Y WILSON	CHOLESTECH	NONE

KAISER FOUNDATION HEALTH PLAN, INC FEIN: 94-1340523

12/31/05

## **FAMILY AFFILIATIONS REPORTED**

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

## KAISER FOUNDATION HEALTH PLAN, INC. 94-1340523 12/31/2005

## STATEMENT LINE 50 - RECEIVABLES DUE FROM OFFICERS, DIRECTORS AND KEY EMPLOYEES FORM 990 PART IV

		Balance	of Note						
Name and Title	Onginal Amount	12/31/04	12/31/05	Date of Note	Maturity Date	Terms	Interest Rate	Security	Purpose
Terry Belmont Vice President	100,000	20,000	-	5/31/00	5/31/05	Principal & Interest payable annually	6.40%	Recorded DoT	Employee Relocation
Adrienne Edens	50,000	1,792	-	11/17/00	11/17/04	Principal & Interest payable annually	6.01%	Recorded DoT	Employee Relocation
Darren Oliver	100,000	23,593	2,150	10/4/00	10/4/05	Principal & Interest payable annually	6 22%	Recorded DoT	Employee Relocation
Donna Deckard	100,000	25,000	-	10/4/01	10/4/05	Principal & Interest payable annually	4 59%	Recorded DoT	Employee Relocation
Mitchell Goodstein Sr Vice President	80,000	20,000	-	6/15/01	6/15/05	Principal & Interest payable annually	5.02%	Recorded DoT	Employee Relocation
Gemma Tayao	20,000	5,000	-	6/1/01	6/1/05	Principal & Interest payable annually	5.02%	Recorded DoT	Employee Relocation
James Waller #2	30,000	220	-	5/29/01	5/29/05	Principal & Interest payable annually	4.77%	Recorded DoT	Employee Relocation
Wade Overgaard	50,000	12,500	-	7/30/01	7/30/05	Principal & Interest payable annually	5.12%	Recorded DoT	Employee Relocation
Robert Briggs	150,000	7,165	-	5/15/02	5/15/04	Principal & Interest payable annually	4.99%	Recorded DoT	Employee Relocation
Carrie Harris-Muller	60,000	15,000	-	3/20/02	3/20/05	Principal & Interest payable annually	4 52%	Recorded DoT	Employee Relocation
Theodore Wise	100,000	50,000	25,000	5/21/02	5/21/06	Principal & Interest payable annually	4.99%	Recorded DoT	Employee Relocation
Alide Chase	70,000	52,500	35,000	6/25/03	6/25/07	Principal & Interest payable annually	3.06%	Recorded DoT	Employee Relocation
George DiSalvo	52,500	26,250	13,125	10/15/03	10/15/07	Principal & Interest payable annually	3.65%	Recorded DoT	Employee Relocation
Lori Dutcher	70,000	52,500	35,000	6/27/03	6/27/07	Principal & Interest payable annually	3.06%	Recorded DoT	Employee Relocation
Kendali Hunter	85,000	63,750	42,500	6/16/03	6/16/07	Principal & Interest payable annually	3.06%	Recorded DoT	Employee Relocation
Jım Simpson	100,000	75,000	50,000	11/26/03	11/26/07	Principal & Interest payable annually	3.32%	Recorded DoT	Employee Relocation
Michael Alexander	70,000	70,000	52,500	8/20/04	8/20/08	Principal & Interest payable annually	4.00%	In Process DoT	Employee Relocation
Anne Cadwell	30,000	30,000	22,500	4/21/04	4/21/08	Principal & Interest payable annually	3.15%	Recorded DoT	Employee Relocation
Thomas Curtin Jr.	50,000	50,000	37,500	6/1/04	6/1/08	Principal & Interest payable annually	3 89%	Recorded DoT	Employee Relocation
Karen Francolini	150,000	150,000	-	7/28/04	7/28/08	Principal & Interest payable annually	4.11%	Recorded DoT	Employee Relocation

## KAISER FOUNDATION HEALTH PLAN, INC. 94-1340523 12/31/2005

## STATEMENT LINE 50 - RECEIVABLES DUE FROM OFFICERS, DIRECTORS AND KEY EMPLOYEES FORM 990 PART IV

		Balance	of Note						
Name and Title	Original Amount	12/31/04	12/31/05	Date of Note	Maturity Date	Terms	Interest Rate	Secunty	Purpose
James Hankins	50,000	50,000	37,500	5/27/04	5/27/08	Principal & Interest payable annually	3 16%	Recorded DoT	Employee Relocation
Brian Huey	50,000	50,000	37,500	7/9/04	7/9/09	Principal & Interest payable annually	3 89%	Recorded DoT	Employee Relocation
Barry Lue	50,000	50,000	39,748	3/10/04	3/10/08	Principal & Interest payable annually	3.62%	Recorded DoT	Employee Relocation
Jeremy Luke	20,000	20,000	•	12/3/04	12/31/05	Principal & Interest payable annually	3 55%	Recorded DoT	Employee Relocation
Christine Malcolm	100,000	100,000	77,695	10/18/04	10/18/08	Principal & Interest payable annually	3.62%	Recorded DoT	Employee Relocation
Colleen McKeown	70,000	70,000	52,500	8/9/04	8/9/08	Principal & Interest payable annually	4 00%	Recorded DoT	Employee Relocation
Jeanie Murchison	30,000	30,000	22,500	4/30/04	4/30/08	Principal & Interest payable annually	3.15%	Recorded DoT	Employee Relocation
DeAnne Peterson	70,000	70,000	52,500	3/1/04	3/1/09	Principal & Interest payable annually	3.15%	Recorded DoT	Employee Relocation
Robert Walton	110,000	110,000	82,500	2/24/04	2/24/08	Principal & Interest payable annually	3 44%	Recorded DoT	Employee Relocation
Charles Bevliacqua	70,000	-	54,383	3/9/05	3/9/08	Principal & Interest payable annually	3 83%	In Process DoT	Employee Relocation
Kelly Cannon	100,000	-	100,000	9/27/05	9/27/09	Principal & Interest payable annually	4.19%	In Process DoT	Employee Relocation
Levy Curry	70,000	-	70,000	1/14/05	1/14/09	Principal & Interest payable annually	3.76%	In Process DoT	Employee Relocation
Dean Edwards	150,000	-	115,188	4/14/05	4/14/08	Principal & Interest payable annually	4 09%	Recorded DoT	Employee Relocation
Corwin Harper	70,000		70,000	6/27/05	6/27/09	Principal & Interest payable annually	4.01%	In Process DoT	Employee Relocation
Wade Overgaard	100,000	-	100,000	7/15/05	7/15/09	Principal & Interest payable annually	5.12%	Recorded DoT	Employee Relocation
Dılip Sedani	105,000	-	105,000	5/23/05	5/23/09	Principal & Interest payable annually	4 78%	Recorded DoT	Employee Relocation
John Wallace	136,000	-	136,000	7/19/05	7/19/09	Principal & Interest payable annually	4.77%	Recorded DoT	Employee Relocation
Andrew Weintraub	30,000	-	30,012	5/23/05	5/23/09	Principal & Interest payable annually	4.78%	Recorded DoT	Employee Relocation
						,			
	TOTAL	1,300,270	1,498,301						

STATEMENT 21

## KAISER FOUNDATION HEALTH PLAN, INC. 94-1340523 DECEMBER 31, 2005

#### 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, 2005:

EMPLOYER ID#	ENTITY NAME	<del></del> .	DIRECT & INDIRECT % CONTROLLED BY KFHP, INC.
	ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION N, INC., THAT ARE ALSO EXEMPT FROM FEDERAL INCOME TAX UNDER IRC 501(C)(3):		
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST		100%
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO		100%
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC		100%
52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC		100%
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO		100%
23-7425486	COMMUNITY HEALTH PLAN		100%
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC		100%
93-0954562	KAISER HEALTH ALTERNATIVES		100%
94-3299123	CAMP BOWIE SERVICE CENTER		100%
93-0480268	OHP		100%
91-2171891	LOKAHI ASSURANCE, LTD		100%
	ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION N, INC. THAT ARE TAXABLE FOR FEDERAL AND STATE INCOME TAX PURPOSES:		1009/
94-3113684	OAK TREE ASSURANCE, LTD. KAISER PERMANENTE HEALTH ALTERNATIVES, INC		100% 100%
94-3259432	KAISER PROPERTIES SERVICES, INC		100%
91-1814507	CHP COMPANIES, INC		100%
	IDATION HEALTH PLAN, INC. IS AFFILIATED WITH THE FOLLOWING ENTITIES EXEMPT AL INCOME TAX UNDER IRC SECTION 501(C)(3):  KAISER FOUNDATION HOSPITALS  KAISER HOSPITALS ASSET MANAGEMENT, INC.	*(1) *(2)	N/A N/A
	IDATION HEALTH PLAN, INC. IS AFFILIATED WITH THE FOLLOWING IT ARE NOT EXEMPT FROM FEDERAL INCOME TAX:		
94-3245176	KAISER PERMANENTE INTERNATIONAL	*(2)	N/A
94-3292262	KAISER PERMANENTE VENTURES	*(2)	N/A
68-0444615	CARETOUCH, INC	*(2)	N/A
91-2166347	KP ONCALL, LLC (elected to be treated as a disregarded entity for tax purposes)	*(2)	N/A
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
94-3289704	KAIVEST I, LLC	*(5)	N/A
NOTE *(1)	KAISER FOUNDATION HOSPITALS, A CALIFORNIA NOT-FOR-PROFIT CORPORATION, EXEMPT FROM INCOME TAX UNDER THE PROVISIONS OF INTERNAL REVENUE CODE SECTION 501(C)(3), SHARES A COMMON BOARD OF DIRECTORS WITH KAISER FOUNDATION HEALTH PLAN, INC.		
NOTE *(2)	THESE ENTITIES ARE SUBSIDIARIES OF KAISER FOUNDATION HOSPITALS.		
NOTE *(3)	KAISER PERMANENTE INSURANCE COMPANY IS A NON-EXEMPT LIFE, ACCIDENT AND HEALTH INSURANCE COMPANY OF WHICH 100% OF THE PREFERRED STOCK AND 50% OF THE COMMON STOCK ARE OWNED BY KAISER FOUNDATION HEALTH PLAN, INC. THE REMAINING 50% OF COMMON STOCK IS OWNED BY NON-AFFILIATED PHYSICIANS PRACTICE GROUPS.		
NOTE *(4)	HAMI - COLORADO, LLC - THE SOLE MEMBER OF THIS LIMITED LIABILITY COMPANY IS KAISER HOSPITALS ASSET MANAGEMENT, INC.		
NOTE *(5)	KAIVEST I, LLC - THIS CASH POOLING INVESTMENT FUND HAS THREE AFFILIATED MEMBERS KAISER FOUNDATION HEALTH PLAN OF COLORADO, KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST, and KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.		

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

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

TIN: 94-1340523 DECEMBER 31, 2005

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

#### LINE NUMBER 93:

#### 93A MEMBERS HEALTH CARE PREMIUMS

Revenue received from or on behalf of members, for prepaid health care coverage under the HMO care plans offered by Health Plan to its members. Revenue excluded under the provisions of Revenue Ruling 68-27.

#### 93B SUPPLEMENTAL CHARGES / PHARMACY

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

#### 93C NON-PLAN AND INDUSTRIAL REVENUE

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

### 93D OTHER PROGRAM SERVICE REVENUE

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

### 93F MEDICARE / MEDICAID PAYMENTS

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

## KAISER FOUNDATION HEALTH PLAN, INC. EMPLOYEE COMPENSATION FOR FORM 990 REPORTING PURPOSES FOR TAX YEAR 2005

TOP FIVE EMPLOYEES

NAME	TITLE	HOURS see note 7	(C1) COMPENSATION PRE-2005 see notes 3 & 4	(C2) COMPENSATION 2005 see notes 3 & 4	(D1) BENEFITS 2005 see notes 3, 4 & 5	(D2) BENEFITS PAID 2006 see Notes 3, 4 & 5	(E) EXP ACCT/ OTHER ALLOW. see notes 3, 4 & 6
ELLEN CANTER *	VP	40	282,894	376,031	1,006,276	105,683	-
JULIE PETRINI	VP	40	191,588	521,475	193,481	116,569	-
JOANN ZIMMERMAN	VP	40	235,435	520,819	186,784	112,926	-
GREG ADAMS	VP	40	244,300	509,806	174,914	149,660	-
WADE OVERGAARD	VP	40	149,949	608,928	133,836	227,205	12,000

NOTES: See Statement 19 for notes applicable to the above reporting.

FEIN: 94-1340523 December 31, 2005

1

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

Kaiser Foundation Health Plan, Inc.(KFHP) is organized for the public benefit and provides health and medical care services for its members. KFHP and Kaiser Foundation Health Plan, Inc. (KFHP Inc.) and Kaiser Foundation Hospitals (KFH) have common Boards of Directors. KFHP, KFHP, Inc. and KFH are operated as separate charitable corporations. See **Statement 22** for a list of tax-exempt and non-exempt related entities.

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

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

In the normal course of business in carrying out its charitable purposes, KFHP may have entered into the sale, exchange, or leasing of property with some of the related entities described in **Statement 22**. KFHP relationships with such organizations are conducted at a price which is not less than cost or more fair market value.

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

**Statement 20, page 2** provides a list of the directors, officers and key employee family members with whom KFHP did business or who were employed by KFHP or any KFHP affiliate. KFHP does not have trustees, creators or substantial contributors.

Based on a review of KFHP records and COI statements for these directors, officers and key employees for 2005, KFHP did not engage in the lending of money or other extension of credit with any of these persons in 2005. KFHP, Inc. has a program that provides loans to relocate executives. The program was modified in August 2002 to take into consideration the Section 402 provisions of the Sarbanes Oxley Act, limiting certain employees' eligibility for loans. **Statement 19** provides information regarding officer and key employee loans made by KFHP, Inc. as disclosed in the KFHP, Inc. 2005 Form 990, Part IV and Schedule A, Part III, question 2b.

FEIN: 94-1340523 December 31, 2005

Based on the COI questionnaires for 2005, **Statement 20, page 1** lists non-affiliated taxable organizations which did business with KFHP in 2005 and on which KFHP officers, directors, key employees or their families served as an officer, director, or owner. KFHP relationships with such organizations are conducted on a fair market value basis and the KFHP officer director or key employee abstained from voting on any such matter.

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

Form 990, Part V lists the officers, directors and key employees of KFHP in 2005. Based on a review of COI statements for these directors, officers and key employees for 2005, **Statement 20, page 2** provides a list of their family members with whom KFHP did business or who were employed by KFHP or any KFHP affiliate. KFHP does not have trustees, creators or substantial contributors. Any such transactions are conducted on a fair market value basis.

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

In the normal course of business in carrying out its charitable purposes, KFHP may have entered into the furnishing of goods, services, or facilities with some of the related taxable entities. **Statement 27** generally describes the transactions between KFHP and those entities.

Based on the COI questionnaires for 2005, **Statement 20, page 1** lists non-affiliated taxable organizations, which did business with KFHP in 2005 and on which KFHP officers, directors, key employees or their families served as an officer, director, or owner. **Statement 20, page 1** also provides a general summary of the transactional relationship (if any) between KFHP and such organizations. KFHP relationships with such organizations are conducted on a fair market value basis and the officer, director or key employee abstained from voting on any such transaction.

## TIN: 94-1340523 DECEMBER 31, 2005

## LOBBYING ACTIVITY BY NONELECTING PUBLIC CHARITIES FORM 990, SCHEDULE A, PART VI-B

The Organization is a member of the Kaiser Permanente Medical Care Program and participated and benefited from lobbying activities conducted at the national level by Kaiser Foundation Health Plan, Inc. for the benefit of its enrolled members and for the health care industry as a whole. As an organization generally exempt from income tax under Internal Revenue Code Section 501(c)(3), Health Plan did not participate in or conduct political campaigns.

During the year this Organization may have made comments or statements concerning legislation which may affect the health care industry. Health Plan may have engaged in telephone conversations and/or written letters to various federal, state, and local officials regarding matters which affected the healthcare industry as a whole. The amount of time and money involved in the activities is detailed on lines a through h. Health Plan has not intervened in any political campaign.

Health Plan has several employees and/or may retain a professional consultant to represent Health Plan's interests in various legislative and regulatory bodies and from time-to-time to keep informed of Federal and State legislation having an impact on Health Plan's charitable activities as an exempt Health Maintenance Organization.

These individuals attempt to ensure that proposed legislation and enacted laws are compatible with the Interest of Health Plan and its members by performing the following activities:

- Collecting, analyzing and distributing within the Organization, public and private
  policy recommendations regarding proposed legislation and enacted laws that
  affect the operation of Health Plan and its ability to provide quality health and
  medical care services to its members in a cost effective environment.
- Providing appropriate informational materials to legislators and to their staffs that
  pertain to matters of common interest in the health care community and in the notfor-profit community.
- Also by preparing written and oral testimony, these individuals appear at legislative hearings, monitor legislative proceedings and meet with legislators and/or their staffs regarding issues pertinent to the mission of Health Plan. Those individuals appearing at such hearings and meetings for and on behalf of Health Plan often are representing the interests of common interest groups as well as the interests of the members of Health Plan.
- Other employees and officers perform services by delivering speeches at various public and private functions and in serving as faculty in healthcare related educational programs throughout the community.

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

EMPLOYER TAX ID #	ENTITY NAME		Purpose of Entity
KAISER FOU	NDATION HOSPITAL SUBSIDIARIES (TAXABLE):		
			<u>-</u>
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
			Owns a operates nuise telemedicine services call center
KAISER FOU	NDATION HEALTH PLAN INC. SUBSIDIARIES (TAXABLE):		
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES	Txbl	Provides dental plans and Point of Service medical plans in Washington state to groups/individuals
94-3259432	KAISER PROPERTIES SERVICES, INC.	Txbi	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.

## 2005 COMMUNITY BENEFIT REPORT KAISER FOUNDATION HEALTH PLAN, INC.

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—as well as Kaiser Foundation Hospitals (KFH), are nonprofit corporations that are part of the integrated health care delivery system known as the Kaiser Permanente Medical Care Program or "Kaiser Permanente."

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

In 2005, Kaiser Permanente served over 8.4 million people in nine states: California, Colorado, Georgia, Hawaii, Maryland, Ohio, Oregon, Virginia, Washington and the District of Columbia. This program is the largest private nonprofit health care program in the United States and has more than 148,000 employees and nearly 13,000 physicians and 120 dentists. In California, KFHP and KFH served more than six million members, with more than 92,000 administrative, clerical and technical employees, as well as 9,801 Permanente physicians representing all specialties. KFHP and KFH in Hawaii served approximately 227,000 members, with 2,827 full-time employees and 371 full-time Permanente physicians.

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 California and Hawaii, Kaiser Permanente is comprised of five separate legal organization's: KFHP, a California nonprofit public benefit corporation exempt from federal income tax under Internal Revenue Code §501(c)(3); KFH, a California nonprofit public benefit corporation exempt from federal income tax under Internal Revenue Code §501(c)(3); The Permanente Medical Group, Inc., Southern California Permanente Medical Group, and Hawaii Permanente Medical Group, Inc. (collectively, "Permanente Medical Groups"), each of which is a separate, independent multi-specialty group of physicians.

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 groups 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. KFH accepts responsibility to provide or arrange necessary hospital services and facilities for Health Plan members. KFH 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. KFH also contracts with other community hospitals to provide hospital services to members for specialized care and other services.

In California, KFH 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.

Services provided by KFH 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 more than 8 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 communities' health.

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

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

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

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

- Address critical questions in American health care that the Program's history, culture and competencies position it uniquely to examine
- Build the reputation of Kaiser Permanente for its leadership in helping to solve major health challenges
- Create a program that engages the creativity and spirit of the people of Kaiser Permanente at all levels

 Meet the requirements placed on KFH, KFHP, and its subsidiary health plans, as tax-exempt organizations that return value to the communities served beyond the provision of health care to members

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

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

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

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

#### COMMUNITY BENEFIT PROVIDED BY KAISER FOUNDATION HEALTH PLAN, INC.

KFHP provides comprehensive health care services on a prepaid basis through an integrated health care delivery system, available to the community as a whole. Because the Health Plan is a nonprofit organization, revenues that exceed the cost of operations and provision of care are reinvested in the Program to improve facilities and services, increase benefits, fulfill our charitable mission, and provide affordable rates rather than to pay dividends to stockholders.

KFHP provides care that emphasizes prevention, minimizes medical indigence and contributes to quality of life in the communities we serve. To best serve the community by providing affordable, comprehensive health care and support its social mission, KFHP is organized and operated as a fully integrated delivery system.

Integrated Services and Facilities – KFHP has organized and integrated the professional and
physical resources required to provide comprehensive health care. In hospital-based Kaiser
Permanente regions, this care primarily occurs at major medical centers, as well as at nearby
outpatient medical offices owned by KFH and at medical office buildings owned or leased by
KFHP. Members typically have all the services and professional care they require in one place,
which facilitates a coordinated approach to care. Equipment and supporting personnel are
shared and high-technology services, such as neurosurgery, open-heart surgery and cancer
treatment are also centralized to facilitate development and transfer of best clinical practices
among all Permanente providers.

- Group Practice Contracting Permanente Medical Groups are organized into large multi-specialty group practices that take responsibility for providing comprehensive care to a defined population in facilities owned or leased by KFH or KFHP. The income that Permanente Medical Groups and their physicians receive is in consideration of their professional medical and related services. The amounts paid to the Permanente Medical Groups are negotiated annually. By altering the direct relationship between service performed and income received, KFHP removes incentives to perform unneeded services, and encourages use of the most appropriate medical care. Group practice enhances quality and appropriateness of care for members and for the community by facilitating development and sharing of "best clinical practices" throughout the community and across the nation.
- Prepayment Generally, KFHP pays the Permanente Medical Groups a per-member payment
  on a budgeted prepaid basis that does not vary with the amount of service provided.
   Permanente Medical Group physicians are generally not compensated on a fee-for-service basis.
- Benefit Plans KFHP offers a variety of coverage options that provide for unlimited hospital days, physician visits, preventive services, immunizations, well-baby care and prenatal care. In order to maximize affordability and encourage people at different income levels to purchase coverage, KFHP offers a variety of cost-sharing options. Comprehensive, prepaid coverage with differing levels of premium and cost-sharing minimizes financial barriers to care, promoting early consultation, detection and treatment of disease. KFHP actively encourages members to maintain their health through regular preventive self-care.
- No Pre-Existing Condition Exclusions Pre-existing condition exclusions allow carriers to
  exclude from coverage care for a condition that existed before enrollment with the carrier. KFHP
  imposes no pre-existing condition exclusions for group members and thereby provides
  substantial protection for new members who are ill at the time of enrollment. KFHP offered health
  benefits coverage in all its markets without any pre-existing condition exclusions for many years
  prior to recently enacted federal and state statutes prohibiting pre-existing condition exclusions in
  certain markets. By ensuring that all our enrollees are covered for all their medical needs, we
  reduce the amount of uncompensated care, promote the health of our members, and prevent
  medical indigence.
- Participation in Medicare KFHP has participated in Medicare since it was first implemented in 1965. In 2005, KFHP and its subsidiaries enrolled approximately 896,000 Medicare beneficiaries, providing Medicare Part A and Part B services, plus additional drug, optical, and inpatient coverage.
- Participation in Medicaid KFHP began enrolling Medicaid beneficiaries in the mid-1960s.
   Currently, KFHP and certain subsidiaries provide care to approximately 139,000 Medicaid managed-care members and in addition serve a large number of Medicare and Medicaid patients on a fee-for-service basis. KFHP also participates in the State Children's Health Insurance Program (SCHIP), serving an additional 91,000 children in 2005.

### THE COMMUNITY BENEFIT PROGRAMS IN CALIFORNIA AND HAWAII

In 2005, KFHP and KFH spent approximately \$668 million or approximately 2.2% of revenue, to support the Community Benefit Programs in the communities. In California and Hawaii, KFHP and KFH spent \$582 million, of which \$282 million is allocable to the health plan and another \$300 million is allocable to hospitals. A breakdown of the 2005 DCBI dollars attributable to KFHP and KFH nationally is described in Attachment A, and those dollars attributable to KFHP and KFH in California and Hawaii in Attachment B.

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

#### **VULNERABLE POPULATIONS**

KFHP and KFH in California and Hawaii expended approximately \$496 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 2005. Of that amount, \$279 million is attributed to KFHP and \$217 million is attributed to KFH. A complete description of the DCBI attributable to KFHP and KFH in California and Hawaii is described below:

#### **MEDICAL CARE SERVICES**

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

Charity Care (Medical Financial Assistance Program and Charitable Health Coverage)

Kaiser Permanente provides charity care to low-income vulnerable populations through two programs – the Medical Financial Assistance Program and the Charitable Health Coverage Program.

#### Medical Financial Assistance (MFA)

The MFA program in California and Hawaii provides temporary financial assistance to patients who have received health care services at Kaiser Permanente facilities or from Kaiser Permanente providers. The MFA program strives to meet the needs of as many patients as reasonably possible and is generally available to people in greatest financial need, including those experiencing unusual or unfortunate circumstances. The MFA program is one way in which Kaiser Permanente facilitates access to health care for people most in need. The MFA program contributes to community health by meeting the health care needs of the most vulnerable through periodic assistance. In 2005 KFH provided medical care services to nearly 31,000 MFA patients and expended more than \$30.5 million.

#### Charitable Health Coverage Program

Approximately 44,000 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 2005. KFHP contributed \$51 million and KFH contributed an additional \$22 million to provide subsidized care for these underserved populations.

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 In 2005, the Steps Plan provided 15,254 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 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) KPCHP merged the existing Child Health Plan-1 and Child Health Plan-2 into a single statewide program. The 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 don't have access to subsidized employer coverage or qualify for public programs because of family income or immigration status. In 2005, 28,511 children received care through this program.

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

KFHP and KFH have a long history of participating in publicly financed health programs. In 2005, \$359 million was expended (in excess of reimbursement) and 217,704 people were served in government sponsored programs for low-income people in California and Hawaii. Approximately \$222 million is attributed to services provided by KFHP and \$137 million is attributed to KFH. 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 108,706 Medi-Cal (Medicaid) managed care members in California, providing comprehensive inpatient and outpatient care throughout 2005. KFHP subcontracts with local initiatives in Alameda, Contra Costa, Los Angeles, Riverside, San Bernardino, San Francisco, and Santa Clara Counties, and 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 KFH also provided more than \$71 million in subsidized care to Medi-Cal Fee-for-Service patients. Of this amount, approximately \$49 million is attributed to services provided by KFH.
- Healthy Families KFHP enrolled 87,763 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 is the result of the federal State Children's Health Insurance Program (SCHIP), which enables states to create new health care coverage or expand Medicaid programs. The program provides comprehensive health benefits, including dental and vision care. To qualify, families must have total income between 100% and 250% of the federal income guidelines, and the children must be ineligible for Medi-Cal coverage.

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

 Quest & Medicaid Fee-for-Service — KFHP and KFH provided care to 20,576 individuals enrolled in Quest, Hawaii's Medicaid Program, and expended approximately \$11.3 million on subsidized medical care services. The Quest Program was cited as the number two Medicaid program in the United States by NCQA in 2005. The Hawaii Region also contributed an additional \$1.6 million on subsidized care for Medicaid Fee-for-Service patients.

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

In 2005, KFHP and KFH donated approximately \$10.3 million to 226 nonprofit and community-based agencies in California and Hawaii to support the delivery of medical care by community providers. The following are examples of programs and organizations funded by KFHP and KFH.

- KFH in Northern California granted \$99,968 to the Alameda County Health Care Foundation to support their Safety Net Diabetes Improvement Project. The funds are being used to establish a clinical information system and self-management support program—both essential components to instituting a chronic care management model.
- The Community Clinic Health Network (CCHN) received a \$149,560 grant from KFH in Southern California to implement the Kaiser Permanente A.L.L. (Aspirin, Lisinopril, Lovastatin) Program in two community health centers in San Diego County. The goal of this program is improve the health outcomes of 1,500 uninsured diabetic patients at-risk for cardiovascular disease. In addition, KFH's Care Management Institute and Population Care Management Departments collaborated with CCHN and their Physician Council.

#### COMMUNITY-BASED PROGRAMS FOR VULNERABLE POPULATIONS

KFH spent approximately \$13 million to provide a variety of programs to individuals who live and work in the California and Hawaii communities. The programs listed below are free and open to all community members irrespective of health insurance status.

#### **Learning Centers**

In 2005, over \$2.8 million was spent by KFH on counseling, education, and social services for disadvantaged children and their families in Southern California.

- Watts Counseling and Learning Center (WCLC) For nearly 39 years, this has been a
  valuable community resource for low-income, inner city families of South Central Los Angeles.
  WCLC provides mental health and counseling services, assistance to children with learning
  disabilities, and pre-employment training to high school youth. In addition, WCLC operates
  several programs, including a state-licensed preschool program, a summer day camp, "Kids Can
  Cope" support groups (for children whose siblings or parents have cancer), training on
  scholarships for high school and postsecondary students, plus training for graduate social work
  interns from local universities.
- Educational Outreach Program (EOP) This program provides education and support services to primarily Latino youth, ages 10 to 14, of the San Gabriel Valley section of Los Angeles County. The focus of EOP is to provide a unique dropout prevention program in a community setting. EOP provides nine different programs both in English and Spanish to children and parents during after-school hours and on Saturdays. The types of programs offered include: homework assistance and study skills classes; reading improvement classes; mother-daughter workshops, "Aprendiendo Juntas" (Learning Together); Safe Sitter training; and summer enrichment sessions.

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

KFH in California spent approximately \$1.7 million to fund youth employment programs aimed at improving education and job skills, or providing employment opportunities for targeted populations. More than 450 youth were employed by Kaiser Permanente through the following two programs in 2005:

- Summer Youth This program provides economically disadvantaged high school students in
  California with supportive and meaningful employment experiences in the health care field.
  Employment is during the summer months throughout the organization. In addition to work
  assignments, the youth participate in educational sessions to enhance job skills and work
  performance. Many former Summer Youth students are now employed as nurses, assistant
  department administrators, lab technicians, opticians and engineers.
- INROADS This organization focuses on developing minority college students for leadership
  roles in corporations and in the community. Student interns typically work two to five summers in
  corporate and allied health care positions at Kaiser Permanente with the goal of permanent
  placement upon graduation from college. In 2005, a health track was created to support student
  interns in the fields of nursing, laboratory, diagnostic services, etc.

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

In 2005, KFHP and KFH donated approximately \$8.7 million to 685 nonprofit and community-based agencies in California and Hawaii to support a variety of community services for vulnerable populations. The following are examples of programs and organizations funded by KFHP and KFH:

KFH in California committed \$500,000 in grants, along with technical assistance to providers and state-wide organizations supporting the Healthy Eating, Active Communities initiative – a partnership between The California Endowment and Kaiser Permanente to address pediatric obesity and racial and ethnic health disparities through intensive, place-based efforts in six California communities. Kaiser Permanente physicians and health educators also conducted train-the-trainer sessions on pediatric obesity prevention and advocacy for community-based

providers and public health staff participating in these efforts, and served on the local collaborative steering committees.

- Neighbors Acting Together Helping All, Inc. (NATHA), El Centro and Outward Bound Adventures collaborated to improve the nutritional habits and fitness levels of school children and teens in Northwest Pasadena with the support of \$50,000 from KFH in Southern California. The program combines education and activities that promote good nutritional habits, foster self-confidence and self-esteem, bolster fitness, and assist youth to develop goal-setting skills. Serving approximately 100 predominately Latino and African-American teens, its Community Health Promoters are neighborhood residents recruited and trained to do outreach, and educate their neighbors on healthy eating and exercise.
- Kaiser Permanente Hawaii, the American Cancer Society, Hawaii State Department of Health and Department of Education, University of Hawaii College of Education, the John A. Burns School of Medicine, and the Hawaii State Parent-Teacher-Student Association sponsored a daylong conference attended by over 500 teachers, administrators and public health educators. The conference offered educators an opportunity to gain proficiency in skills-based health education and learn about coordinated resources for school health. Comprehensive school health education is designed to focus on the physical, emotional, social and educational development of school-aged children. The conference, featuring local and national presenters, offered leading edge research, best practices, and educational tools to help educators serve the children of Hawaii. This opportunity filled a void in the professional development of both public and private school teachers.

#### **EVIDENCE-BASED MEDICINE**

KFH in California and Hawaii spent approximately \$14 million to support clinical and health research activities. From the beginning, research has been a core value at Kaiser Permanente. Kaiser Permanente conducts more research than any other non-academic institution in the United States. Kaiser Permanente partners with several prominent academic research institutions, including Duke University, Harvard, Oregon Health & Sciences University, Stanford University, University of California (Los Angeles, Berkeley and San Francisco), University of Southern California, University of Washington and also partners with the National Institutes of Health and the Centers for Disease Control and Prevention. A complete description of community benefit research activities is provided below:

#### 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. Community Benefit funds support research that meets important medical and social needs, such as preventing violence, infectious disease, and improving health care for adolescents, youth and underserved populations. Many of the research studies address problems of current health policy interest. They are designed to improve care for common conditions where treatment is often linked to community-based efforts, and are broadly disseminated through articles and professional presentations.

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 1980s: 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 Hawaii (CHRH) is the primary research department for KFH in Hawaii.

CHRH, DOR, KFRI, and R&E—together with the Northern and Southern California Nursing Research Departments—spent \$10 million and helped support more than 300 primary research studies, published 50 articles and presented findings in several medical education forums and conferences. The following is a sampling of the evidence-based studies conducted in 2005.

Study: Pregnancy Planning Status and Health Behaviors Among Non-pregnant Women in a California Managed Health Care Organization

• Conducted by the Research and Evaluation Department in Southern California, this study examined women's behaviors before and during pregnancy and how it can affect their infants' health. A telephone survey was conducted of non-pregnant women of childbearing age. Compared to women not planning a pregnancy, those planning pregnancy "soon" or within the next year were less likely to smoke, and more likely to take a multivitamin regularly, as well as have had a health care visit in the past year. Women planning a pregnancy more than one year in the future had elevated odds of reporting alcohol use; and were similar to women not planning a pregnancy with respect to multivitamin use and smoking behavior. Women planning to be pregnant soon were more likely than women not planning a pregnancy to report that a health care professional had talked to them about taking a vitamin or mineral supplement. All women of childbearing age need information about the importance of engaging in healthy behaviors. Health care providers who have regular contact with such women should send clear messages about the adverse effects of alcohol and smoking during pregnancy and the importance of taking a multivitamin regularly, regardless of women's pregnancy plans, before they become pregnant.

Study: Antidepressant Medications and Suicidal Behavior in Children and Adolescents

• This new study was conducted by the Department of Research in Northern California. In March 2004, the U.S. Food & Drug Administration (FDA) issued a serious health advisory or "black box" warning for all antidepressants, and recommended close monitoring of children and adolescents when prescribed. This warning was based upon the findings of a meta-analysis conducted by the FDA of 20 placebo-controlled clinical trials of selective serotonin reuptake inhibitors (SSRIs) and similar antidepressants involving 2000 subjects. However, due to the limitations of the clinical trials and the lack of a single completed suicide in any of the studies, no causal link between antidepressants and completed suicides was documented. At the end of 2005, DOR began to examine the relationships between antidepressant use, completed suicides and attempted suicides in Northern and Southern California Health Plan members, 10 to 25 years of age, during the past 10 years.

Study: Looking at Everyday Approaches to Decisions (LEAD)

 Conducted by The Center for Health Research in Hawaii in collaboration with the National Institute on Aging, this study's purpose was to develop ways to improve decision-making among persons with mild-to-moderate cognitive impairment.

#### **Grants and Donations for Evidence-Based Services**

In 2005, KFHP and KFH donated approximately \$270,000 to 37 nonprofit and community-based agencies in California and Hawaii to support evidence-based services and projects. For example:

• The Hawaii State Consortium for Integrative Healthcare, founded in July 2000, is a collaboration of Hawaii health care stakeholders interested in exploring the potential of integrative health and wellness through research, education and clinical models while protecting, respecting and supporting traditional Hawaiian healing practices. Twenty-six organizational stakeholders from hospital, insurance, government, academic and professional sectors participated in a leadership retreat. Top priority research projects include a multi-center pilot study on work-related lower-back pain, and a collaborative project focused on prevention and longitudinal management of childhood obesity.

#### **EDUCATION**

In California and Hawaii, KFHP and KFH spent \$61 million to educate health care professionals and consumers during 2005. A more descriptive breakdown of community benefit attributed to KFHP and KFH is described below:

#### **CONSUMERS**

KFHP SPENT \$36,000 AND KFH SPENT \$7.3 MILLION ON COMMUNITY WELLNESS AND HEALTH EDUCATION PROGRAMS IN CALIFORNIA AND HAWAII.

#### **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.

Community health education materials, programs, services and training sessions are designed to reach members of the community. The purpose is to improve health and prevent disease in adults, children, families and teens by conducting appropriate health education interventions and sharing Kaiser Permanente health education resources. These programs widely disseminate over 200 Kaiser Permanente-produced, quality health education materials, resources and services to the community. Healthphone, Healthwise Self-Care Tip sheets, Smoker's Helpline, and LiveWise Self-Care Kits are examples of the resources provided. Programs offered include Breastfeeding, HIV Prevention, Better Nutrition and Lifestyle, Coping with Chronic Diseases, and Seniors Movement Programs. Continuing education courses and skills training sessions are provided to community health care providers. Many programs and resources are provided in partnership with community advocacy groups, community clinics, libraries, nonprofit organizations, cable television channels and schools.

#### Regional Community Health Education

During 2005, the Regional Health Education Departments in California and Hawaii undertook specific community focused projects and partnered with several nonprofit community agencies to provide additional services. The following are examples of community programs aimed at educating health care consumers:

- The Southern California Regional Health Education Department provided technical assistance in the form of training, materials, and consulting for an overweight pediatrics "train-the-trainer" workshop. Healthy Eating Active Communities (HEAC) Initiative grantees, Kaiser Permanente Healthy Eating, Active Living grantees, Kaiser Permanente Health Education, and Kaiser Permanente pediatricians provided guidance on the essential components of an effective medical office visit for community physicians, nurses, mid-level providers, nutritionists and counselors treating overweight and obese children. The overall goals were to develop skills and provide tools for presentations in the community.
- In Northern California, community health education activities specifically designed for women were conducted during National Women's Health Week. The first event focused on heart health for women. Community Health Education staff partnered with physicians to conduct blood pressure screenings and provide appropriate health education information. The Women's Health Farmer's Market was another event, which featured organic, locally grown produce, a wealth of health education information and self-care products. Health promotional materials, such as books, videos, audiotapes and other health products were provided both free-of-cost or for sale. Lastly, a health fair focusing on overall women's health was organized and held at the Oakland Medical Center. This community public event offered a variety of health information, including a lecture on emerging women's health issues by Rebecca Elia, MD, called Creating Health through Feminine Wisdom.

The Hawaii Regional Health Education Department supported the Senior Summit program that provides ongoing educational opportunities on a wide variety of issues specific to seniors. Professional specialists conducted a lecture series focusing on medical conditions and other areas of interest to seniors. The emphasis was on prevention, personal growth, and learning how to maintain a healthy lifestyle. All lectures included both members and non-members.

#### Kaiser Permanente Community Wellness Library

The Kaiser Permanente Community Wellness Library is an online resource that offers free clinical education and consumer health education to clinicians and staff at community health centers and public hospital systems. Part of Kaiser Permanente's community outreach, this web site contains current audiovisual materials in various formats, much of it produced by Kaiser Permanente. Consumer health education materials are available for patients who wish to become better informed or those individuals who want general health information. Many of the health education subjects are featured in several languages including Spanish, Cantonese, and Mandarin. Health care providers also have access to continuing medical education materials that provide CME/CEU credits and keep them abreast of the best practices in clinical care. All items offered through the web site are available to borrow at no cost, some titles are complimentary to requestors, and others may be purchased at a minimal price. The web site can be accessed at http://www.kpwellness.org.

#### **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 spent \$5.7 million to provide nearly 454,000 children and adults in California the opportunity to view one of the 1,748 performances and 244 workshops during 2005. The current repertoire includes:

- 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 isolation 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

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

Kaiser Permanente donated approximately \$1.2 million to support a variety of projects aimed at providing education to health care consumers.

#### **PUBLIC POLICY**

Both KFHP and KFH recognize that public policy influences the environment in which we operate and impacts the communities we serve. In 2005, KFHP contributed \$1.2 million and KFH contributed \$1 million to advance public policy that is beneficial to the community. The KFHP and KFH 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. A description of the community benefit attributed to KFHP and KFH follows:

#### 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 2005, KFHP contributed \$1.2 million to support IHP program. Activities in 2005 included:

- Cosponsored with the California Department of Health Services and the University of California, Berkeley the "California Childhood Obesity Conference" to support advocacy and action in the area of public policy to address the epidemic of overweight and obesity.
- Worked to improve health care quality and efficiency by encouraging greater use of evidence in managing new medical technologies. Sponsored a roundtable. "Linking Public View on New Medical Technology to the Evidence."
- Cosponsored an ECRI meeting on chronic pain management at the "Economics of Innovation" summit at the Wharton School.
- Sponsored numerous conferences, roundtables and publications to understand the impact of health care market competition on quality and efficiency, and to determine the most effective role for public policy in encouraging appropriate competition.

In 2005, Kaiser Permanente collaborated with the Institute of Medicine (IOM) to support the dissemination of findings from the IOM's September 2004 report on pediatric obesity prevention. Kaiser Permanente and IOM also jointly facilitated outreach and dialogue with practitioners, parents, community-based organizations, academic institutions (including K-12 schools), and other individuals and organizations concerned with and involved in addressing childhood obesity. The two organizations supported outreach and collaborative activities to connect with vulnerable and underserved populations, and with cultural and linguistic minorities in ways that are appropriate to their cultures and circumstances. Finally, Kaiser Permanente and IOM educated policymakers on the issues, problems and potential solutions related to childhood obesity and overweight at the community and national levels.

### Kaiser Permanente Care Management Institute

KFHP was chosen to participate in a collaborative sponsored by the Department of Health and Human Services' Agency for Healthcare Research and Quality (AHRQ) on racial and ethnic disparities. The three-year project entails a systematic analysis of its clinical outcome data and the identification of opportunities to address disparities. Upon identification of opportunities for improvement, KFHP will dedicate its full spectrum of clinical and patient outreach assets, from specific tools to support physicians in providing the best care to patients, to proven outreach strategies to multicultural populations, to the wholesale effort to achieve optimal care for all its members and to share these lessons with the broader health care community. Community Benefit staff, working with KFHP's Care Management Institute and Institute for Culturally Competent Care, is fully committed to the national objective of eliminating racial and ethnic disparities.

## **ATTACHMENT A**

## 2005 NATIONAL DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM

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

i SE Propries See Se	<u> </u>	Police Company From the Company	8 1700 Pays
5		7.1 (4) 10 (4) 12 (4) 1	
VULNERABLE POPULATIONS	。 - A C C C C C C C C C C C C C C C C C C	and the second s	<u> </u>
Medical Care Services	\$317,528,265	\$202,427,756	\$519,956,021
Community-Based Programs	930,380	13,391,455	14,321,835
Other Vulnerable Populations	20,957,834	6,663,432	27,621,266
Subtotal:	\$339,416,479	\$222,482,643	\$561,899,122
EVIDENCE-BASE		· · · · · · · · · · · · · · · · · · ·	
Research	1,272,089	15,144,352	16,416,442
Medical Libraries	91,309	3,614,633	3,705,942
Tumor Board & Cancer Registry	309,976	1,833,846	2,143,822
Subtotal:	1,673,374	20,592,831	22,266,206
EDUCATION		<u> </u>	<del></del>
Consumer	3,516,584	8,082,297	11,598,881
Health Professionals	4,250,165	55,304,203	59,554,368
Subtotal:	7,766,749	63,386,500	71,153,249
PUBLIC POLICY			
Public Policy Grants/Expenses	1,314,750	1,066,257	2,381,007
Subtotal:	1,314,750	1,066,257	2,381,007
OTHER COMMUNITY BENEFITS			
Other CB Grants/Expense	3,142,977	6,371,103	9,514,080
Community Giving	215,468	560,304	775,772
Subtotal:	3,358,445	6,931,407	10,289,852
TOTAL	\$353,529,797	\$314,459,638	\$667,989,435

## ATTACHMENT B

## DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM 2005 KFHP COMMUNITY BENEFIT FINANCIALS

The following chart summarizes 2005 community benefit investment by KFHP and KFH in **California** and **Hawaii**. The investments in the community reflected in the chart are unaudited.

		Fig. d.	
The Presidential element			J. J. J. J. J. J. J. J. J. J. J. J. J. J
VULNERABLE POPULATIONS		the major to be based and the major through the second of	Committee and the second of th
Medical Care Services	\$275,751,730	\$197,180,506	\$472,932,236
Community-Based Programs	0	13,187,096	13,187,096
Other Vulnerable Populations	3,440,203	6,425,040	9,865,243
Subtotal:	279,191,933	216,792,642	495,984,575
EVIDENCE-BASED MEDICINE			
Research	0	10,411,626	10,411,626
Medical Libraries	0	3,321,586	3,321,586
Other	0	650,250	650,250
Subtotal:	0	14,383,462	14,383,462
EDUCATION			
Consumers	35,794	7,328,036	7,363,830
Health Professionals	0	53,433,918	53,433,918
Subtotal:	35,794	60,761,954	60,797,748
PUBLIC POLICY			
Public Policy Grants/Expenses	1,228,000	1,025,873	2,253,873
Subtotal:	1,228,000	1,025,873	2,253,873
OTHER COMMUNITY BENEFITS			
Other CB Grants/Expenses	1,750,000	6,303,763	8,053,763
Community Giving Campaigns	0	116,054	116,054
Subtotal:	1,750,000	6,419,817	8,169,817
TOTAL	\$282,205,727	\$299,383,748	\$581,589,475

## KAISER FOUNDATION HEALTH PLAN, INC. 94-1340523 December 31, 2005

## 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 2005 served over 8.4 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 prepaid health care program in the United States with approximately 148,000 employees and approximately 13,000 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 8.4 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 2005." 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.

## 94-1340523

FORM 990 PART II - OTHER EXPENSE ADDITION	IAL DETAIL		
DESCRIPTION	<u>TOTAL</u>	PROGRAM <u>SERVICES</u>	MANAGEMENT AND GENERAL
PURCHASED MEDICAL SERVICES PURCHASED NON-MEDICAL SERVICES COST RECOVERY FROM ALLILIATES RECLASS HOSPITAL ADMIN EXPENSE	755,321,747 318,336,820 (126,540,937) (706,128,901)	755,321,747 318,336,820 (126,540,937) (706,128,901)	
TOTALS	240,988,729	240,988,729	