Form **990**

Department of the Treasurv Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047 Open to Public Inspection

A I	or the	2006 са	lendar yea	r, or tax year beginning	01-01-2006	and ending	12-31-	2006				
В	Check if a	pplicable	Please	C Name of organization KAISER FOUNDATION HE	ALTH DLAN OF OH	IO				D Em	ployer	identification number
Γ	ddress ch	nange	use IRS	KAISEK I GONDALION HE	ALITTEAN OF OIL	10					0922	
\Box	lame cha	nae	label or print or	Number and street (or P		ot delivered to	street a	ddress)	Room/s	uite E Tele	phone	number
	nıtıal retu	_	type. See Specific	ONE KAISER PLAZA SUITE	: 1550L					(51	0)27	1-6611
•			Instruc-	City or town, state or cou	ıntry, and ZIP + 4	ļ				F Acco	unting n	nethod Cash Accrual
	inal retur		tions.	OAKLAND, CA 94612							Other (s	pecify) 🕨
A	mended	return										
Γ.	pplication	n pending						ı				
				501(c)(3) organizations oust attach a completed s				ble				section 527 organizations for affiliates? Yes No
			trusts ii	ast attach a completed t	Jenedale A (1011	550 0. 55	, <u></u> ,.					of affiliates 🕨
G '	Web sit	e:► N/A	\						• •	re all affiliate		
J (Organiza	ation type	check only	one) 🕨 🔽 🕏 501(c) (3)	◀ (insert no.)		or \sqsubset	527				See instructions)
				ion is not a 509(a)(3) supp				——I	H(d) Is	this a separ	ate retu	rn filed by an organization
- 1	normally i	not more	than 25,000	A return is not required, but					C	overed by a	group ru	ling?
						nption Number ►						
L	Gross re	eceipts	Add lines 6	b, 8b, 9b, and 10b to l	ıne 12 ► 581	.,715,050						ganization is not required to 90, 990-EZ, or 990-PF)
P	art I	Reve	nue, Exp	enses, and Chang	jes in Net A	ssets or	Fund	Bala	nces (See the	instr	uctions.)
	1	Contrib	utions, gift:	s, grants, and sımılar a	mounts receive	e d						
	а	Contrib	utions to d	onor advised funds .			1a					
	Ь	Direct	oublic supp	ort (not included on line	e 1a)	•	1b			91,406		
	С	Indirec	t public sup	port (not included on l	ne 1a)		1c			198,593		
	d	Govern	ment contr	ibutions (grants) (not ii	ncluded on line	1a)	1d					
	e	Total (a	idd lines 1a	a through 1d) (cash \$ $\frac{2}{}$	89,999	noncash \$)		1e	289,999
	2	Program service revenue including government fees and contracts (from Part VII, line 93)							3) .	2	574,281,701	
	3	Membership dues and assessments							3			
	4	Interest on savings and temporary cash investments							4	7,016,644		
	5	Dividen	ids and inte	rest from securities .							5	
	6a	Gross	ents				6a					
	ь	Less r	ental expen	ses			6b					
	С	Net ren	tal ıncome	or (loss) subtract line	6b from line 6a					•	6с	125,456
当	7	Other	nvestment	income (describe 🟲)	<u> </u>						7	
Revenue	8a	Grossa	mount fron	n sales of assets	(A) Seci	urities			(B) 0 t	her		
α				ry			8a			1,250		
	b	Less cos	t or other bas	is and sales expenses			8b			2,490		
	C	Gain or	(loss) (atta	ach schedule)			8c			-1,240		
	d			Combine line 8c, colum							8d	-1,240
	9	Special	events and	d activities (attach sch	edule) Ifany a	amount is fro	om gan	ning, c	heck he	re ► 🦳		
	а			t including \$		_of	.	ı				
	_		•	rted on line 1b)			9a					
	b			ses other than fundrais			9b					
	10a		•	s) from special events							9с	
	10a b			entory, less returns and s sold			10a 10b					
	C		•	om sales of inventory (atta				L 10a			10c	
	11			m Part VII, line 103)						•	11	
	12			lines 1e, 2, 3, 4, 5, 6c							12	581,712,560
	13			(from line 44, column (13	554,763,358
S)	14			general (from line 44, c							14	46,237,000
Expenses	15			line 44, column (D))							15	12,22.,333
Ежр	16			tes (attach schedule)							16	
	17			d lines 16 and 44, colu							17	601,000,358
	18			for the year Subtract I							18	-19,287,798
ÿ	19			balances at beginning							19	52,523,980
•4.	20	Othero	hanges in i	net assets or fund bala	nces (attach e:	xplanation)	2 3 . €				20	-37,536,527
볼	21	Net ass	ets or fund	balances at end of yea	ır Combine line	s 18, 19, a	nd 20	<u>.</u> .		<u></u>	21	-4,300,345

Part II Statement of Functional Expenses

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

	Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach Schedule) (cash $\0 noncash $\0) If this amount includes foreign grants, check here	22a				
22b	Other grants and allocations (attach schedule) $(\cosh \$ \frac{167,993}{}$ noncash $\$ \frac{0}{}$) If this amount includes foreign grants, check here	22b	167,993	167,993		
23	Specific assistance to individuals (attach schedule)	23	201,000			
24	Benefits paid to or for members (attach schedule)	24				
25a	Compensation of current officers, directors, key employees etc. Listed in Part V-A (attach schedule)	25a				
b	Compensation of former officers, directors, key employees etc listed in Part V -B (attach schedule)	25b				
c	Compensation and other distributions not icluded above to disqualified persons (as defined under section $4958(f)(1)$) and persons described in section $4958(c)(3)(B)$ (attach schedule)	25c				
26	Salaries and wages of employees not included on lines 25a, b and c	26	86,669,682	86,669,682		
27	Pension plan contributions not included on lines 25a, b and c	27	10,294,287	10,294,287		
28	Employee benefits not included on lines 25a - 27	28	24,388,768	24,388,768		
29	Payroll taxes	29	7,215,688	7,215,688		
30	Professional fundraising fees	30	, ,			
31	Accounting fees	31	438,855	438,855		
32	Legal fees	32	65,959	65,959		
33	Supplies	33	65,020,583	58,518,525	6,502,058	
34	Telephone	34	185,019	185,019		
35	Postage and shipping	35	899,468	899,468		
36	Occupancy	36	7,748,473	7,748,473		
37	Equipment rental and maintenance	37	1,843,008	1,843,008		
38	Printing and publications	38	1,795,237	1,795,237		
39	Travel	39	1,037,385	1,037,385		
40	Conferences, conventions, and meetings	40	135,546	135,546		
41	Interest	41	3,661,337	3,661,337		
42	Depreciation, depletion, etc (attach schedule)	42	5,526,978	5,526,978		
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 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13–15) Costs. Check	44	601,000,358	554,763,358	46,237,000	0

Pa	rt III Statement of Program Servi	ce Accomplishments (See the instructions.)	
org The	anization How the public perceives an organiza	r some people, serves as the primary or sole source of information a ation in such cases may be determined by the information presented e and accurate and fully describes, in Part III, the organization's pro	on its return
All organizations must describe their exempt purpose achieve		THE PRIMARY EXEMPT PURPOSE OF KAISER FOUNDATION HEALTH PLAN OF OHIO ("HEALTH PLAN"), AN OHIO 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 STATUTE, IS TO PROVIDE A PROGRAM OF HEALTH CARE AND MEDICAL SERVICES AS A PREPAID DIRECT CARE GROUP PRACTICE HEALTH MAINTENANCE ORGANIZATION HEALTH PLAN IS A SUBSIDIARY OF KAISER FOUNDATION HEALTH PLAN, INC AN ORGANIZATION ALSO EXEMPT FROM TAX UNDER INTERNAL REVENUE CODE SECTION 501 (C)(3) HEALTH PLAN CONTRACTED WITH KAISER FOUNDATION HOSPITALS (HOSPITALS) AND OHIO PERMANENTE MEDICAL GROUP, (MEDICAL GROUP) TO PROVIDE OR ARRANGE FOR HOSPITAL AND MEDICAL SERVICES FOR ITS MEMBERS CONTRACT PAYMENTS TO HOSPITALS AND MEDICAL GROUP REPRESENTED A SUBSTANTIAL PORTION OF THE EXPENSES FOR MEDICAL AND HOSPITAL SERVICES REPORTED IN PRIOR REPORTING PERIODS PLEASE SEE THE ATTACHED "KAISER PERMANENTE COMMUNITY BENEFIT REPORT FOR KAISER FOUNDATI THE TIME IN A CICHETY OF THE PORT FOR KAISER FOUNDATI THE TIME IN A CICHETY OF THE PORT FOR KAISER FOUNDATI THE TIME IN A CICHETY OF THE PORT FOR KAISER FOUNDATI THE TIME IN A CICHETY OF THE PORT FOR KAISER FOUNDATI THE TIME IN A CICHETY OF THE PORT FOR KAISER FOUNDATI	Program Service Expenses (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others)
а	SEE STATEMENT 6		
b	(Grants and allocations \$ 167,993)	If this amount includes foreign grants, check here 🕨 🦵	554,763,358
_	(Grants and allocations \$) If this amount includes foreign grants, check here ► 厂	
С	(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐	
d			
_	(Grants and allocations \$) If this amount includes foreign grants, check here 🕨 🦵	
е	Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ▶ ┌	

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

554,763,358

Fori	m 990	(2006)					Page 4
Pa	rt I\	Balance Sheets (See the instru	ıctions	.)			
Not	e:	Where required, attached schedules and amo column should be for end-of-year amounts of		hin the description	(A) Beginning of year		(B) End of year
	45	Cash—non-interest-bearing	•		10,650,958	45	1,784,960
	46	Savings and temporary cash investments			10,000,000	46	1,704,000
	40	Savings and temporary cash investments				40	
	47a	Accounts receivable	47a	14,768,000			
	ь	Less allowance for doubtful accounts	47b	3,222,000	8,952,210	47c	11,546,000
	48a b	Pledges receivable	48a 48b			48c	
	49	Grants receivable	460			49	
	50a	Receivables from current and former office	· · ·	store trustage and		47	
		key employees (attach schedule)				50a	
	b	Receivables from other disqualified persor 4958(c)(3)(B) (attach schedule)		efined under section		50b	
	51a	Other notes and loans receivable (attach					
		schedule)	51a				
Assets	ь	Less allowance for doubtful accounts	51b			51c	
	52	Inventories for sale or use		[5,130,691	52	5,867,982
-1	53	Prepaid expenses and deferred charges		[942,686	53	339,664
	54a	Investments—publicly-traded securities	. 🕨	┌ Cost ┌ FMV	401,340	54a	400,000
	ь	Investments—other securities (attach sch	nedule)	► Cost FMV		54b	
	55a	Investments—land, buildings, and equipment basis	55a	1			
	Ь	Less accumulated depreciation (attach					
		schedule)	55b			55c	
	56	Investments—other (attach schedule) .				56	
	57a	Land, buildings, and equipment basis	57a	158,998,855			
	ь	Less accumulated depreciation (attach schedule)	57b	90,489,455	64,501,324	57c	68,509,400
	58	Other assets, including program-related in	nvestme	nts			
		(describe 🟲	,	109,260,641	58	91,362,353	
				─ ′	100,200,041	- 50	01,002,000
	59	Total assets (must equal line 74) Add line	es 45 th	rough 58	199,839,850	59	179,810,359
	60	Accounts payable and accrued expenses			64,699,343	60	61,308,304
	61	Grants payable		F	, ,	61	
	62	Deferred revenue		F	15,079,077	62	7,417,685
ę	63	Loans from officers, directors, trustees, ar		F			
ī		schedule)	•			63	
<u>;</u> ;	64a	Tax-exempt bond liabilities (attach sched		F		64a	
	Ь	Mortgages and other notes payable (attac	•	-		64b	
	65				67,537,450	65	115,384,715
	66	Total liabilities Add lines 60 through 65			147,315,870	66	184,110,704
	Orga	anizations that follow SFAS 117, check here 67 through 69 and lines 73 and 74	: ► a	nd complete lines			
Š	67	Unrestricted				67	
õ	68			F		68	
Balanc		Temporarily restricted					
Ö	69	Permanently restricted		F		69	
Fund	Orga	anizations that do not follow SFAS 117, che complete lines 70 through 74	ck here	r √ and			
P.	70	Capital stock, trust principal, or current fu	ınds		3,264	70	3,264
	71	Paid-in or capital surplus, or land, building			5,204	71	3,234
Assets	72	Retained earnings, endowment, accumulat		· ·	52,520,716	72	-4,303,609
	73	Total net assets or fund balances Add In		· ·	32,323,710	, ,	4,000,000
ĕ	′3	through 72 (Column (A) must equal line 19		-			
•		line 21)			52,523,980	73	-4,300,345

Total liabilities and net assets / fund balances Add lines 66 and 73 . .

179,810,359

199,839,850

Part	tiv-A Reconciliation of Reventhe instructions.)	nue per Audited Finar	ncial Sta	tements W	ith Reven	ue per F	Return (See
a	Total revenue, gains, and other supp	ort per audited financial sta	tements			а	579,547,399
b	A mounts included on line a but not o	n Part I, line 12					
1	Net unrealized gains on investments		b1				
2	Donated services and use of facilitie	s	b2				
3	Recoveries of prior year grants .		b3			1	
4	o 5 .7						
			b4	-	2,167,651]	
	Add lines b1 through b4 .					ь	-2,167,651
c	Subtract line b from line a					С	581,715,050
d	Amounts included on Part I, line 12,	but not on line a		ī			
1	Investment expenses not included o	n Part I, line	d1				
2	6b Other (specify)		uı uı			-	
-	Other (specify)		d2		-2,490		
	Add lines d1 and d2		·			a	-2,167,651
e	Total revenue (Part I, line 12) Add I	ines c and					581,712,560
	d					e	
	IV-B Reconciliation of Exper	<u> </u>			With Expe		
a	Total expenses and losses per audito				•	а	598,835,197
b	A mounts included on line a but not o			I			
1	Donated services and use of facilitie		b1			-	
2	Prior year adjustments reported on P	art I, line	b2				
3	Losses reported on Part I, line					1	
	20		b 3				
4	Other (specify)				2.400		
	0 dd lwys 1 dd 4 hwys 1 h d		_ b 4		2,490	┨	2.400
_	Add lines b1 through b4 Subtract line b from line a					b c	2,490 598,832,707
c d	Amounts included on Part I, line 17,						390,032,707
1	Investment expenses not included o		1	I			
_	6b	ii i arc i, iiie	d1				
2	Other (specify)					1	
			_ d2		2,167,651		
	Add lines d1 and d2					d	2,167,651
е	Total expenses (Part I, line 17) Add d					e	601,000,358
Part	director, trustee, or key en instructions.)	ors, Trustees, and Ke				not compe	ensated.) (See the
	(A) Name and address	(B) Title and average hours per week devoted to position		mpensation iid, enter -0)	employee ben deferred com plan	efit plans & ipensation	(E) Expense account and other allowances
ONE	STATEMENT KAISER PLAZA SUITE 1550L LAND,CA 94612	SEE STATEMENT 0		0			

01111	330 (2000)						raye
Par	t V-A Current Officers, Director	s, Trustees, and Key	y Employees (conti	inued)		Yes	No
75a	Enter the total number of officers, director	s, and trustees permitted	to vote on organization	n business at board			
	meetings		▶ <u>12</u>				
b	Are any officers, directors, trustees, or ke	y employees listed in For	m 990, Part V-A, or hig	ghest compensated			
	employees listed in Schedule A, Part I, or	highest compensated pro	ofessional and other ind	ependent			
	contractors listed in Schedule A , Part II-	A or II-B, related to each	other through family or	business			
	relationships? If "Yes," attach a statemen	t that identifies the indivi	duals and explains the	relationship(s) .	75b	Yes	
c	Do any officers, directors, trustees, or key	employees listed in Forr	n 990, Part V - A , or hig	hest compensated			
	employees listed in Schedule A, Part I, or	highest compensated pro	ofessional and other ind	ependent			
	contractors listed in Schedule A, Part II-	A or II-B, receive comper	nsation from any other o	organizations, whether			
	tax exempt or taxable, that are related to organization"	the organization? See the	instructions for the de	finition of "related 	75c	Yes	
	If "Yes," attach a statement that includes		d in the instructions				
	Does the organization have a written conf		<u> </u>		75d	Yes	<u> </u>
	Former Officers, Director Benefits (If any former officers) (described below) during the benefits in the appropriate of the second seco	cer, director, trustee, or year, list that person	or key employee red below and enter the	eived compensation	or otl	her be	nefits
	(A) Name and address	(B) Loans and Advances	(C) Compensation (If not paid enter -0-)	employee benefit plans and deferred compensation plans		pense ac ner allow	count and ances
NE	STATEMENT 16A E KAISER PLAZA SUITE 1550L (LAND,CA 94612	0	0				
ar	t VI Other Information (See the	instructions.)				Yes	No
76	Did the organization make a change in its activities	or methods of conducting activ	rities? If "Yes," attach a				
	detailed statement of each change				76		No
77	Were any changes made in the organizing	or governing documents l	but not reported to the :	IRS?	77	Yes	
	If "Yes," attach a conformed copy of the c	hanges					
78a	Did the organization have unrelated business gross	income of \$1,000 or more duri	ng the year covered by this	return?	78a	Yes	
Ь	If "Yes," has it filed a tax return on Form 9	990-T for this year?			78b	Yes	
79	Was there a liquidation, dissolution, termination, or	substantial contraction during t	he year? If "Yes," attach		7.		N
R∩≃	a statement Is the organization related (other than by association)	on with a statewide or nationwi	de organization) through cor	nmon membership	79		No
JUd	governing bodies, trustees, officers, etc , to any ot			· · ·	80a	Yes	
b	If "Yes," enter the name of the organization	on ► SEE STATEMENT 2	1				
		and check who	ether it is 🔽 exempt	•			
	Enter direct or indirect political expenditu	•		0			
b	Did the organization file Form 1120-POL for	orthis year?			81b		No

orm	990 (2006)			Page /
Par	t VI Other Information (continued)		Yes	No
32a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		No
Ь	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			
33a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	Yes	
Ь	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	Yes	
34a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		Νο
Ь	If "Yes," did the organization include with every solicitation an express statement that such contributions or			
	gıfts were not tax deductible?	84b		
35	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b		
	If "Yes," was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year			
c	Dues assessments, and similar amounts from members			
d	Section 162(e) lobbying and political expenditures			
е	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line $85f^{?}$	85g		
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?			
	year	85h		
36	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			
37	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)			
38a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Part IX	88a		No
b	At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes complete Part XI			
		88b		No
39a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under			
_	section 4911 • 0 , section 4912 • 0 , section 4955 • 0			
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		No
С	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization			
e	All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter			
	transaction?	89e		No
f	All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?			
		89f		No No
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time	031		140
	during the year?			
٠	Light the states with which a convertible value of the state of the st	89g		No
	List the states with which a copy of this return is filed OH Number of employees employed in the pay period that includes March 12, 2006 (See 90b			1,845
	instructions)	274 -	205	1,045
, ±d	The books are in care of ▶ NATIONAL DIRECTOR OF TAX Telephone no ▶ (510)	2/1-6	<i>3</i> 85	
	ONE KAISER PLAZA STE 1550L			
	Located at ► OAKLAND, CA ZIP + 4 ► 94612			
D	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial	[Yes	No
	account)?	91b		No
	If "Yes," enter the name of the foreign country 🛌			
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts			

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Atan						1	Yes	No
	y time during the calendar yea	ır, dıd the organızatı	on maintain a	an office outside o	of the United	States? 9:	lc	Νo
If "Ye	s," enter the name of the fore:	gn country ►						
	on 4947(a)(1) nonexempt charita				eck here .		•	- 「
	nter the amount of tax-exemp	=						
	Analysis of Income-P							
	gross amounts unless otherwi	_		business income		ection 512, 513, or 514	(E)	
			(A) Business	(B)	(C) Exclusion	(D)	Related exempt fu	
			code	Amount	code	Amount	incom	ne
Prog	ram service revenue							
MBR	S HLTH CARE PRM						434,	,170,0
SUP	P CHARGES/PHARM	_	446110	20,035			24,	,963,8
NON	I-PLAN & IND REV	_						986,9
отн	R PROG SERV REV						4,	,815,6
Med	ıcare/Medicaid payments .						109,	,325,2
	and contracts from governme	•						-
	bership dues and assessmen	-						
	est on savings and temporary cash in				14	7,016,644		
Divid	dends and interest from secur	ities						
Net	rental income or (loss) from re	al estate						
	-financed property	ŀ						
	debt-financed property				16	125,456		
	ental income or (loss) from personal	•				· · · · · · · · · · · · · · · · · · ·		
	er investment income	· · · ·						
	or (loss) from sales of assets other t				18	-1,240		
	income or (loss) from special	•						
	ss profit or (loss) from sales of							
Othe	errevenue a	·						
	·	_						
Subt	otal (add columns (B), (D), an	d (E))		20,035		7,140,860	574,	,261,6
	(add line 104, columns (B), ([581,42	22.56
	.05 plus line 1e, Part I, should e		 ine 12, Part I .				301,11	
: VII		·		nent of Exem	pt Purpos	es (See the inst	ructions	;,)
	xplain how each activity for wh							
	the organization's exempt pu	rposes (other than b	y providing f	unds for such pur	poses)			
SE	EE STATEMENT							
+								
+								
t IX	Information Regardir	a Taxable Suba	idiaries a	nd Disregard	ed Entitie	s (See the instr	uctions)
C LA	(A)	(B)	lataries a	(C)	cu Liititic	(D)	(E)	
	address, and EIN of corporation, nership, or disregarded entity	Percentage of ownership interest		Nature of activities		Total income	End-of- asset	
parti	io.o.npj or aloregulaca clinicy	%					u33C	
		%						
		%	+					
	Tofour House	%	1	data Deserve	D			
	Information Regarding	ig i ransters As	sociated v	vitn Personal	Renetit Co	ontracts (See tl	ie	
t X	instructions)							
	instructions.) e organization, during the year, recei	ve any funds directly or	indirectly to be	av premilims on a ne	rsonal henefit co	ontract?	☐ Yes ☐	✓ No

					Yes	No
106	Did the reporting organization make any the Code? if "Yes," complete the sched	•	defined in section 512(b)(:	L3) of		Νo
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) A mount of t	ransf	er
	Totals					
				<u> </u>	Yes	No
107	Did the reporting organization receive a the Code? if "Yes," complete the sched		as defined in section 512	(b)(13) of		Νo
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) A mount of t	ransf	er
	Totals					
108	Did the organization have a binding writ royalties and annuities described in que		2006 covering the interes		Yes	No
	1,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	ave examined this return, including accomp	anving schedules and statement	s and to the hest of m		
	Under penalties of perjury, I declare that I hand belief, it is true, correct, and complete					
Sign	and belief, it is true, correct, and complete	Declaration of preparer (other than officer) i	ıs based on all ınformatıon of wh			
Sign Here Paid	and belief, it is true, correct, and complete Signature of officer DEBORAH STOKES VP, CONTROLLER, CA Type or print name and title Preparer's signature	Declaration of preparer (other than officer) i	is based on all information of when 2007-11-07 Date		nowled	ge
Pleas Sign Here Paid Prep Use Only	and belief, it is true, correct, and complete Signature of officer DEBORAH STOKES VP, CONTROLLER, CA Type or print name and title Preparer's signature Firm's name (or yours if self-employed),	Declaration of preparer (other than officer) i	check if self-	aich preparer has any kr	nowled	ge

DLN: 93490317008447

OMB No 1545-0047

SCHEDULE A (Form 990 or 990EZ) 牣

Department of the Treasury Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust Supplementary Information—(See separate instructions.)

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

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

2006

Vame	of the	orgar	nızatıor	1		
KAISER	FOUND	ATION	HEALTH	PLAN	OF	OHIO

Employer identification number

34-0922268

(See page 2 of the instruction	ns. List each one. If there ar	e none, enter "Nor	ne.") ´	
(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 16	SEE STATEMENT			
1 KAISER PLAZA SUITE 1550L OAKLAND,CA 94612	40 0	0	0	0

Total number of other employees paid over \$50,000

538

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

None.)		
(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
OHIO PERMANENTE MEDICAL GROUP		
1001 LAKESIDE DRIVE SUITE 1200	MEDICAL SERVICES	104,251,624
CLEVELAND,OH 44114		
THE CLEVELAND CLINIC		
9500 EUCLID AVE	HOSPITAL SERVICES	18,687,351
CLEVELAND,OH 44195		
SUMMA HEALTH SYSTEM		
PO BOX 714097	HOSPITAL SERVICE	8,763,127
COLUMBUS,OH 43271		
METROHEALTH SYSTEM		
2500 METROHEALTH DRIVE	HOSPITAL SERVICE	8,784,474
CLEVELAND,OH 44109		
LAKE HOSPITAL SYSTEM		
36000 EUCLID AVE	HOSPITAL SERVICES	5,342,048
WILLOUGHBY,OH 44094		
Total number of others receiving over \$50,000 for 133		
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 individuals or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
BOLTON PRATT COMPANY		
6116 WEST CREEK RD	CONSTRUCTION	5,170,584
INDEPENDENCE, OH 44131		
METLIFE TO WER RESOURCES GROUP		
401 MARKET ST	LEGAL	2,384,000
PHILADELPHIA, PA 19106		
SPANGENBERG SHIBLEY LIBER LLP		
1900 EAST 9TH ST SUITE 2400	LEGAL	1,537,000
CLEVELAND, OH 44114		
CAMPBELL-EWALD		
PO BOX 78000	ADVERTISING	1,543,708
DETROIT, MI 48278		
INTEGRATED WORKSITE SOLUTIONS		
1695 INDIAN WOOD CIRCLE	BROKER	1,033,212
MAUMEE, OH 43537		
Total number of other contractors receiving over	9	

Par	Statements About Activities (See page 2 of the instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, include any attempt			
	to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred i	n		
	connection with the lobbying activities 🛰 \$ 82,418 (Must equal amounts on line 38, Part VI-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 description of the			1
	lobbying activities			1
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any			
	substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with			
	any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or			
	principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) ${}^{*}\!\!$	^j		
а	Sale, exchange, or leasing property?	2a	Yes	<u> </u>
b	Lending of money or other extension of credit?	2b	Yes	
c	Furnishing of goods, services, or facilities?	2c	Yes	<u></u>
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	Yes	<u></u>
е	Transfer of any part of its income or assets?	2e		Νo
3a	Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation			
	of how the organization determines that recipients qualify to receive payments)	3a		No
Ь	Did the organization have a section 403(b) annuity plan for its employees?	3b	Yes	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement	Зс		No
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		Νo
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete line 4f and 4g	4a		No
Ь	Did the organization make any taxable distributions under section 4966?	4b		Νo
С	Did the organization make a distribution to a donor, donor advisor, or related person?	4c		Νo
d	Enter the total number of donor advised funds owned at the end of the tax year			
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year			
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts			
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year			

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

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	endar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2	2002	(e) Total
15	Gifts, grants, and contributions received (Do not include unusual grants See line 28)	372,464	338,524	389,758		31,689	1,132,435
16	Membership fees received						(
17	Gross receipts from admissions, merchandise						
	sold or services performed, or furnishing of	559,485,876	506,490,916	471,991,135	52	28,214,771	2,066,182,698
	facilities in any activity that is related to the	552, 152, 51	,,	=, =,		,	_,,,
18	organization's charitable, etc , purpose Gross income from interest, dividends, amounts						
	received from payments on securities loans						
	(section 512(a)(5)), rents, royalties, and	8,160,685	6,538,851	5,098,836		6,657,072	26,455,444
	unrelated business taxable income (less section 511 taxes) from businesses acquired by the						
	organization after June 30, 1975						
19	Net income from unrelated business activities						C
20	not included in line 18 Tax revenues levied for the organization's benefit						
20	and either paid to it or expended on its						(
	behalf						
21	The value of services or facilities furnished to the organization by a governmental unit without						
	charge Do not include the value of services or						(
	facilities generally furnished to the public without						
	charge Other income Attach a schedule Do not include						
22	gain or (loss) from sale of capital assets						C
23	Total of lines 15 through 22	568,019,025	513,368,291	477,479,729	53	34,903,532	2,093,770,577
24	Line 23 minus line 17	8,533,149	6,877,375	5,488,594		6,688,761	27,587,879
25	Enter 1% of line 23	5,680,190	5,133,683	4,774,797		5,349,035	
26	Organizations described on lines 10 or 11: a Er	nter 2% of amoun	t ın column (e), lır	ne 24 🕨	26a		
	2005 exceeded the amount shown in line 26a Do of all these excess amounts Total support for section 509(a)(1) test Enter line		·	P	26b 26c		
•	Add Amounts from column (e) for lines 18		- 19		1254		
	Dublic current (line 36 a minus line 36 d total)		_ ^{26b}		26d		
	Public support (line 26c minus line 26d total)	iidad b lina 26a	(26e	<u> </u>	
	Public support percentage (line 26e (numerator) d			7 11-1	26f		. 1.6
27	Organizations described on line 12: a For amount prepare a list for your records to show the name of						
	Do not file this list with your return. Enter the sun			.ii year iroiii, eacii	uisqua	illieu pers	5011
	<u>-</u>		·	0	(2002)		0
	(2005) 0(2004) For any amount included in line 17 that was received.	ed from each pers	on (other than "d	ısqualıfıed persor	ns"), pre	pare a list	for your
	records to show the name of, and amount received						
	or (2) \$5,000 (Include in the list organizations de						
	return. A fter computing the difference between the	amount received	and the larger an	nount described in	n (1) or ((2) , enter	the sum of
	these differences (the excess amounts) for each y	ear					
	(2005) 0(2004)	С	(2003)	0	(2002)		0
(Add Amounts from column (e) for lines 15	1,132	, ⁴³⁵ 16	0			
	172,066,182,698 20		<u> </u>	0	•	27c	2,067,315,133
c	Add Line 27a total 0	and line 27b tot	al	0	>	27d	(
	Public support (line 27c total minus line 27d total				•	27e	2,067,315,133
	Total support for section 509(a)(2) test Enter am			27f 2,09	3,770,577]	
	Public support percentage (line 27e (numerator) d			▶	27g	<u> </u>	98 74 %
ŀ	Investment income percentage (line 18, column (e) (numerator) div	vided by line 27f ((denominator)) 🟲	27h		1 26 %
28	Unusual Grants: For an organization described in li	ne 10, 11, or 12 t	hat received any	unusual grants d	uring 20	02 throug	h 2005,
	prepare a list for your records to show, for each ye	ar, the name of th	e contributor, the	date and amount	of the gr	rant, and a	a brief

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

Pa	rt V Private School Questionnaire (See page 7 of the instructions.) (To be completed ONLY by schools that checked the box on line 6 in Part IV)			
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws,		Yes	No
	other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its			
	brochures, catalogues, and other written communications with the public dealing with student admissions,			
	programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during			
	the period of solicitation for students, or during the registration period if it has no solicitation program, in a way			
	that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)			
	Ti Tes, please describe, ii No, please explain (IT you need more space, attach a separate statement)			
		-		
		-		
		4		
		4		
32	Does the organization maintain the following			
а	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
ь	Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory			
	basis?	32b		
_	· Copies of all catalogues, brochures, announcements, and other written communications to the public dealing			
	with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
33	Does the organization discriminate by race in any way with respect to			
а	Students' rights or privileges?	33a		
_				
L	Admissions policies?	33b		
-	, manifestone ponetes	555		
	Francisco and of the culture and describe the state of the culture and the state of the	225		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
e	Use of facilities?	33f		
•		1 22.		
	Athletic programs?	33g		
g	Adment programs.	33 <u>9</u>		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
		7		
		7		
		┨		
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
_ Tu				
	Has the organization's right to such aid over been reveled or evenended?	346		
ь	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05			
	of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		
	Schedule A (Form 9	90 or 99	90-EZ)	2006

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

	•	orm 990 or 990-E2) 2006							Page 5
Pa	rt VI-A	Lobbying Expenditu (To be completed ONL					of the instruc	tions.)	
he	ck 🟲 a 「	ıf the organızatıon belong	s to an affiliated gr	oup Check	►b ∏ifyouc	hecked	"a" and "limite	d contr	ol" provisions apply
		Limits on Lo	bbying Expend	ditures			(a)		(b) To be completed
		(The term "expenditures	" means amounts	paid or incurred)		Affiliated gro totals	ир	for all electing organizations
36	Total lobb	ying expenditures to influe	nce public opinion	(grassroots lobb	oyıng)	36			
37	Total lobb	ying expenditures to influe	nce a legislative bo	ody (direct lobby	/ıng)	37			
38	Total lobb	yıng expenditures (add line	s 36 and 37)			38			
39	Otherexe	empt purpose expenditures				39			
40	Total exe	mpt purpose expenditures (add lines 38 and 3	9)		40			
41	Lobbying	nontaxable amount Enter t	he amount from the	e following table	<u> </u>				
	If the am	ount on line 40 is—	The lobbying nont	axable amount	is—				
	Not over \$5	00,000	20% of the amount of	on line 40					
	Over \$500,0	000 but not over \$1,000,000	\$100,000 plus 15% o	f the excess over \$	500,000				
	Over \$1,000	0,000 but not over \$1,500,000	\$175,000 plus 10% o	f the excess over \$	1,000,000	41			
	Over \$1,500	0,000 but not over \$17,000,000	\$225,000 plus 5% of	the excess over \$1	,500,000				
	Over \$17,00	00,000	\$1,000,000						
42	Grassroo	ts nontaxable amount (ente	r 25% of line 41)			42			
43	Subtract	line 42 from line 36 Enter -	0- ıf lıne 42 ıs moı	re than line 36		43			0
44	44 Subtract line 41 from line 38 Enter -0 - if line 41 is mo			re than line 38		44			0
	Caution:	If there is an amount on eithe	er line 43 or line 44,	you must file Fo	rm 4720.				
			l-Year Averagi	ng Period U	nder Section	501(h)		
		(Some organizations that						umns b	elow
		See the	instructions for line	es 45 through 5	U on page 13 or	the insi	tructions)		
				Lo	bbying Expendit	ures Du	ıring 4-Year Av	eraging	Period
	Calendar			(a)	(b)		(c)	(d)	(e)
	fiscal yea	ar beginning in) 🟲		2006	2005	 	2004	2003	Total
45	Lobbyina	nontaxable amount							
	<u>, , , , , , , , , , , , , , , , , , , </u>								
46	Lobbying	ceiling amount (150% of l	ne 45(e))						
47	Total lob	bying expenditures							
40	Craceroo	ts nontavable amount							
48	G1855100	ts nontaxable amount				+			
49	Grassroo	ts ceiling amount (150% o	f lıne 48(e))						
		<u>.</u>							
		ts lobbying expenditures							
Pa	rt VI-B					• > ./6	12.5		
) i i r	ing the yea	(For reporting only by r, did the organization atter						the ins	structions.) 🖼
		r, and the organization atter Jence public opinion on a le					Ye	s No	A mount
а					-			No	
b	Paid sta	ff or management (Include o	compensation in ex	penses reported	d on lines c throi	ugh h.)	Υe	s	1
c	Media ad	lvertisements						No	
d	Mailings	to members, legislators, or	the public					No	
e		ons, or published or broadd						No	
f		o other organizations for lob	. •					No	
g		ontact with legislators, their					Ye	s	69,405
h	Palline /	amonetratione cominare .	CONVENTIONS SPACE	nac lactures o	rany other mea	nc	I V 🗅	c I	12 012

82,418

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

(i) Cash (ii) Other assets b Other transactions (i) Sales or exchanges of assets with a noncharitable exempt organization (ii) Purchases of assets from a noncharitable exempt organization (iii) Purchases of assets from a noncharitable exempt organization (iii) Purchases of assets from a noncharitable exempt organization (iii) Rental of facilities, equipment, or other assets (iv) Reimbursement arrangements (v) Loans or loan guarantees (vi) Performance of services or membership or fundraising solicitations (vi) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (vi) Performance of services or membership or fundraising solicitations (vi) Performance of services or membership or fundraising solicitations (vi) Performance of services or membership or fundraising solicitations (viii) Performance of services or membership or fundraising solicitations (vi) Performance of services or membership or fundraising solicitations (vi) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (viii) Performance of services or membership or fundraising solicitations (vi) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (viii) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (vii) Performance of services or membership or fundraising solicitations (vii) P			·	ly engage in any of the following :) organizations) or in section 527	•		sectio	n
(ii) Other ransactions (i) Sales or exchanges of assets with a noncharitable exempt organization (ii) Purchases of assets from a noncharitable exempt organization (iii) Rental of facilities, equipment, or other assets (iv) Reimbursement arrangements (iv) Loans or loan guarantees (v) Loans or loan guarantees (vi) Performance of services or membership or fundraising solicitations (c) Sharing of facilities, equipment, mailing lists, other assets, or paid employees (d) If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value or goods, other assets, or services given by the reporting organization If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received (a) (b) Remove the above is "Yes," complete the following schedule Column (b) should always show the fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received (a) (b) Recription of transfers, transactions, and shi arrangements (2a) Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? (b) If "Yes," complete the following schedule (a) (b) (c)	a Transf	ers from the reporting	g organization to a no	ncharitable exempt organization	of		Yes	No
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Form **4797**

Department of the

Internal Revenue Service (99)

Name(s) shown on return

Treasury

Sales of Business Property

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

► Attach to your tax return. ► See separate instructions. OMB No 1545-0184

Sequence No 27

Identifying number

KAI	SER FOUNDATION H	IEALTH PLA	AN OF OHIO	1			34-0922	268	
1	Enter the gross prod	eeds from	sales or exch	nanges reported to you	for 2006 on Form(s) 1	 099-B or	1		
	·	ıte stateme	nt) that you a	are including on line 2,	10, or 20 (see instruct	ions) .	1		
Pa				erty Used in a Trac r Theft—Most Prop					
	(a) Description of property	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	bası ımprove	st or other s, plus ments and se of sale		(g) Gain or (loss) tract (f) from the sum of (d) and (e)
2 9	STATEMENT 19	, ,		1,250			2,49	90	-1,240
						-			
3	Gain, if any, from Fo	rm 4684, lı	ne 42					3	
4	Section 1231 gain f	rom ınstallı	ment sales fr	om Form 6252, line 26	or 37			4	
5	Section 1231 gain o	or (loss) fro	m lıke-kınd e	xchanges from Form 88	324			5	
6	Gain, if any, from lin	e 32, from (other than ca	sualty or theft				6	
7	Combine lines 2 thr	ough 6 Ent	er the gain o	r (loss) here and on the	appropriate line as fol	lows .		7	-1,240
				ships) and S corporation 10, or Form 1120S, S					
	from line 7 on line 1 section 1231 losse	1 below and s, or they w	d skip lines 8 ere recaptur	lders, and all others. If and 9 If line 7 is a gai ed in an earlier year, en ir return and skip lines	n and you did not have ter the gain from line 7	any prior y as a long-t	ear		
8	Nonrecaptured net	section 123	1 losses fro	m prior years (see instr	uctions)			8	
9	below Ifline 9 is mo	ore than zer	o, enter the a	nter -0- If line 9 is zer amount from line 8 on li D filed with your return	ne 12 below and enter			9	
Pa	rt II Ordinary (Gains and	Losses (see instructions)					
10	Ordinary gains and	losses not i	ncluded on l	nes 11 through 16 (ınc	lude property held 1 ye	ear or less)			
								-	
11	Loss, if any, from lin	ie 7						11	(1,240)
12	Gain, if any, from lin	e 7, or amo	unt from line	8, if applicable				12	
13	Gain, if any, from lin	e 31						13	
14	Net gain or (loss) fro	om Form 46	84, lines 34	and 41a				14	
15	Ordinary gain from i	nstallment	sales from Fo	orm 6252, line 25 or 36	5			15	
16	Ordinary gain or (lo	ss) from like	e-kınd excha	nges from Form 8824				16	
17	Combine lines 10 th	rough 16						17	-1,240
18				mount from line 17 on t omplete lines a and b b		our return	and skip		
а	Enter the part of the the loss from proper	loss from i ty used as	ncome-produ an employee	orm 4684, line 38, colu ucing property on Scheo on Schedule A (Form 1	lule A (Form 1040), lir 040), line 22 Identify	ne 27, and t as from "Fo	he part of	18a	
b				cluding the loss, if any,				18b	

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

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TY 2006 Cash Grants Paid Schedule

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

Class of Activity	Recipient's name	Amount	Relationship	
	AMERICAN HEART ASSOCIATION	1689 E 115 STREET CLEVELAND, OH 44106	48,000	N/A
	CENTER FOR FAMILIES CHILDREN	4500 EUCLID AVE CLEVELAND, OH 44103	5,000	N/A
	BIG BROTHERS BIG SISTERS	1422 EUCLID AVE CLEVELAND, OH 44115	10,000	N/A
	NORTHEAST OHIO NEIGHBORHOOD HEALTH	8300 HOUGH AVE CLEVELAND, OH 44103	7,500	N/A
	ALPHA OMEGA FOUNDATION	20600 CHAGRIN BLVD CLEVELAND, OH 44122	10,000	N/A
	UNITED BLACK FUND OF GREATER CLEVEL	1621 EUCLID AVE CLEVELAND, OH 441152107	15,000	N/A
	GREATER CLEVELAND SPORTS COMMISSION	1515 TERMINAL TOWER CLEVELAND, OH 44114	20,000	N/A
	KALEIDOSCOPE MAGAZINE	PO BOX 603310 CLEVELAND, OH 44103	9,500	N/A

Class of Activity	Recipient's name	Address	Amount	Relationship
	MOTTEP OF CLEVELAND	18720 CHAGRIN BLVD SHAKER HEIGHTS, OH 44122	5,000	N/A
	UNITED WAY SERVICES	1331 EUCLID AVE CLEVELAND, OH 44115	13,000	N/A
	YWCA OF GREATER CLEVELAND	4019 PROSPECT AVE CLEVELAND, OH 44103	6,000	N/A
	CONTRIBUTIONS UNDER 5000		18,993	

TY 2006 Other Assets Schedule

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

Description	Beginning of Year Amount	End of Year Amount
INTANGIBLE PENSION ASSETS	8,518,021	0
DEPOSITS	19,606	2,610
OTHER ASSETS	0	331,087
DUE FROM HOSPITAL / OTHER	100,723,014	91,028,656

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TY 2006 Other Changes in Net Assets Schedule

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

Description	Amount
DONATED CAPITAL - CURRENT YEAR	17,460
ADOPTION OF FASB STMT NUMBER 158	37,536,527
TEMP RESTRICT DONATED CAPITAL-UNRELEASED	17,460

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TY 2006 Other Expenses Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

Description	Amount
LOSS ON DISP OF ASSETS-RECLASS	2,490



TY 2006 Other Expenses Not Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

Description	Amount
BAD DEBT EXPENSE-RECLASS	2,167,651

TY 2006 Other Liabilities Schedule

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

Description	Beginning of Year Amount	End of Year Amount
RESERVE FOR SELF INSURED RISK	3,873,000	0
RESERVE FOR PROF & PUBLIC LIAB	12,924,038	19,856,688
RESERVE FOR WORKERS COMP RISK	815,984	1,013,944
POST RETIREMENT-LT PORTION	41,125,467	84,366,370
OTHER LIABILITIES	1,381,974	823,584
MEDICARE AUDIT RESERVE	6,410,987	8,544,230
SELF INSURED - AUTO & UNEMPLOY	0	41,617
POST RETIREMENT-CURRENT	1,006,000	738,282



TY 2006 Other Revenues Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

Description	Amount
BAD DEBT EXPENSE-RECLASS	-2,167,651

etile GRAPHIC	print - DO NOI	PROCESS	As Filed Data -	DLN: 9349031/00844/

TY 2006 Other Revenues Not Included Schedule

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

Description	Amount
LOSS ON DISP OF ASSETS-RECLASS	-2,490

TY 2006 Non Electing Public Charities Statement

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

EIN: 34-0922268

Statement:



TY 2006 Self Dealing Statement

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

Line Number	Explanation
2a	

Line Number	Explanation
2b	

Line Number	Explanation
2c	

Line Number	Explanation					
2d	FORM 990, PART V					

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

TY 2006 Supplemental Support Schedule

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

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	372,464		559,485,876	8,160,685					568,019,025
2004	338,524		506,490,916	6,538,851					513,368,291
2003	389,758		471,991,135	5,098,836					477,479,729
2002	31,689		528,214,771	6,657,072					534,903,532

	<u>`</u> _	4-2007)			_		Page 2
• If y	ou are	e filing for an Additional (not automatic) 3-Month Extension, complete only	Part II ar	nd check this box			▶ X
		complete Part II if you have already been granted an automatic 3-month ex		on a previously file	d For	m 88	368
 If ye 		e filing for an Automatic 3-Month Extension, complete only Part I (on page 1					
Part		Additional (not automatic) 3-Month Extension of Time. You m	ust file	original and o	ne c	сору	<u>/</u>
Туре	or	Name of Exempt Organization	1	Employer identif	icatio	n nur	mber
print	_,	KAISER FOUNDATION HEALTH PLAN OF OHIO	34-0922268				
File by t		Number, street, and room or suite no If a P O box, see instructions		For IRS use only			
extende due dat		ONE KAISER PLAZA SUITE 1550L					
filing the return See		City, town or post office, state, and ZiP code For a foreign address, see instructions	**	in in the	` .	•	
instruct		OAKLAND, CA 94612	<u> </u>		·	<u> </u>	<u> </u>
Chec	k type	of return to be filed (File a separate application for each return)			_		
X	Form	n 990 Form 990-PF		Form 1041-A			Form 6069
	Form	n 990-BL Form 990-T (sec. 401(a) or 408(a) trust)		Form 4720	Ł] F	Form 8870
		n 990-EZ Form 990-T (trust other than above)		Form 5227			
STOP		o not complete Part II if you were not already granted an automatic 3-mo	nth exter	nsion on a previo	usly	filed	Form 8868.
 Th 	ne boo	oks are in the care of NATIONAL DIRECTOR OF TAX				_	
	-	one No ▶ <u>510 271.6385</u> FAX No ▶ <u>510</u>				_	
• If th	ie org	anization does not have an office or place of business in the United States, c	heck this	box	٠.		▶ 🔲
		or a Group Return, enter the organization's four digit Group Exemption Numb	, _		nis is	;	
		ole group, check this box 🕨 🔛 🛮 If it is for part of the group, check this box	× ▶	」 and attach a lis	t with	n the	
		EINs of all members the extension is for					
	-	est an additional 3-month extension of time until		15, ₂₀ 07	_		
		alendar year <u>2006</u> , or other tax year beginning,20	_and end	· · · · · · · · · · · · · · · · · · ·			,20
			Final retu		e in	acco	ounting period
		in detail why you need the extension THIS ENTITY IS A MEMBER					
		GRATED MANAGED HEALTH CARE DELIVERY PROGRAM AND REG					
		TO VERIFY THAT EACH MEMBER'S TAX RETURN DATA IS CO					
		application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the	e tentativ	e tax, less any			
		fundable credits. See instructions			8 a	\$	
		application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable			1		
		ayments made Include any prior year overpayment allowed as a credit	and any	y amount paid			
		ously with Form 8868.		annua al alamand	8 b	>	
		ce Due. Subtract line 8b from line 8a. Include your payment with this form				l	
		FTD coupon or, if required, by using EFTPS (Electronic Federal Tax letters	rayment	System) See	0.0		
	ins tru	ctions. Signature and Verification			8 c	Þ	
		es of perjury, I declare that I have examined this form, including accompanying schedules ar ct, and complete, and that I am authorized to prepare this form		nts, and to the best o	of my	know	ledge and belief,
Signatu	re 🕨	Delanh Stelzen Title > VP, CC	ONTROLI	LER, CAO Date	▶ 8	3-6.	-07
		Notice to Applicant. (To Be Complete	d by the	e IRS)			
	Wel	have approved this application Please attach this form to the organization's return	,	,			
	date	have not approved this application. However, we have granted a 10-day grace period of the organization's return (including any prior extensions). This grace period is converse required to be made on a timely return. Please attach this form to the organization.	onsidered	ne later of the date to be a valid exten	shov sion	vn be of tırr	elow or the due ne for elections
		have not approved this application. After considering the reasons stated in item 7, versions and a 10-day grace period	we cannot	t grant your reques	for	an ex	tension of time
	We d	cannot consider this application because it was filed after the extended due date of the	he return f	or which an extensio	n was	s requ	ıested
		By					
Directi	or					Date	
Alter	nate	Mailing Address. Enter the address if you want the copy of this application f	for an ad	ditional 3-month e	xten	sion	
retur	ned to	an address different than the one entered above					
		Name					
Type o	or	Number and street (include suite, room, or apt. no.) or a P O. box number					
	-	City or town, province or state, and country (including postal or ZIP code)			-		
					Fom	n 886	8 (Rev 4-2007)

KAISER FOUNDATION HEALTH PLAN OF OHIO 34-0922268 12/31/2006

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

(A) NAME see note 2	(B) TITLE/ HOURS* WEEKLY *see note 7		(C1) COMPENSATION PRE 2006 see notes 3 & 4	(C2) COMPENSATION 2006 see notes 3 & 4	(D1) BENEFIT 2006 See Notes 3, 4 & 5	(D2) BENEFIT PAID 2007 See Notes 3, 4 & 5	EXP ACCT/ OTHER ALLOW. see notes 3, 4 & 6
DIRECTORS:							
George C Halvorson	Director & Chairman		0	0	0	0	0
Daniel P Garcia	Director		0	0	0	0	0
Judith A Johansen	Director from April 2006	5	0	0	0	0	0
Christine K Cassel	Director	5	0	0	0	0	0
Thomas W Chapman	Director	8	0	0	0	0	0
William R Graber	Director	6	0	0	0	0	0
J Eugene Grigsby III	Director	5	0	0	0	0	0
Kım J Kaiser	Director	5	0	0	0	0	0
J Neal Purcell	Director	5	0	0	0	0	0
Philip A Marineau	Director	2	0	0	0	0	0
Edward Pei	Director from April 2006	8	0	0	0	0	0
Cynthia Telles	Director	7	0	0	0	0	0
Jenny Ming	Director from December 2006	5	0	0	0	0	0
Sandra Thompkins	Director	5	0	0	0	0	0
OFFICERS AND KEY EMPLOYE	EES:						
Patricia Kennedy-Scott	Regional President	40	0	0	0	0	0
Kathryn Lancaster	Senior Vice President	40	0	0	0	0	0
Christine Malcolm	Senior Vice President from March 2006	40	0	0	0	0	0
Arthur M Southam, MD	Senior Vice President	40	0	0	0	0	0
Steven R Zatkın	Senior Vice President	40	0	0	0	0	0
Thomas R Meier	Vice President/Treasurer	40	0	0	0	0	0
Deborah Stokes	Vice President/Controller	40	0	0	0	0	0
Daniel Beck	Assistant Secretary	40	0	0	0	0	0
Jennifer Gardner	Assistant Secretary	40	0	0	0	0	0
Victoria B Zatkin	Assistant Secretary	40	0	0	0	0	0

KAISER FOUNDATION HEALTH PLAN OF OHIO 34-0922268 12/31/2006

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

(A) NAME	(C1) COMPENSATION PRE 2006	(C2) COMPENSATION 2006	(D1) BENEFIT 2006	(D2) BENEFIT PAID 2007	(E) EXP ACCT/ OTHER ALLOW.
see Note 2	see Notes 3 & 4	see Notes 3 & 4	See Notes 3, 4 & 5	See Notes 3, 4 & 5	see Notes 3, 4 & 6
George C Halvorson	0	2,656,950	1,698,387	2,530,000	0
Daniel P Garcia	105,348	556,890	271,849	435,409	0
Judith A Johansen	0	134,701	0	0	0
Christine K Cassel	0	170,000	0	0	0
Thomas W Chapman	0	203,259	0	0	0
William R Graber	0	193,032	0	0	0
J Eugene Grigsby III	0	191,002	0	0	3,240
Kım J Kaiser	0	190,500	0	0	0
J Neal Purcell	0	220,943	0	0	0
Philip A. Marineau	0	144,532	0	0	0
Edward Pei	0	136,000	0	0	0
Cynthia Telles	0	182,109	0	0	0
Jenny Ming	0	3,036	0	0	0
Sandra Thompkins	0	115,425	0	0	0
Patricia Kennedy-Scott	90,577	453,969	186,291	274,802	0
Kathryn Lancaster	181,081	835,249	223,860	600,279	0
Christine Malcolm	0	476,250	260,746	247,320	0
Arthur M Southam, MD	1,146,160	1,193,155	330,131	968,555	0
Steven R Zatkın	609,081	780,787	547,768	595,664	0
Thomas R Meier	229,630	337,939	118,013	211,978	0
Deborah Stokes	74,678	385,377	107,626	219,492	0
Daniel Beck	0	203,941	17,155	16,055	12,000
Jennifer Gardner	0	76,694	21,440	5,774	0
Victoria B Zatkin	3,768	209,383	67,343	70,718	0

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KAISER FOUNDATION HEALTH PLAN OF OHIO 34-0922268 DECEMBER 31, 2006

STATEMENT FORM 990 PART VIII RELATIONSHIP OF ACTIVITIES TO EXEMPT PURPOSE

LINE NUMBER 93:

93A MEMBERS HEALTH CARE PREMIUMS

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

93B SUPPLEMENTAL CHARGES / PHARMACY

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

93C NON-PLAN AND INDUSTRIAL REVENUE

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

93D OTHER PROGRAM SERVICE REVENUE

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

93F MEDICARE/MEDICAID PAYMENTS

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

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

	TOP FIVE EMPLOYEES						
NAME	TITLE	HOURS see note 7	(C1) COMPENSATION PRE-2006 see notes 3 & 4	(C2) COMPENSATION 2006 see notes 3 & 4	(D1) BENEFITS 2006 see notes 3, 4 & 5	(D2) BENEFITS PAID 2007 see Notes 3, 4 & 5	(E) EXP ACCT/ OTHER ALLOW. see notes 3, 4 & 6
BELVA D TIBBS	VP	40	166,707	209,774	102,218	70,329	0
THOMAS REVIS	VP	40	13,690	211,333	89,597	69,166	0
TIMOTHY ALBERTS	VP	40	138,023	233,432	56,820	65,298	0
RUTH E LANGSTRAAT	VP	40	18,006	253,138	135,471	67,012	0
GREG MERCER	VP	40	0	261,308	53,634	92,835	0

NOTES: See Statement 14: for notes applicable to the above reporting.

34-0922268

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

DESCRIPTION AND TO WHOM SOLD	DATE & HOW ACQ'RD (NOTE #1)	DATE SOLD	SALES PRICE	COST/ EXPENSE OF SALE	ACCUM DEPREC	GAIN OR (LOSS)
SALE OF ASSETS:						
Miscellaneous Equipment	Various	Various	1,250	0	0	1,250
Misc Equipment Write-Offs	Various	Various	0	5,677	3,187	-2,490
TOTAL LOSS ON FIXED ASS	ETS DISPOSAL		1,250	5,677	3,187	-1,240
RECAP OF NET GAIN/(LOSS)					
ORIGINAL COST AND EXPEN	NSE OF SALE			5,677		
DEPRECIATION				3,187		
NET COST OR OTHER BASIS	5			2,490		
LESS GROSS SALES PROCE	EEDS			1,250		
NET GAIN/(LOSS)				-1,240		

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

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

34-0922268

SCHEDULE OF FIXED ASSETS AND DEPRECIATION

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

	COST		ACCUMULATED	2006	
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR	DEPN/AMORTN EXPENSE
LAND	5,961,963	5,961,963	0	0	0
LAND IMPROVEMENTS	879,617	1,254,829	571,166	634,566	51,699
BUILDINGS	67,937,070	78,702,958	25,636,505	28,437,959	2,801,452
LEASEHOLD IMPROVEMENTS	8,474,436	6,119,495	6,255,230	4,397,015	656,382
EQUIPMENT	37,919,928	41,227,554	30,387,197	31,510,979	1,964,124
CAPITALIZED SOFTWARE	25,525,987	25,541,524	25,458,078	25,508,936	53,321
CAPITALIZED LEASES	0	0	0	0	0
CONSTRUCTION IN PROGRESS	6,110,500	190,532	0	0	0
OTHER AMORTIZATION - START UP	P AND DEFERRED	COSTS -			0
TOTALS TO: PART IV, LINE 57(A) PART IV, LINE 57(B)	152,809,500	158,998,855	88,308,176	90,489,455	
PART IV, LINE 57(C)	64,501,324	68,509,400	20,300,110		•
TOTAL DEPRECIATION AND AMO		30,000, .00			5,526,978

KAISER FOUNDATION HEALTH PLAN OF OHIO 34-0922268 DECEMBER 31, 2006

ATTACHMENT FOR:

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

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

EMPLOYER	ENTITY NAME		DIRECT & INDIRECT % CONTROLLED BY KFHP, INC
	ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION I, 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 KAISER HEALTH ALTERNATIVES		100%
93-0954562 94-3299123	CAMP BOWIE SERVICE CENTER		100% 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 [.]		
03-0329760	OAK TREE ASSURANCE, LTD		100%
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES, INC		100%
94-3259432	KAISER PROPERTIES SERVICES, INC		100%
91-1814507	CHP COMPANIES, INC		100%
	IDATION HEALTH PLAN, INC. IS AFFILIATED WITH THE FOLLOWING ENTITIES EXEMPT AL INCOME TAX UNDER IRC SECTION 501(C)(3)		
94-1105628 94-3299125	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 (closted to be treated as a disconsided entity for tour purposes)	*(2)	N/A
91-2166347 20-3774729	KP ONCALL, LLC (elected to be treated as a disregarded entity for tax purposes) ARCHIMEDES, INC	*(2) *(2)	N/A N/A
20-3924985	HEALTH CARE MANAGEMENT SOLUTIONS, LLC	*(2)	N/A
94-3203402	KAISER PERMANENTE INSURANCE COMPANY	*(3)	50%
N/A	HAMI - COLORADO, LLC (elected to be treated as a disregarded entity for tax purposes)	*(4)	N/A
20-2961620	KP CAL	(- /	100%
20-2712661	KPCAL, LLC (elected to be treated as a disregarded entity for tax purposes)		100%
20-2396517	KAISER PERMANENTE OREGON PLUS, LLC	*(5)	
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 COMPANYIS A NON-EXEMPT LIFE, ACCIDENT AND HEALTH INSURANCE COMPANY OF WHICH 100% OF THE PREFERRED STOCK AND 50% OF THE COMMON STOCK ARE OWNED BY KAISER FOUNDATION HEALTH PLAN, INC THE REMAINING 50% OF COMMON STOCK IS OWNED BY NON-AFFILIATED PHYSICIANS PRACTICE GROUPS		
NOTE *(4)	HAMI - COLORADO, LLC - THE SOLE MEMBER OF THIS LIMITED LIABILITY COMPANY IS KAISER HOSPITALS ASSET MANAGEMENT, INC		
NOTE *(5)	KAISER PERMANENTE OREGON PLUS, LLC - THE SOLE MEMBER OF THIS LIMITED LIABILITY COMPANY IS KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST		

THE COMMON ADDRESS FOR ALL ENTITIES LISTED ABOVE IS

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

FEIN: 34-0922268

FORM 990, SCHEDULE A, PART III

December 31, 2006

FAMILY AFFILIATIONS REPORTED

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

TIN: 34-0922268 DECEMBER 31, 2006

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

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

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

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

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

- Collecting, analyzing and distributing within the Organization, public and private policy recommendations regarding proposed legislation and enacted laws that affect the operation of Health Plan and its ability to provide quality health and medical care services to its members in a cost effective environment.
- Providing appropriate informational materials to legislators and to their staffs that
 pertain to matters of common interest in the health care community and in the 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.

FEIN: 34-0922268 December 31, 2006

Schedule A, Part III, Question 2a:

Kaiser Foundation Health Plan of the Mid-Atlantic States (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. Many of the officers of KFHP are also officers of KFHP, Inc. and KFH. KFHP, KFHP, Inc. and KFH are operated as separate charitable corporations. See **Statement 21** for a list of tax-exempt and non-exempt related entities. 80B

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

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

In the normal course of business in carrying out its charitable purposes, KFHP may have entered into the sale, exchange, or leasing of property with some of the related entities described in **Statement 21** KFHP relationships with such organizations are conducted on a fair market value basis.

Schedule A, Part III, Question 2b:

Statement 22 provides a list of the directors, officers and key employee family members with whom KFHP did business or who were employed by KFHP or any KFHP affiliate. KFHP does not have trustees, creators or substantial contributors.

Based on a review of KFHP records and COI statements for these directors, officers and key employees for 2006, KFHP did not engage in the lending of money or other extension of credit with any of these persons in 2006. KFHP, Inc. has a program that provides loans to relocate executives. The program was modified in August 2002 to take into consideration the Section 402 provisions of the Sarbanes Oxley Act, limiting certain employees' eligibility for loans. **Statement 14** provides information regarding officer and key employee loans made by KFHP, Inc. as disclosed in the KFHP, Inc. 2006 Form 990, Part IV Part IV and Schedule A, Part III, question 2b.

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Based on the COI questionnaires for 2006, **Statement 25 (attached)** lists non-affiliated taxable organizations which did business with KFHP in 2006 and on which KFHP officers, directors, key employees or their families served as an officer, director, or owner. KFHP relationships with such organizations are conducted on a fair market value basis and the KFHP officer director or key employee abstained from voting on any such matter.

Schedule A, Part III, Question 2c:

Form 990, Part V lists the officers, directors and key employees of KFHP in 2006. Based on a review of COI statements for these directors, officers and key employees for 2006, **Statement 22** provides a list of their family members with whom KFHP did business or who were employed by KFHP or any KFHP affiliate. KFHP does not have trustees, creators or substantial contributors. Any such transactions are conducted on a fair market value basis.

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

In the normal course of business in carrying out its charitable purposes, KFHP may have entered into the furnishing of goods, services, or facilities with some of the related taxable entities. **Statement 22** generally describes the transactions between KFHP and those entities.

Based on the COI questionnaires for 2006, **Statement 25** lists non-affiliated taxable organizations, which did business with KFHP in 2006 and on which KFHP officers, directors, key employees or their families served as an officer, director, or owner. **Statement 25** 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.

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FORM 990, SCHEDULE A, PART III

NON-AFFILIATED TAXABLE ORGANIZATION RELATIONSHIPS

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

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FORM 990, SCHEDULE A, PART III

TAXABLE ORGANIZATION FAMILY RELATIONSHIPS

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

KAISER FOUNDATION HEALTH PLAN OF OHIO FEIN: 34-0922268 FORM 990, SCHEDULE A, PART III December 31, 2006

FAMILY AFFILIATIONS REPORTED

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

2006 COMMUNITY BENEFIT REPORT FORM 990, PART III KAISER FOUNDATION HEALTH PLAN OF OHIO

Kaiser Foundation Health Plan of Ohio or "Ohio Health Plan" is a tax-exempt subsidiary health plan of Kaiser Foundation Health Plan, Inc. (KFHP) KFHP, with its five principal operating tax-exempt subsidiary health plans—Kaiser Foundation Health Plan of Colorado; Kaiser Foundation Health Plan of Georgia, Inc.; Kaiser Foundation Health Plan of the 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 in the Ohio Region.

In 2006, Kaiser Permanente served 8.6 million people in nine states: California, Colorado, Georgia, Hawaii, Maryland, Ohio, Oregon, Virginia, Washington and the District of Columbia. The program is the largest private nonprofit health care program in the United States with 126,347 full time employees, more than 13,000 physicians and 119 dentists. The Ohio Health Plan served nearly 150,000 members and has 1,682 full time administrative, clerical and technical employees as well as 189 Permanente physicians.

In the Ohio Region, three separate legal organizations comprise Kaiser Permanente: Ohio Health Plan, an Ohio nonprofit corporation exempt from federal income tax under Internal Revenue Code 501(c)(3); KFH, a California nonprofit public benefit corporation exempt from federal income tax under Internal Revenue Code 501(c)(3); and the Ohio Permanente Medical Group, an independent multi-specialty group of physicians organized as a professional corporation.

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

KFHP and KFH are separate corporations governed by identical boards of directors. KFH accepts responsibility to provide or arrange necessary hospital services and facilities for Health Plan members. In the Ohio Region, KFH contracts with community hospitals to provide hospital services to members for specialized care and other services.

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

KAISER PERMANENTE'S COMMITMENT TO THE COMMUNITY

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

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

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

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

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

- Address critical questions in American health care that the Program's history, culture and competencies position it uniquely to examine
- Build the reputation of Kaiser Permanente for its leadership in helping to solve major health challenges.
- Create a program that engages the creativity and spirit of the people of Kaiser Permanente at all levels.
- Meet the requirements placed on KFH, KFHP, and its subsidiary health plans as tax-exempt organizations that return value to the communities served beyond the provision of health care to members

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

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

 Public Policy – Develop and disseminate public policy information that reflects the interests of the nation as a whole.

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

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

COMMUNITY BENEFIT PROVIDED BY KAISER FOUNDATION HEALTH PLAN, INC.

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

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

- Integrated Services and Facilities KFHP has organized and integrated the professional and physical resources required to provide comprehensive health care. In hospital-based Kaiser Permanente regions, this care primarily occurs at major medical centers, as well as at nearby outpatient medical offices owned by KFH and at medical office buildings owned or leased by KFHP. Our members typically have all the services and professional care they require available in one place, which facilitates a coordinated approach to care. Equipment and supporting personnel are shared and high-technology services such as neurosurgery, open-heart surgery, and cancer treatment are also centralized to facilitate development and transfer of best clinical practices among all Permanente providers.
- Group Practice Contracting Permanente Medical Groups are organized into large multi-specialty group practices that take responsibility for providing comprehensive care to a defined population in facilities owned or leased by KFH or KFHP. The income that Permanente Medical Groups and their physicians receive is in consideration of their professional medical and related services. The amounts paid to the Permanente Medical Groups are negotiated annually. By altering the direct relationship between service performed and income received, KFHP removes incentives to perform unneeded services, and encourages use of the most appropriate medical care. Group practice enhances quality and appropriateness of care for members and for the community by facilitating development and sharing of "best clinical practices" throughout the community and across the nation.
- Prepayment Generally, KFHP pays the Permanente Medical Groups a per member payment on a budgeted, prepaid basis that does not vary with the amount of service provided. Permanente Medical Group physicians are generally not compensated on a fee-for-service
- Benefit Plans KFHP offers a variety of coverage options for unlimited hospital days, physician visits, preventive services, immunizations, well-baby care and prenatal care. In order to maximize affordability and encourage people at different income levels to purchase coverage, KFHP offers a variety of cost-sharing options. Comprehensive, prepaid coverage with differing levels of premium and cost sharing minimizes financial barriers to care, promoting early consultation, detection and treatment of disease. KFHP actively encourages members to maintain their health through regular preventive self-care.

- No Pre-existing Condition Exclusions Pre-existing condition exclusions allow carriers to exclude from coverage care for a condition that existed before enrollment with the carrier. KFHP imposes no pre-existing condition exclusions for group members and thereby provides substantial protection for new members who are ill at time of enrollment. KFHP offered health benefits coverage in all its markets without any pre-existing condition exclusions for many years prior to recently enacted federal and state statutes prohibiting pre-existing condition exclusions in certain markets. By ensuring that all our enrollees are covered for all their medical needs, we reduce the amount of uncompensated care, promote the health of our members, and prevent medical indigence.
- Participation in Medicare KFHP has participated in Medicare since it was first implemented in 1965.
 KFHP and its subsidiaries enrolled approximately 893,400 Medicare beneficiaries, providing Medicare Part A and Part B services, plus additional drug, optical and inpatient coverage.
- Participation in Medicaid KFHP began enrolling Medicaid beneficiaries in the mid-1960s. Currently, KFHP and certain of its subsidiaries provide care to more than 148,400 Medicaid managed-care members and in addition serve a large number of Medicare and Medicaid patients on a fee-for-service basis. KFHP also participates in the State Child Health Insurance Program (SCHIP) and served an additional 112,360 children in 2006.

THE COMMUNITY BENEFIT PROGRAM IN THE OHIO REGION

In 2006, Kaiser Permanente spent approximately \$807 million or approximately 2.3% of revenue to support the Community Benefit Program. In Ohio, the Health Plan spent \$1.8 million in community benefit activities. A breakdown of the 2006 DCBI dollars attributable to KFHP and KFH nationally is described in Attachment A and dollars attributable to the Ohio Health Plan are in Attachment B.

The following identifies many of the signature community benefit programs and services funded by Ohio Health Plan according to the national focus areas.

VULNERABLE POPULATIONS

In 2006, the Ohio Health Plan spent nearly \$1.5 million to address the financing and delivery of health care for populations vulnerable due to socio-economic status, illness, ethnicity, age or other factors in 2006.

MEDICAL CARE SERVICES

Kaiser Permanente provides medical care services for vulnerable populations in many ways. These include charitable care programs, and participation in public programs for low-income individuals.

Charitable Care (Medical Financial Assistance and Charitable Coverage)

In the Ohio Region, Health Plan provides charity care to low-income vulnerable populations through the Medical Financial Assistance and Charitable Coverage Programs. In 2006, the Ohio Health Plan spent \$687,000 on under- and uninsured Ohio residents

Medical Financial Assistance

Beginning January 1, 2006, the Ohio Health Plan started the Medical Financial Assistance Program designed to provide financial relief to both members and nonmembers who would otherwise be unable to pay for medical services. In 2006, \$73,783 in discounts and credits were provided.

Charitable Coverage

Transition Plan – This program allows members the opportunity to continue their health care coverage at reduced costs when they are experiencing financial difficulties due to job loss, involuntary reduction in work hours, death, divorce, or legal separation from a spouse. Typically, these individuals are not eligible for any other public or private sponsored health care coverage. Based on income, the plan subsidizes nearly all health care coverage costs. Transition Plan members minimally share in the cost of coverage and pay a premium of \$20 per month for individuals and \$40 per month for families. They receive comprehensive benefits, including prescription drug coverage and hospitalization.

Participation in Medicaid and Other Publicly Financed Programs

The Ohio Health Plan has a long history of participation in publicly financed health programs. In 2006, the Ohio Region provided medical coverage and services valued at approximately \$509,500 (in excess of reimbursement) for individuals participating in the following government sponsored program.

Medicare-Medicaid Premium Subsidy – In Ohio, state policy does not allow use of state dollars to
pay for Medicare monthly premiums, even for low-income persons. Health Plan paid the monthly
Medicare premium for approximately 618 dual-eligible Medicare/Medicaid members. This effort
supports low-income persons and provides richer Medicare benefits than fee-for-service.

COMMUNITY-BASED PROGRAMS FOR VULNERABLE POPULATIONS

The Ohio Health Plan spent \$68,425 to provide programs for nonmembers who live and work in the communities served by Health Plan The following are examples of community-based programs funded in 2006:

Youth and Other Employment Programs

The Ohio Health Plan spent approximately \$12,000 in support of six internships in 2006: five for Youth Opportunities Unlimited (Y.O.U.) and one for INROADS. The Y.O U. program offers economically disadvantaged high school students in Ohio with supportive and meaningful employment experiences in the health care field. Employment is during the summer months throughout the organization. INROADS focuses on developing minority college students for leadership roles in corporations and in the community Student interns typically work two to five summers at Kaiser Permanente with the goal of permanent placement upon graduation from college.

Grants and Donations for Community-Based Programs

The Ohio Health Plan contributed over \$56,000 to six nonprofit community organizations in support of a variety of other programs and services for vulnerable populations. Highlights of programs and services funded in 2006 are below:

- Center for Families and Children's RAP Art Theater seeks to prevent use of alcohol, tobacco and
 other drug usage among at-risk youth. In particular, RAP Art programs seek to prevent the onset
 of high risk behaviors and strength skills that enable program participants to make healthy life
 choices. Most importantly, participants are provided tools that will help them in learning
 techniques which will eliminate substance abuse behaviors.
- A grant was given to the YWCA in support of their parenting skills development program. This
 program provides education to improve the overall health and well-being of both the adult and
 child. Participants are encouraged to strengthen the parent-child relationship. As a result, the
 emotional and mental health of the family is enhanced. It also focuses on physical health by
 teaching proper nutrition and the importance of preventative health maintenance.
- Minority Organ Tissues Transplant Education Program (MOTTEP) was awarded a charitable
 contribution to support its Teen Summit initiative which is a half-day educational program that
 intends to heighten awareness about the importance of organ and tissue donation and the
 connection of health lifestyles and behaviors. The project targets African-American high schools
 students in Northeast section of Ohio

EVIDENCE-BASED MEDICINE

The Ohio Health Plan spent \$80,121 to support its medical library and other health resource and information dissemination services.

Health Sciences and Medical Libraries

The Parma Medical Library is available to the greater professional community to access health-related research conducted within and outside of Kaiser Permanente In 2006, more than 600 information requests and research literary searches were completed.

EDUCATION

The Ohio Health Plan spent \$203,878 on programs to educate consumers during 2006. A description of these community benefit contributions is listed below

Community Health Education and Prevention Programs

The Ohio Health Plan provides a variety of health education classes, events and programs to both members and the general public. During 2006, the Health Education Department organized numerous health fairs and screenings at Health Plan medical offices which were open to the general public. The following is an example of community partnerships aimed at promoting health and well being.

Ohio Health Plan is a Steps To A Healthier Cleveland partner, along with the Cleveland Department of Public Health and many other local community-based and health care organizations. The purpose of the partnership is to implement chronic disease prevention efforts focused on reducing the burden of diabetes, overweight, obesity and asthma, and addressing three related risk factors: physical inactivity, poor nutrition and tobacco use. In 2006, the Ohio Region helped support the Cleveland and Akron chapters of the American Heart Association by providing free health screenings including blood pressure checks, cholesterol and glucose screenings, body mass index and stroke assessments at events such as "Go Red for Women", "African- American Family Wellness Walk" as well as other events held throughout Northeastern Ohio.

Educational Theatre Programs (ETP)

The Ohio Health Plan's Educational Theatre Programs is based upon a new model for promoting health through theatre. Under this model, the Ohio Region collaborates with Cleveland Municipal School District to create a program that uses theatre to train school-based youth actors as health education ambassadors as well as deliver health messages to large audiences. The first production launched *Secrets*, which educates students about the dangers of HIV/AIDS and other sexually transmitted diseases.

In 2006, plans were developed to begin performing another production, the *Amazing Food Detective*, designed to educate elementary students about importance of good nutrition and exercise. Ohio Health Plan spent \$135,355 to present 29 performances to nearly 6,000 children

Grants and Donations for Consumer Education

The Ohio Health Plan contributed approximately \$51,300 in community benefit funds to support one nonprofit organization providing consumer health education programs and services.

OTHER COMMUNITY BENEFITS

The Ohio Health Plan spent approximately \$12,000 on other community benefits beyond the national areas of focus. The Ohio Region's Kaiser Permanente Community Care Fund is the employee's charitable giving campaign. This program is comprised of three federations that meet a variety of needs and address issues that are important to northeast Ohio communities. United Way Services in Lake, Lorain, Summit counties, Harvest for Hunger and Community Shares. Employees contribute to the federations' general funds or make designations through payroll deductions, direct gifts and special event fundraising.

ATTACHMENT A

2006 NATIONAL DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM

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

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

ATTACHMENT B

DIRECT COMMUNITY BENEFIT INVESTMENT PROGRAM 2006 OHIO REGIONAL COMMUNITY BENEFIT FINANCIALS

The following chart summarizes 2006 community benefit investments by the Ohio Health Plan The investments in the community reflected in the chart are unaudited.

CB PRIORITY AREAS	REGIONAL HEALTH PLAN TOTAL	REGIONAL KFH TOTAL	REGIONAL CB TOTAL
VULNERABLE POPULATIONS			
Medical Care Services	\$1,196,502	\$0	\$1,196,502
Community-based Programs	68,425	0	\$68,425
Other Vulnerable Populations	218,827	0	\$218,827
Subtotal:	1,483,753	0	1,483,753
EVIDENCE-BASED MEDICINE			
Research	0	0	0
Medical Libraries	80,121	0	80,121
Other	0	0	0
Subtotal:	80,121	0	80,121
EDUCATION			
Consumers	203,878	0	203,878
Health Professionals	0	0	0
Subtotal:	203,878	0	203,878
PUBLIC POLICY			
Public Policy Grants/Expenses	0	0	0
Subtotal:	0	0	0
OTHER COMMUNITY BENEFITS			
Other CB Grants/Expenses	8,500	0	8,500
Community Giving Campaign	3,171	0	3,171
Subtotal:	11,671	0	11,671
TOTAL	\$1,779,423	\$0	\$1,779,423

KAISER FOUNDATION HEALTH PLAN OF OHIO **OFFICER'S CERTIFICATE**

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

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

IN WITNESS WHEREOF, I have hereunto set my hand.

September 18,2007

BYLAWS OF

KAISER FOUNDATION HEALTH PLAN OF OHIO

ARTICLE A

PURPOSES

Section A-1. Principal Purpose.

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

Section A-2. Related Purposes.

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

Section A-3. Nonprofit Character.

This corporation is a nonprofit corporation and is not organized for the private gain of any person. This corporation is organized for, and its assets are irrevocably dedicated to, public and charitable purposes. The corporation does not and shall not have the power to distribute gains, profits or dividends to its Directors or officers, and no part of its net earnings shall inure to the benefit of any Director or officer of the corporation or to any other individual, but the corporation may compensate Directors and officers for the reasonable value of goods or

services that they furnish to the corporation.

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

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

Section A-5. Non-discrimination.

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

ARTICLE B

OFFICES

Section B-1. Principal Office.

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

Section B-2. Principal Office in Ohio.

The principal office of the corporation in Ohio is located is in Cleveland, Cuyahoga County, Ohio.

Section B-3. Other Offices.

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

ARTICLE C

MEMBER

Section C-1. Status of Membership.

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

Section C-2. Changes in Membership.

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

Section C-3. Termination.

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

<u>Section C-4.</u> Dues, Assessments and Liabilities.

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

Section C-5. Meetings.

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

Section C-6. Other Action by the Member.

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

Section C-7. Power and Authority of the Member.

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

ARTICLE D

Directors

Section D-1. Power and Authority of Directors.

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

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

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

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

Section D-2. Number.

The number of Directors may be changed at any time by amendment of these Bylaws by the member. Until changed by the member, there shall be 14 Directors.

Only two Directors shall be inside Directors, one of whom shall be the Chairman of the Board of this corporation who shall serve ex officio and only so long as he or she holds such office, and one of whom shall be a senior officer of this corporation designated by the Chairman of the Board. All other Directors shall be independent Directors. Each Director, including the ex officio Director and the designated Director, shall be counted for purposes of determining the presence of a quorum and shall have one vote.

Section D-3. Vacancies.

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

Section D-4. Election and Term of Office.

The twelve Directors other than the Chairman of the Board and the Director designated by the Chairman of the Board shall be divided into three classes of four

Directors each. At the first regularly scheduled meeting of the member's Board of Directors in 1994 and each year thereafter, upon the expiration of the term of a class of Directors, Directors of that class shall be elected for a term which shall end at the later of the first regularly scheduled meeting of the member's Board of Directors in the third year following their election or when their successors are elected, except that in any event the term of a Director shall end on December 31 of the year in which he or she attains age 70, unless the Chairman of the Board specifically requests a Director to remain on the Board for an interim transition period which may continue for up to twelve months, and the Chairman of the Board, upon his or her retirement or resignation as Chairman of the Board, shall be precluded from continuing to serve as a Director. Any vacancy may be filled only by the member, acting through its Board of Directors or its Executive Committee. Each Director shall hold office until the end of his or her term, or until he or she shall resign, become unable to serve as a Director, or be removed in accord with Section D-3.

Section D-5. Meetings.

- (a) <u>Place of Meetings.</u> Meetings shall be held at such place as the Board of Directors shall designate in the notice of the meeting, or if not so designated, all meetings shall be held at the principal office referred to in B-1.
- (b) <u>Call of Meetings.</u> Meetings of the Board of Directors may be called at any time by the Chairman of the Board, or by any two Directors.
- (c) <u>Notice</u>. Notice of meetings shall be mailed, personally delivered, or delivered by electronic transmission to each Director, at his or her usual business

address. Special meetings shall be held upon at least four days' notice by first class mail or forty-eight hours' notice delivered personally or by telephone, including a voice message system or other system or technology designed to record and communicate messages, or other electronic means. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.

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

- (g) Adjourned Meetings. A majority of the Directors present at any meeting, although less than a quorum, may adjourn the meeting from time to time, without further notice, until a quorum shall attend.
- (h) Participation in Meetings. Members of the Board may participate in the meeting through use of conference telephone, electronic video screen communication or other communications equipment. Participation in a meeting through use of conference telephone or electronic video screen communication or other communications equipment constitutes presence in person at that meeting as long as all members participating in the meeting can communicate with all other members concurrently, and all have means to participate in all matters.

Section D-6. Action Without a Meeting.

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

ARTICLE E

OFFICERS

Section E-1. Officers.

The officers of the corporation shall be a Chairman of the Board, a President, a Regional President, one or more National Senior Vice Presidents, a Secretary, a Chief Financial Officer, a Controller, a Treasurer and one or more Assistant Secretaries.

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

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

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

Section E-3. Subordinate Officials.

The Chairman of the Board or President may appoint or delegate authority to appoint such other officials as the needs of the corporation may require, each of whom

shall hold office for such period, have such authority and perform such duties as the appointing officer, pursuant to authority conferred by the Board of Directors, may from time to time determine. These officials shall not be officers of the corporation. Such officials holding the title of Vice President shall have authority to sign contracts and other documents on behalf of the corporation.

Section E-4. Removal and Resignation.

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

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

Section E-5. Vacancies.

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

Section E-6. Chairman of the Board.

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

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

Section E-7. President.

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

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

<u>Section E-8.</u> National Senior Vice President.

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

Section E-9 Secretary.

The Secretary shall be responsible for keeping a book of minutes at One Kaiser Plaza, Oakland, California or at such other place as the Board of Directors shall designate, of all meetings and all formal actions of the Board of Directors. Minutes of meetings shall reflect: the time and place of the meetings; whether they were held pursuant to notice, waiver, or consent; if they were held pursuant to notice, the notice given; the names of persons present; the business transacted, and such other matters as the Board of Directors shall designate. The Secretary shall be responsible for giving notice of meetings as required by the Bylaws. He or she shall maintain safe custody of the seal shall make certificates and authenticate documents reflecting actions of the corporation as may be required or desirable, and shall have such other powers and perform such other duties as the Board of Directors shall designate or as the Bylaws may provide. Subject to the supervision of the Secretary, any Assistant Secretary may perform all or any part of the duties of the Secretary.

Section E-10. Chief Financial Officer.

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

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any part of the duties of the Chief Financial Officer.

ARTICLE F

COMMITTEES

Section F-1. Provision for Committees.

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

Section F-2. Participation in Meetings.

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

Section F-3. Action Without a Meeting.

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

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or consents shall be filed with the minutes of the proceedings of the committee.

Section F-4. Executive Committee.

- (a) <u>Composition</u>. The Executive Committee shall consist of up to seven (7) Directors, who shall be selected by the Board of Directors, and who shall continue as members of the Committee at the pleasure of the Board. The Committee shall be comprised of one Director who shall serve as Chair, and in addition, only the chairs of the Board's other standing committees. The Committee shall be comprised solely of Directors who are independent. An independent Director is one who:
 - Has no personal services contract or material relationship with
 Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals or
 any of their subsidiaries (a Kaiser entity) except for Board service;
 - Is not a partner, executive officer, principal shareholder or director of any entity that (a) has a contract to provide goods or services to a Kaiser entity, and (b) receives more than 1% of its gross revenues from one or more Kaiser entities;
 - Is not currently and has not been for the past three years employed by a Kaiser entity;
 - 4. Has not during the last three years been part of an interlocking directorate in which an executive of a Kaiser entity served on the compensation committee of another company that concurrently employs the director;

- 5. Has not during the last one year been affiliated with or employed as a corporate officer, partner, or an audit related employee by a present or former auditor of any Kaiser entity;
- 6. Is not closely related to any person described above; and
- Is free of any other relationship which would interfere with the exercise of independent judgment.

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

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

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

- a. Review and provide oversight of the strategic direction of the Program and significant strategy issues, and provide advice and counsel to the Chief Executive Officer on these issues.
- b. Review and provide oversight of Kaiser Permanente's performance.

- Review and provide oversight of the Kaiser Permanente brand, including development, communication and protection of the brand.
- d. Review and provide oversight of product development and market management activities.

2. Public Policy.

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

3. Tax Exemption.

The Committee shall have the following responsibilities regarding tax exemption:

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

4. <u>Board Compensation and Executive Selection, Performance Appraisal, Compensation, and Succession.</u>

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

a. Board Compensation.

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

b. Executive Compensation

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

c. <u>Executive Selection and Succession</u>.

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

positions; and

(3) Provide input on the selection and evaluation of senior executives.

5. Acting for Board Between Meetings.

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

- a. Fill vacancies on the Board or the Committee;
- Fix the compensation of Directors for serving on the Board or any committee:
- c. Adopt, amend or repeal Bylaws;
- d. Amend or repeal any resolution of the Board which by its express
 terms cannot be amended or repealed by the Executive Committee;
- e. Appoint committees of the Board or appoint the members thereof; and
- f. Approve any aspect of a transaction involving the company when a Director has a material financial interest in that transaction, except as expressly provided by law.
- (c) <u>Conduct of Business</u>. A quorum of the Committee shall consist of a majority of the Committee members. The Committee shall report to the Board regarding

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

Section F-5 Other Committees.

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

ARTICLE G

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

Section G-1. Definitions

As used in this Article:

- (a) "agent" means any person who is or was a Director, officer, employee, volunteer or other agent of this corporation, or who is or was serving at the request of this corporation as a director, trustee, officer, employee, volunteer or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or who was a director, trustee, officer, employee, volunteer or agent of a foreign or domestic corporation which was a predecessor corporation of this corporation or of another enterprise at the request of the predecessor corporation;
- (b) "proceeding" means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative;
- (c) "special proceeding" means an action by or in the right of this corporation to procure a judgment in its favor;
- (d) "expenses" includes attorneys' fees and any expenses of establishing a right to indemnification.

Section G-2. Agent Successful on the Merits.

To the extent that an agent of this corporation has been successful on the merits or otherwise in the defense of any proceeding or special proceeding by reason of the fact that the agent is or was an agent of the corporation, or in defense of any claim, issue, or matter therein, this corporation shall indemnify the agent against expenses actually and reasonably incurred by the agent in connection therewith.

Section G-3. Proceedings Other Than Special Proceedings When Agent Not Successful on the Merits.

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

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

Upon making the determination required by Section G-5, and subject to Section G-7, this corporation shall indemnify any agent who was or is a party or is threatened to be made a party to any threatened, pending or completed special proceeding by reason of the fact that the agent is or was an agent of this corporation, against expenses actually and reasonably incurred by the agent in connection with the defense or settlement of such a proceeding if the agent acted in good faith, and in a manner the agent believed to be in or not opposed to the best interests of the corporation.

No indemnification shall be made under this section with respect to any action or suit in which liability is asserted against the agent pursuant to §1702.12(E)(2)(b) and §1702.55 of the Ohio Revised Code, or with respect to any claim, issue or matter as to which the agent shall have been adjudged to be liable for negligence or misconduct in the performance of the agent's duty to this corporation, unless and only to the extent that the Court of Common Pleas or the court in which such proceeding is or was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the agent is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

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

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

- (a) by a majority vote of a quorum consisting of Directors who were not and are not parties to or threatened with any such proceeding; or
- (b) if such a quorum is not obtainable, or if a majority of a quorum of disinterested Directors so directs, by a written opinion of an independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by, or who has performed services for, the corporation or any person to be indemnified within the past five years; or
 - (c) by the member; or
- (d) by the Court of Common Pleas or the court in which such proceeding was brought.

The corporation shall promptly communicate any determination made pursuant to subsection (a) or (b) of this section to the person who threatened or brought the action if such action is by or in the right of the corporation.

Section G-6. Advance of Expenses.

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

<u>Section G-7.</u> Other Limitations on Indemnification.

Nothing in this Article shall affect any other right to indemnification to which an agent may be entitled by contract or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

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

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

Section G-9. Insurance.

This corporation shall have the power to purchase and maintain insurance or furnish similar protection, including, but not limited to trust funds, letters of credit, or self insurance, for or on behalf of any agent against any liability asserted against and incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article.

ARTICLE H

MISCELLANEOUS

Section H-1. Inspection of Corporate Records.

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

Section H-2. Execution or Endorsement of Checks.

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

Section H-3. Execution of Contracts.

The Board of Directors may authorize any officer or officers and any agent or agents to enter into any contract or execute any instrument in the name of, and on behalf of, the corporation, and such authority may be general or limited to specified instances. No officer, agent or employee shall have any power or authority to bind or obligate the corporation by any commitment, contract or engagement, or to pledge its credit or render it liable for any purpose or in any amount unless duly authorized by the Board of Directors.

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

The original or a certified copy of the Bylaws in writing or in any other form capable of being converted into clearly legible tangible form, together with all amendments thereto, and the minute book shall be kept at the principal office of the corporation referred to in Section B-1 and shall be subject to inspection as provided in Section H-1. The Bylaws shall be reviewed periodically by the Secretary of this Corporation, and amended, as appropriate, in accord with Section I-3.

<u>Section H-5.</u> Representation of Shares of Other Corporations.

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

Section H-6. Fiscal Year.

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

Section H-7. Annual Report.

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

ARTICLE I

AMENDMENT AND EFFECT OF BYLAWS

Section I-1. Previous Bylaws Superseded.

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

Section I-2. Effect of Bylaws.

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

Section I-3. Manner of Amendment.

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

Software ID: Software Version:

EIN: 34-0922268

Name: KAISER FOUNDATION HEALTH PLAN OF OHIO

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 BANK FEES, CREDIT CARD FEES	43a	718,471		718,471	
b EMPLOYEE DEVELOPMENT	43b	254,821	254,821		
c EMPLOYEE RELATED EXPENSES	43c	431,305	431,305		
d EMPLOYEE RELOCATION	43d	9,946	9,946		
e COMPANY PAID PARKING	43e	243,802		243,802	
f SMALL EQUIPMENT	43f	1,488,378	1,488,378		
g DUES & SUBSCRIPTIONS	43g	204,804	204,804		
h PROF & PUBLIC LIABILITY INS	43h	8,649,234	7,417,629	1,231,605	
i OTHERINSURANCE	43i	279,176	279,176		
j BAD DEBT	43j	2,167,651	2,167,651		
k BUSINESS LICENSES & TAXES	43k	72,082	72,082		
I PREMIUM TAXES	431	3,676,827	3,676,827		
m PROPERTY TAXES	43m	1,707,070	1,707,070		
n PURCHASED MEDICAL SERVICES-BCP	43n	181,360,780	181,360,780		
• PURCHASED MEDICAL SERVICES-OUT	43o	110,415,689	110,415,689		
p PURCHASED SERVICES OTHER	43р	14,482,245	3,620,561	10,861,684	
q ADVERTISING & MARKETING	43q	2,341,361	2,341,361		
r PURCHASED SERVICES INTERENTITY	43r	513,908	513,908		
s INFORMATION TECHNOLOGY SERVICE	43s	37,864,181	27,223,398	10,640,783	
t MISCELLANEOUS	43t	985,764	985,764		
u ALLOCATED ADMIN EXPENSE	43u	16,038,597		16,038,597	

Form **8453-EO**

Exempt Organization Declaration and Signature for Electronic Filing

OMB No	1545-1879
CIVID 140	1343-1013

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Department of			For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868 ▶ See instructions on back.								
Name of exe	impt organizati								Employer identification number		
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Part I	Type of	Return ar	nd Return Inf	ormation (Who	le Dollars O	nly)					
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Part III	Declarati	on of Ele	ctronic Retur	rn Originator (E	RO) and Pa	id Preparer	(see instruction	ons)			
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			SAN	FRANCISCO		CA S	4105	Phone no	<u> 115.963.5100</u>		

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