

Return of Organization Exempt from Income Tax

2001

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

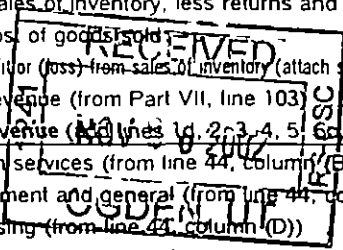
The organization may have to use a copy of this return to satisfy state reporting requirements

Form 990 header section including: A For the 2001 calendar year, or tax year beginning 2001, and ending 2020; B Check if applicable; C KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC; D Employer identification number 52-0954463; E Telephone number 510-271-6385; F Accounting method; G Web site N/A; H Organization type 501(c) 3; K Check here; L Gross receipts 1,328,710,239

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see instructions)

Table with 3 columns: Description, Amount, and Total. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less rental expenses; 6c Net rental income or (loss); 7 Other investment income (describe KAIVEST I LLC); 8a Gross amount from sales of assets other than inventory; 8b Less cost or other basis and sales expenses; 8c Gain or (loss) (attach schedule) STMT 16; 8d Net gain or (loss); 9 Special events and activities (attach schedule); 9a Gross revenue (not including contributions); 9b Less direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less cost of goods sold; 10c Gross profit (loss) from sales of inventory; 11 Other revenue (from Part VII, line 103); 12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11); 13 Program services (from line 44, column (B)); 14 Management and general (from line 44, column (C)); 15 Fundraising (from line 44, column (D)); 16 Payments to affiliates (attach schedule); 17 Total expenses (add lines 16 and 44, column (A)); 18 Excess or (deficit) for the year (subtract line 17 from line 12); 19 Net assets or fund balances at beginning of year (from line 73, column (A)); 20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 1; 21 Net assets or fund balances at end of year (combine lines 18, 19 and 20)

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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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non cash \$ _____)	22			
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25 919,584		919,584	
26 Other salaries and wages	26 198,483,319	161,636,763	36,846,556	
27 Pension plan contributions	27 7,174,265	7,174,265		
28 Other employee benefits	28 29,321,315	21,504,272	7,817,043	
29 Payroll taxes	29 14,151,315	11,607,790	2,543,525	
30 Professional fundraising fees	30			
31 Accounting fees	31 668,712		668,712	
32 Legal fees	32 29,427		29,427	
33 Supplies	33 179,646,558	179,047,691	598,867	
34 Telephone	34 1,723,353	1,617,117	106,236	
35 Postage and shipping	35 4,597,763	3,079,266	1,518,497	
36 Occupancy	36 18,411,217	18,411,217		
37 Equipment rental and maintenance	37 4,161,888	3,733,107	428,781	
38 Printing and publications	38 4,320,501	1,029,868	3,290,633	
39 Travel	39 2,693,748	1,433,538	1,260,210	
40 Conferences, conventions, and meetings	40			
41 Interest	41 7,682,427	7,682,427		
42 Depreciation, depletion, etc (attach schedule)	42 23,623,247	23,623,247	STMT 17	
43 Other expenses not covered above (itemize)				
a SEE STATEMENT 2	43a 845,669,069	777,756,051	67,913,018	
b -----	43b			
c -----	43c			
d -----	43d			
e -----	43e			
44 Total functional expenses (add lines 22-43) Organizations completing columns (B) (D), carry these totals to lines 13-15	44 1343277708	1,219,336,619	123,941,089	0

Joint Costs Check if you are following SOP 98-2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to program services \$ _____, (iii) the amount allocated to management and general \$ _____, and (iv) the amount allocated to fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? <input type="checkbox"/> SEE STATEMENT 3	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a SEE STATEMENT 3 ----- ----- (Grants and allocations \$ _____)	1,219,336,619
b ----- ----- (Grants and allocations \$ _____)	
c ----- ----- (Grants and allocations \$ _____)	
d ----- ----- (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), program services)	1,219,336,619

Part IV Balance Sheets (See instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of year amounts only

		(A) Beginning of year	(B) End of year
ASSETS	45 Cash – non-interest-bearing	262,000	17,000
	46 Savings and temporary cash investments		
	47a Accounts receivable	80,942,500	
	b Less allowance for doubtful accounts	9,044,723	71,897,777
	48a Pledges receivable		
	b Less allowance for doubtful accounts		
	49 Grants receivable		
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		
	51a Other notes & loans receivable (attach sch)		
	b Less allowance for doubtful accounts		
	52 Inventories for sale or use	24,639,363	19,958,457
	53 Prepaid expenses and deferred charges	2,630,235	1,116,579
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	
	55a Investments – land, buildings, & equipment basis		
	b Less accumulated depreciation (attach schedule)		
56 Investments – other (attach schedule)	SEE STMT 4	137,909,264	
57a Land, buildings, and equipment basis	468,116,004		
b Less accumulated depreciation (attach schedule) STMT 17 STATEMENT 5	234,954,370	236,903,098	
58 Other assets (describe ► SEE STATEMENT 6)	33,013,109	15,446,367	
59 Total assets (add lines 45 through 58) (must equal line 74)	502,529,466	490,393,000	
LIABILITIES	60 Accounts payable and accrued expenses	163,637,480	186,069,346
	61 Grants payable		
	62 Deferred revenue	20,126,381	17,324,008
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		
	64a Tax-exempt bond liabilities (attach schedule)	13,193,206	13,167,812
	b Mortgages and other notes payable (attach schedule)		
	65 Other liabilities (describe ► SEE STATEMENT 7)	121,608,707	103,248,329
66 Total liabilities (add lines 60 through 65)	318,565,774	319,809,495	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74		
	67 Unrestricted		
	68 Temporarily restricted		
	69 Permanently restricted		
	Organizations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 70 through 74		
	70 Capital stock, trust principal, or current funds	183,963,692	170,583,505
	71 Paid in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19 and column (B) must equal line 21)	183,963,692	170,583,505
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	502,529,466	490,393,000

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions)

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

a	Total revenue, gains, and other support per audited financial statements	a	1275172000
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments		
(2)	Donated services and use of facilities		
(3)	Recoveries of prior year grants		
(4)	Other (specify)		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	1275172000
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify)		
	SEE STMT 8A \$ 53,526,302		
	Add amounts on lines (1) and (2)	d	53,526,302
e	Total revenue per line 12, Form 990 (line c plus line d)	e	1328698302

a	Total expenses and losses per audited financial statements	a	1,289,751,406
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities		
(2)	Prior year adjustments reported on line 20, Form 990		
(3)	Losses reported on line 20, Form 990		
(4)	Other (specify)		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	1,289,751,406
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify)		
	SEE STMT 8B \$ 53,526,302		
	Add amounts on lines (1) and (2)	d	53,526,302
e	Total expenses per line 17, Form 990 (line c plus line d)	e	1,343,277,708

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 9 & 22		919,584	52,387	1,112

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? **SEE STATEMENT 9 & 22** Yes No
If Yes, attach schedule - see instructions

Part VI Other Information (See specific instructions)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes	X	
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
78b	b If 'Yes,' has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	X	
b If Yes, enter the name of the organization ▶ <u>SEE STATEMENT 10</u>			
and check whether it is <input checked="" type="checkbox"/> exempt or <input checked="" type="checkbox"/> nonexempt			
81a	Enter direct or indirect political expenditures See line 81 instructions	81a	0
81b	b Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b If 'Yes,' you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)		82b	N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		N/A
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		N/A
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		84b	N/A
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		N/A
85b	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		N/A
c Dues, assessments, and similar amounts from members		85c	N/A
d Section 162(e) lobbying and political expenditures		85d	N/A
e Aggregate nondeductible amount of Section 6033(e)(1)(A) dues notices		85e	N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)		85f	N/A
85g	g Does the organization elect to pay the Section 6033(e) tax on the amount on line 85f?		N/A
85h	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?		N/A
86a	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a	N/A
86b	b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87a	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	N/A
87b	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations Sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under Section 4911 ▶ 0, Section 4912 ▶ 0, Section 4955 ▶ 0		
89b	b 501(c)(3) and 501(c)(4) organizations 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		X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under Sections 4912, 4955, and 4958			0
d Enter Amount of tax on line 89c, above, reimbursed by the organization			0
90a	List the states with which a copy of this return is filed ▶ MARYLAND/VIRGINIA/DISTRICT OF COLUMBIA		
90b	b Number of employees employed in the pay period that includes March 12, 2001 (see instructions)	90b	5,605
91	The books are in care of ▶ NATIONAL TAX DIRECTOR Telephone number ▶ 510 271-6385 Located at ▶ ONE KAISER PLAZA, OAKLAND, CA ZIP + 4 ▶ 94612		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

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

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a SEE STATEMENT 11		54,975,650		4,457,145	1082886094
b					
c					
d					
e					
f Medicare/Medicaid payments					174,625,906
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	2,496,585	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income			14	9,214,415	
100 Gain or (loss) from sales of assets other than inventory			18	42,507	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		54,975,650		16,210,652	1,257,512,000
105 Total (add line 104, columns (B), (D), and (E))					1,328,698,302

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

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

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
	SEE STATEMENT 12

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
KAIVEST I LLC ONE KAISER PLAZA, 1550 ORDWAY OAKLAND, CA 94612 94-3289704	83.540 %	INVESTMENT	9,214,415	178,196,833

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

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

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

NOV 7 2002

Date

Schedule A
(Form 990 or 990-EZ)

Organization Exempt Under
Section 501(c)(3)

OMB No 1545-0047

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

2001

Department of the Treasury
Internal Revenue Service

Supplementary Information - (see separate instructions)

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

Name of the Organization **KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC** Employer Identification Number **52-0954463**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions List each one If there are none, enter 'None')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
CHRISTOPHER H BOWEN 1 KAISER PLAZA, OAKLAND CA	DIR PRICING 40	136,320	77,258	0
JERRI B STEINKRAUS 1 KAISER PLAZA, OAKLAND CA	DIR MEDICARE 40	172,376	13,102	0
MARY K WOODS 1 KAISER PLAZA, OAKLAND CA	EXECUTIVE DIR 40	136,616	14,387	0
MONA MA JANKE 1 KAISER PLAZA, OAKLAND CA	DIR MEDICAL OPS 40	130,295	22,030	0
PATRICIA N MATHEWS 1 KAISER PLAZA, OAKLAND CA	EXECUTIVE DIR 40	137,912	3,952	0
Total number of other employees paid over \$50,000 ▶	1,391			

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
MID-ATLANTIC PERMANENTE MEDICAL GROUP 2101 E JEFFERSON ST, ROCKVILLE MD 20852	MEDICAL SERVICES	241427756
A T KEARNEY P O BOX 96796, CHICAGO, IL 60693	CONSULTANT	2,889,932
ARTHUR ANDERSEN, LLP-BC 225 PEACHTREE ST, NE #1800, ATLANTA, GA 30303	CONSULTANT	1,733,433
DELOITTE & TOUCHE 1750 TYSONS BLVD, MCLEAN, VA 22102-4219	EXTERNAL AUDITOR	548,657
FIRST CONSULTING GROUP DEPARTMENT 200352, DALLAS TEXAS 75320-0352	CONSULTANT	542,176
Total number of others receiving over \$50,000 for professional services ▶	21	

Part III Statements About Activities (See instructions)

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>267,705</u></p> <p>(Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes,' must complete Part VI-B and attach a statement giving a detailed description of the lobbying activities</p>	X	
<p>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.)</p> <p style="text-align: center;">SEE STATEMENT 13</p> <p>a Sale, exchange, or leasing of property?</p> <p>b Lending of money or other extension of credit?</p> <p>c Furnishing of goods, services, or facilities?</p> <p style="text-align: right;">SEE FORM 990, PART V</p> <p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p>e Transfer of any part of its income or assets?</p> <p style="text-align: right;">SEE STATEMENT 14</p>	X	
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)		X
4 Do you have a section 403(b) annuity plan for your employees?	X	
<p>Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs 'qualify' to receive payments</p>		

Part IV Reason for Non-Private Foundation Status (See instructions)

The organization is not a private foundation because it is (please check only **One** applicable box)

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

Provide the following information about the supported organizations (See instructions)

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

- 14** An organization organized and operated to test for public safety Section 509(a)(4) (See instructions)

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

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

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,211,610,240	1,115,546,996	980,900,502	846,786,419	4,154,844,157
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	22,261,053	15,202,245	7,842,090	2,846,617	48,152,005
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	1,233,871,293	1,130,749,241	988,742,592	849,633,036	4,202,996,162
24 Line 23 minus line 17	22,261,053	15,202,245	7,842,090	2,846,617	48,152,005
25 Enter 1% of line 23	12,338,713	11,307,492	9,887,426	8,496,330	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				▶ 26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					▶ 26b
c Total support for section 509(a)(1) test. Enter line 24, column (e).					▶ 26c
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					▶ 26d
e Public support (line 26c minus line 26d total)					▶ 26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					▶ 26f %
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2000) _____ NONE (1999) _____ NONE (1998) _____ NONE (1997) _____ NONE				
b For any amount included in line 17 that was received from each person (other than "disqualified person"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2000) _____ NONE (1999) _____ NONE (1998) _____ NONE (1997) _____ NONE					
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 4,174,838,526 20 _____ 21 _____					▶ 27c 4,174,838,526
d Add: Line 27a total _____ 0 and line 27b total _____ 0					▶ 27d 0
e Public support (line 27c total minus line 27d total)					▶ 27e 4,174,838,526
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶ 27f 4,202,996,162					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					▶ 27g 99.3301 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					▶ 27h 0.6699 %
28 Unusual Grants. For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See instructions)
 (To be completed Only by schools that checked the box on line 6 in Part IV)

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (To be completed Only by an eligible organization that filed Form 5768)

N/A

Check a if the organization belongs to an affiliated group Check b if you checked 'a' and 'limited control' provisions apply

Limits on Lobbying Expenditures (The term 'expenditures' means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for all electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table –		
	If the amount on line 40 is –		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	The lobbying nontaxable amount is –		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000	41	
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720			

4-Year Averaging Period Under Section 501(h)

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

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots non-taxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

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

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

Yes	No	Amount
	X	
	X	
	X	
X		16,280
	X	
X		62,466
X		188,959
	X	
		267,705

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities SEE STATEMENT 15

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

(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) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(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 of the 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.

	Yes	No
51 a (i)		X
a (ii)		X
b (i)		X
b (ii)		X
b (iii)		X
b (iv)		X
b (v)		X
b (vi)		X
c		X

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52a 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? Yes No

b If 'Yes,' complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

CLIENT 908

KAISER FOUNDATION HEALTH PLAN OF THE
MID-ATLANTIC STATES, INC.

52-0954463

11/04/02

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STATEMENT 1
FORM 990, PART I, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

BOND FUNDING COST ADJUSTMENT	\$	14
UNREALIZED GAIN ON MAKETABLE SECURITIES		1,199,205
TOTAL	\$	<u>1,199,219</u>

STATEMENT 2
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A)	(B)	(C)	(D)
	<u>TOTAL</u>	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT & GENERAL</u>	<u>FUNDRAISING</u>
ADVERTISING & MARKETING	1,821,342	162,994	1,658,348	
BASIC CONTRACT PAY	487206953	487206953		
BROKERS COMMISSIONS	11372026		11372026	
BUSINESS TAX & LICENSE	1,790,043	243,148	1,546,895	
EMPLOYEE RELATED EXPENSES	4,176,570	840,749	3,335,821	
INTERDIVISIONAL MED SVC PROVID	2,734,963	2,734,963		
MISCELLANEOUS EXPENSE	21293731	14055219	7,238,512	
NON-MEDICAL SERVICES	174131903	150662264	23469639	
OTHER AMORTIZATION	4,351,938	4,351,938		
OTHER INSURANCE	3,312,191	3,312,191		
PROFESSIONAL/PUBLIC LIABILITY	38281991	38281991		
PROPERTY, SALES & INCOME TAX	4,034,463	4,034,463		
PROVISION FOR DOUBTFUL ACCOUNT	52266373	52266373		
SERVICE & FACILITIES RECHARGE	38894582	19602805	19291777	
TOTAL	<u>\$ 845669069</u>	<u>\$ 777756051</u>	<u>\$ 67913018</u>	<u>\$ 0</u>

STATEMENT 3
FORM 990, PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

THE PRIMARY EXEMPT PURPOSE OF KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC , A MARYLAND NOT-FOR-PROFIT CORPORATION ORGANIZED FOR THE PUBLIC BENEFIT AND GENERALLY EXEMPT FROM INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3), IS TO PROVIDE A PROGRAM OF HEALTH CARE SERVICES AS A FEDERALLY QUALIFIED 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 CONTRACTS WITH KAISER FOUNDATION HOSPITALS AND THE MID-ATLANTIC PERMANENTE MEDICAL GROUP TO PROVIDE OR ARRANGE HOSPITAL AND MEDICAL SERVICES TO ITS MEMBERS CONTRACT PAYMENTS TO THE MEDICAL GROUP AND TO HOSPITALS REPRESENT A SUBSTANTIAL PORTION OF THE EXPENSES FOR MEDICAL AND HOSPITAL SERVICES REPORTED IN THIS TAX RETURN

PLEASE SEE THE ATTACHMENT, "KAISER PERMANENTE COMMUNITY BENEFIT REPORT FOR KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES FOR 2001 " THIS REPORT WILL PROVIDE A DESCRIPTION OF THE ACTIVITIES CONDUCTED BY THE HEALTH PLAN ORGANIZATION IN THE ACCOMPLISHMENT OF ITS EXEMPT PURPOSES AND FOR THE BENEFIT OF THE COMMUNITY IN WHICH THE ORGANIZATION CONDUCTS ITS ACTIVITIES

2001

FEDERAL STATEMENTS

PAGE 2

CLIENT 908

KAISER FOUNDATION HEALTH PLAN OF THE
MID-ATLANTIC STATES, INC.

52-0954463

11/04/02

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STATEMENT 4
FORM 990, PART IV, LINE 56
INVESTMENTS - OTHER

DESCRIPTION OF INVESTMENT	VALUATION METHOD	BOOK VALUE
MARKETABLE SECURITIES- KAIVEST	MARKET VALUE	\$ 148795186
	TOTAL	<u>\$ 148795186</u>

STATEMENT 5
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM DEPREC.	BOOK VALUE
MACHINERY AND EQUIPMENT	\$ 170540398	\$ 145204364	\$ 25336034
BUILDINGS	222159191	78845598	143313593
IMPROVEMENTS	14183171	10604353	3,578,818
LAND	45548620		45548620
MISCELLANEOUS	15684624	300,055	15384569
TOTAL	<u>\$ 468116004</u>	<u>\$ 234954370</u>	<u>\$ 233161634</u>

STATEMENT 6
FORM 990, PART IV, LINE 58
OTHER ASSETS

DUE FROM AFFILIATED ENTITIES	\$ 10,055,066
GOODWILL	3,245,222
PREPAID EXPENSES	2,146,079
TOTAL	<u>\$ 15,446,367</u>

STATEMENT 7
FORM 990, PART IV, LINE 65
OTHER LIABILITIES

CAPITAL LEASE	\$ 10,700,000
POST-RETIREMENT BENEFITS	27,008,000
SELF-INSURED RISKS	65,540,329
TOTAL	<u>\$ 103,248,329</u>

STATEMENT 8A
FORM 990, PART IV-A, LINE D(2)
OTHER AMOUNTS

DEBITS TO REVENUE ACCOUNTS RECLASSIFIED TO EXPENSE TOTAL \$ 53,526,302
\$ 53,526,302

STATEMENT 8B
FORM 990, PART IV-B, LINE D(2)
OTHER AMOUNTS

DEBITS TO REVENUE ACCOUNTS RECLASSIFIED TO EXPENSE TOTAL \$ 53,526,302
\$ 53,526,302

STATEMENT 9
FORM 990, PART V
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN-SATION	CONTRI-BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
SEE STATEMENT 22		\$ 919,584	\$ 52,387	\$ 1,112

STATEMENT 10
FORM 990, PART VI, LINE 80B
RELATED ORGANIZATIONS

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
SEE STATEMENTS 18 & 19		X
SEE STATEMENTS 18 & 19	X	

STATEMENT 11
FORM 990, PART VII, LINE 93
PROGRAM SERVICE REVENUE

PROGRAM SERVICE REVENUE	(A) BUSI-NESS CODE	(B) UNRELATED BUSINESS AMOUNT	(C) EXCLU-SION CODE	(D) EXCLUDED AMOUNT	(E) RELATED OR EXEMPT FUNCTION
INTERREGIONAL REVENUE					\$ 5,044,757
MEMBERS' DUES	524292	\$ 52324085			110072902
MEMBERS' DUES					900000000
MISCELLANEOUS			1	\$ 4,457,145	
NON-PLAN/INDUSTRIAL					3,553,960
SUPPLEMENTAL CHARGES	621400	2,651,565			64,214,475
TOTAL		\$ 54975650		\$ 4,457,145	\$ 1082886094

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**STATEMENT 12
FORM 990, PART VIII
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES**

LINE #	EXPLANATION OF ACTIVITIES
93	MEMBERS DUES - REPRESENTS REVENUE RECEIVED FROM OR ON BEHALF OF MEMBERS FOR PREPAID HEALTH CARE COVERAGE UNDER THE PLAN REFERRED TO IN PART III ABOVE REVENUE EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE RULING 68-27
93	SUPPLEMENTAL CHARGES - REPRESENTS CO-PAYMENTS RECEIVED FROM OR ON BEHALF OF MEMBERS FOR HEALTH CARE COVERAGE UNDER THE PLAN REFERRED TO IN PART III ABOVE REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE REGULATION 1 502(C) (3) -1
93	NON-PLAN AND INDUSTRIAL - REPRESENTS 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 REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE REGULATION 1 501(C) (3) -1
93	INTERREGIONAL REVENUE - REPRESENTS REVENUE RECEIVED FOR PROVIDING HEALTH CARE SERVICES TO MEMBERS OF RELATED KAISER FOUNDATION HEALTH PLAN ENTITIES AS PART OF THE KAISER PERMANENTE MEDICAL CARE PROGRAM REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE REGULATION 1 501(C) (3) -1
93	MEDICARE/MEDICAID REVENUE - REPRESENTS REVENUE RECEIVED FROM THE SOCIAL SECURITY ADMINISTRATION FOR MEDICAL CARE SERVICES PROVIDED TO PLAN MEMBERS COVERED UNDER PART B OF MEDICARE REVENUE IS EXCLUDED UNDER THE PROVISIONS OF INTERNAL REVENUE REGULATION 1 501(C) (3) -1

**STATEMENT 13
SCHEDULE A, PART III, LINE 2
TRANSACTIONS WITH TRUSTEES, DIRECTORS, ETC.**

IN THE ORDINARY COURSE OF CARRYING OUT THE EXEMPT PURPOSE OF THE ORGANIZATION, HEALTH PLAN ENGAGES IN NUMEROUS COMMERCIAL TRANSACTIONS WITH OTHER ORGANIZATIONS WHOSE DIRECTORS AND/OR OFFICERS MAY ALSO BE DIRECTORS OR OFFICERS OF THIS ORGANIZATION ALL OF THESE COMMERCIAL RELATIONSHIPS ARE ENTERED INTO IN THE ORDINARY COURSE OF BUSINESS AND MAY INVOLVE TRANSACTIONS OF THE KIND REFERRED TO IN (A) THROUGH (D) OF QUESTION 2, PART III, SCHEDULE A, FORM 990, AT RATES GENERALLY PREVAILING IN THE AREA AT THE TIME FOR EQUIVALENT GOODS, SERVICES AND FACILITIES

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

SEE STATEMENT 22

10/28/02

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**STATEMENT 14
SCHEDULE A, PART III, LINE 3
QUALIFICATIONS OF RECIPIENTS RECEIVING GRANTS OR LOANS**

HEALTH PLAN IS NOT A GRANT MAKING ORGANIZATION MOST OF HEALTH PLAN'S EXPENDITURES RELATE TO PROVIDING HEALTH CARE SERVICES TO ITS MEMBERS INCLUDING OPERATING EXPENSES AND CAPITAL EXPENDITURES INCURRED IN FURTHERANCE OF THIS ACTIVITY

HEALTH PLAN PROVIDES ITS SERVICES DIRECTLY TO THE MEMBERS OF THE COMMUNITY THROUGH ITS MOSTLY PREPAID HEALTH CARE PROGRAMS FOR AN EXPLANATION OF THESE PROGRAMS THAT BENEFIT THE COMMUNITY, PLEASE REFER TO THE "KAISER PERMANENTE COMMUNITY BENEFIT REPORT FOR KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES FOR 2001" WHICH IS INCLUDED AS A PART OF THIS RETURN

**STATEMENT 15
SCHEDULE A, PART VI-B, LINE 1
DESCRIPTIONS OF THE LOBBYING ACTIVITIES**

HEALTH PLAN IS A MEMBER OF THE KAISER PERMANENTE MEDICAL CARE PROGRAM AS AN ORGANIZATION EXEMPT FROM INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(C) (3), THE ORGANIZATION OR ANY OF THE AFFILIATES IN THE KAISER PERMANENTE MEDICAL CARE PROGRAM DO NOT PARTICIPATE IN OR CONDUCT POLITICAL CAMPAIGNS NOR DO THEY ENGAGE IN GRASS ROOTS LOBBYING ACTIVITIES OF THE TYPE CONTEMPLATED IN THESE PROVISIONS THE ORGANIZATION HAS SEVERAL EMPLOYEES WHO FROM TIME-TO-TIME KEEP INFORMED OF FEDERAL AND STATE LEGISLATION HAVING AN IMPACT ON HEALTH PLAN'S ACTIVITIES AS AN EXEMPT HEALTH MAINTENANCE ORGANIZATION THESE INDIVIDUALS ATTEMPT TO ENSURE THAT PROPOSED LEGISLATION IS COMPATIBLE WITH THE INTERESTS OF THE ORGANIZATION AND ITS MEMBERS BY PERFORMING THE FOLLOWING ACTIVITIES

- COLLECTING, ANALYZING AND DISTRIBUTING WITHIN THE ORGANIZATION, PUBLIC AND PRIVATE POLICY RECOMMENDATIONS, PROPOSED LEGISLATION AND ENACTED LAWS THAT AFFECT THE OPERATION OF THE ORGANIZATION AND ITS ABILITY TO PROVIDE QUALITY SERVICES TO ITS MEMBERS

- MAILING APPROPRIATE INFORMATION MATERIALS TO LEGISLATORS AND TO THEIR STAFFS THAT PERTAIN TO MATTERS OF COMMON INTEREST IN THE HEALTH CARE COMMUNITY AND IN THE NOT-FOR-PROFIT COMMUNITY

- THEY ALSO PREPARE WRITTEN AND ORAL TESTIMONY, THEY APPEAR AT LEGISLATIVE HEARINGS MONITORING LEGISLATIVE PROCEEDINGS AND MEETING WITH LEGISLATORS AND/OR THEIR STAFFS REGARDING ISSUES PERTINENT TO THE MISSION OF THE ORGANIZATION THOSE INDIVIDUALS APPEARING AT SUCH HEARINGS AND MEETINGS ON BEHALF OF THE ORGANIZATION ARE REPRESENTING THE INTERESTS OF COMMON INTEREST GROUPS AS WELL AS THE INTERESTS OF THE MEMBERS OF THE ORGANIZATION

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**OTHER INCOME PRODUCING ACTIVITIES
OTHER INVESTMENT INCOME [O]**

KAIVEST I LLC - INTEREST & DIVIDENDS	\$	8,580,370
KAIVEST I LLC - SHORT TERM GAINS		634,045
TOTAL	\$	<u>9,214,415</u>

**BALANCE SHEET
PREPAID EXPENSES AND DEFERRED CHARGES**

PREPAID EXPENSES & OTHER	\$	1,496,619
DEPOSITS & DEFERRED CHARGES		908,207
DEFERRED DEBT ISSUANCE EXPENSE		225,409
TOTAL	\$	<u>2,630,235</u>

**BALANCE SHEET
DEFERRED REVENUE**

ADVANCE HEALTH PLAN DUES	\$	830,998
MEDICARE COLLECTED IN ADVANCE		14,595,214
MEDICARE RESERVES EXCEED RECEIVABLES		4,700,169
TOTAL	\$	<u>20,126,381</u>

**BALANCE SHEET
TAX-EXEMPT BOND LIABILITIES (FORM 990) [O]**

HEALTH FACILITIES REV BONDS	\$	13,193,206
TOTAL	\$	<u>13,193,206</u>

**BALANCE SHEET
PREPAID EXPENSES AND DEFERRED CHARGES**

DEFERRED CHARGES	\$	906,715
DEFERRED DEBT ISSUANCE EXPENSE		209,864
TOTAL	\$	<u>1,116,579</u>

**BALANCE SHEET
DEFERRED REVENUE**

ADVANCE HEALTH PLAN DUES	\$	2,564,555
MEDICARE COLLECTED IN ADVANCE		14,759,453
TOTAL	\$	<u>17,324,008</u>

10/28/02

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BALANCE SHEET
TAX-EXEMPT BOND LIABILITIES (FORM 990) [O]

HEALTH FACILITIES REV BONDS

TOTAL \$ 13,167,812
\$ 13,167,812

5 375% HEALTH FACILITIES REVENUE BONDS, DUE 2015, NET OF UNAMORTIZED PREMIUM
OF \$343,000
PROCEEDS HAVE BEEN FULLY EXPENDED
THERE IS NO NON-EXEMPT USE
THE BONDS ARE UNSECURED AND ARE GUARANTEED BY KAISER FOUNDATION
HOSPITALS AND KAISER FOUNDATION HEALTH PLAN, INC

**KAISER FOUNDATION HEALTH PLAN OF MID-ATLANTIC STATES, INC.
FORM 990 TAX YEAR 2001**

52-0954463

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

DESCRIPTION	DATE & HOW ACQ'RD	DATE SOLD	SALES PRICE	COST/ EXPENSE OF SALE	ACCUM DEPRE&C	GAIN OR (LOSS)
NOTE #1						
<u>GAIN OR LOSS FROM SALES OF FIXED ASSETS</u>						
1993 DODGE INTREPID	10/19/93	3/21/2001	2,475	17,267	17,267	2,475
1995 EAGLE VISION	12/6/1994	3/21/2001	2,100	23,373	23,373	2,100
1997 DODGE INTREPID	7/5/1997	3/21/2001	3,737	18,613	17,062	2,186
1998 OLDS 88 LSS	1/15/1998	3/21/2001	5,000	26,940	21,328	(613)
1998 DODGE INTREPID	3/12/1998	3/21/2001	7,737	19,095	14,321	2,963
1992 CHEVY G30 VAN	7/25/1992	3/21/2001	3,500	16,936	16,936	3,500
1992 CHEVY G30 VAN	7/25/1992	3/21/2001	800	16,936	16,936	800
1992 DODGE GR CVN	8/4/1992	3/21/2001	600	17,137	17,137	600
1993 DODGE GR CVN	7/24/1993	3/21/2001	1,500	17,737	17,737	1,500
1993 DODGE GR CVN	7/24/1993	3/21/2001	700	17,991	17,991	700
1994 DODGE GR CVN	11/3/1993	3/21/2001	500	17,737	17,737	500
1994 DODGE GR CVN	6/2/1994	3/21/2001	1,500	17,991	17,991	1,500
1994 DODGE GR CVN	7/20/1994	3/21/2001	700	17,991	17,991	700
1994 DODGE GR CVN	7/20/1994	3/21/2001	1,500	17,991	17,991	1,500
1994 DODGE GR CVN	6/2/1994	3/21/2001	2,000	17,991	17,991	2,000
1994 DODGE GR CVN	7/20/1994	3/21/2001	1,800	17,991	17,991	1,800
1994 DODGE GR CVN	7/26/1994	3/21/2001	1,500	17,991	17,991	1,500
1994 DODGE GR CVN	6/2/1994	3/21/2001	2,000	17,991	17,991	2,000
1994 DODGE GR CVN	7/20/1994	3/21/2001	650	17,991	17,991	650
1994 DODGE GR CVN	7/20/1994	3/21/2001	700	17,991	17,991	700
1995 DODGE GR CVN	1/10/1995	3/21/2001	1,200	18,026	18,026	1,200
1995 DODGE GR CVN	1/10/1995	3/21/2001	1,150	18,026	18,026	1,150
1996 DODGE GR CVN	2/5/1996	3/21/2001	3,000	18,407	18,407	3,000
			46,349	426,145	414,208	34,412
Miscellaneous Equipment			8,095	-	-	8,095
TOTALS NET GAIN (LOSS) FROM SALES OF FIXED ASSETS			54,444	426,145	414,208	42,507

RECAP OF NET GAIN/(LOSS)

ORIGINAL COST AND EXPENSE OF SALE	426,145
DEPRECIATION	414,208
NET COST OR OTHER BASIS	11,937
LESS GROSS SALES PROCEEDS	54,444
NET GAIN/(LOSS)	42,507

NOTE #1 ALL OF THE FOREGOING FIXED ASSETS AND EQUIPMENT WERE ACQUIRED BY PURCHASE BY THE ORGANIZATION FOR USE IN ITS TAX-EXEMPT ACTIVITIES

STATEMENT 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 EXPENSE.**

	COST		ACCUMULATED DEPREC/AMORT		2001 DEP/AMORT EXPENSE
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR	
LAND	45,068,692	45,068,733	0	0	0
LAND IMPROVEMENTS	478,465	479,887	261,606	300,055	38,450
BUILDINGS	220,563,862	222,159,191	70,280,173	78,845,598	8,565,426
LEASEHOLD IMPROVEMENTS	14,173,516	14,183,171	8,809,549	10,604,353	4,340,025
EQUIPMENT	136,091,853	143,989,376	110,881,906	124,106,474	6,998,294
CAPITALIZED SOFTWARE	26,505,122	26,551,022	17,416,838	21,097,890	3,681,052
CAPITALIZED LEASES	0	0	0	0	0
CONSTRUCTION IN PROGRESS	1,671,660	15,684,624	0	0	0
TOTALS TO					
PART IV, LINE 57(A)	<u>444,553,170</u>	<u>468,116,004</u>			
PART IV, LINE 57(B)			<u>207,650,072</u>	<u>234,954,370</u>	
PART IV, LINE 57(C)	<u>236,903,098</u>	<u>233,161,634</u>			
PART II, LINE 42 COLUMN (B)					<u>23,623,247</u>

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

KAISER FOUNDATION HEALTH PLAN, INC , A CALIFORNIA NOT-FOR PROFIT CORPORATION,
 EXEMPT FROM INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(C)(3), HAS A
 CONTROLLING OR AFFILIATED INTEREST IN THE FOLLOWING CORPORATIONS AS OF DECEMBER 31, 2001

EMPLOYER ID #	ENTITY NAME	DIRECT & INDIRECT % CONTROLLED BY KEHP, INC.
SUBSIDIARY ENTITIES THAT ARE OWNED DIRECTLY OR INDIRECTLY BY KAISER FOUNDATION HEALTH PLAN, INC, THAT ARE ALSO EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3)		
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST	100%
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	100%
48-0924402	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC	100%
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC	100%
56-1421313	KAISER FOUNDATION HEALTH PLAN OF NORTH CAROLINA	100%
52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC	100%
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO	100%
23-7425486	COMMUNITY HEALTH PLAN	100%
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT INC	100%
93-0954562	KAISER HEALTH ALTERNATIVES	100%
94-3299123	CAMP BOWIE SERVICE CENTER	100%
93-0480268	OHP	100%
91-2171891	LOKAHI ASSURANCE, LTD	100%

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

03-0329760	OAK TREE ASSURANCE, LTD	100%
95-4237200	KAISER FOUNDATION ADDED CHOICE HEALTH PLAN, INC	100%
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES, INC	100%
94-3259432	KAISER PROPERTIES SERVICES, INC	100%
91-1814507	CHP COMPANIES, INC	100%
22-2751724	HUDSON VALLEY COMMUNITY SERVICES CORP	100%
22-2973489	UPSTATE COMMUNITY SERVICES, INC	100%

KAISER FOUNDATION HEALTH PLAN, INC IS AFFILIATED WITH THE FOLLOWING ENTITIES EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3)

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

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

94-3245176	KAISER PERMANENTE INTERNATIONAL	*(2)	N/A
94-3292262	KAISER PERMANENTE VENTURES	*(2)	N/A
68-0444615	CARETOUCH, INC (LLC)	*(2)	N/A
94-3289704	KAIVEST I, LLC	*(2)	N/A
91-2166347	KP ONCALL, LLC	*(2)	N/A
94-3203402	KAISER PERMANENTE INSURANCE COMPANY	*(3)	50%

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

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

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

THE COMMON ADDRESS FOR ALL ENTITIES LISTED ABOVE IS

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

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

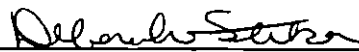
PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(1), WITH RESPECT TO THE TAXABLE INCOME BRACKETS AS ENUMERATED IN THE TAX TABLES AT IRC SECTION, 11(b), THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 2001

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF TAX BRACKETS		
			FIRST \$50,000	NEXT \$25,000	NEXT \$9,925,000
KAISER FOUNDATION HEALTH PLAN GROUP.					
94-1340523	KAISER FOUNDATION HEALTH PLAN, INC	990-T	\$50,000	\$25,000	\$9,925,000
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST	990-T	NONE	NONE	NONE
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	990-T	NONE	NONE	NONE
48-0924402	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC	990-T	NONE	NONE	NONE
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC	990-T	NONE	NONE	NONE
56-1421313	KAISER FOUNDATION HEALTH PLAN OF NORTH CAROLINA	990-T	NONE	NONE	NONE
52-0954463	KAISER FOUNDATION HP OF THE MID-ATLANTIC STATES, INC	990-T	NONE	NONE	NONE
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO	990-T	NONE	NONE	NONE
23-7425486	COMMUNITY HEALTH PLAN	990-T	NONE	NONE	NONE
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC	990-T	NONE	NONE	NONE
93-0954562	KAISER HEALTH ALTERNATIVES	990-T	NONE	NONE	NONE
94-3299123	CAMP BOWIE SERVICE CENTER	990-T	NONE	NONE	NONE
93-0480268	OHP	990-T	NONE	NONE	NONE
91-2171891	LOKAHI ASSURANCE, LTD	990-T	NONE	NONE	NONE
03-0329760	OAK TREE ASSURANCE, LTD	1120-PC	NONE	NONE	NONE
95-4237200	KAISER FOUNDATION ADDED CHOICE HEALTH PLAN, INC	1120	NONE	NONE	NONE
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES	1120	NONE	NONE	NONE
94-3259432	KAISER PROPERTIES SERVICES, INC	1120	NONE	NONE	NONE
91-1814507	CHP COMPANIES, INC	1120	NONE	NONE	NONE
22-2751724	HUDSON VALLEY COMMUNITY SERVICES CORP	1120	NONE	NONE	NONE
22-2973489	UPSTATE COMMUNITY SERVICES, INC	1120	NONE	NONE	NONE
KAISER FOUNDATION HOSPITALS GROUP.					
94-1105628	KAISER FOUNDATION HOSPITALS	990-T	NONE	NONE	NONE
94-3299125	KAISER HOSPITALS ASSET MANAGEMENT, INC	990-T	NONE	NONE	NONE
94-3245176	KAISER PERMANENTE INTERNATIONAL	1120	NONE	NONE	NONE
94-3292262	KAISER PERMANENTE VENTURES	1120	NONE	NONE	NONE
68-0444615	CARETOUCH, INC	1120	NONE	NONE	NONE
94-3289704	KAIVEST I, LLC	1065	NONE	NONE	NONE
91-2166347	KP ONCALL LLC	1065	NONE	NONE	NONE
TOTAL OF EACH BRACKET ALLOCATED			\$50,000	\$25,000	\$9,925,000

THE COMMON ADDRESS OF ALL ENTITIES JOINING IN THIS ELECTION OF APPORTIONMENT AS LISTED ABOVE IS

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

AUTHORIZATION CONSENT FOR ALLOCATION ON BEHALF OF ALL MEMBER COMPANIES


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

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

PURSUANT TO REGULATIONS ISSUED UNDER INTERNAL REVENUE CODE SECTION 1561(a)(3), THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, WITHIN THE MEANING OF IRC SECTION 1563(a), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 2001

EMPLOYER TAX ID #	NAME AND ADDRESS	APPLIC- ABLE TAX FORM	ALLOCATION OF \$40,000 EXEMPTION
<u>KAISER FOUNDATION HEALTH PLAN GROUP:</u>			
94-1340523	KAISER FOUNDATION HEALTH PLAN, INC	990-T	\$40,000
93-0798039	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST	990-T	NONE
84-0591617	KAISER FOUNDATION HEALTH PLAN OF COLORADO	990-T	NONE
48-0924402	KAISER FOUNDATION HEALTH PLAN OF KANSAS CITY, INC	990-T	NONE
58-1592076	KAISER FOUNDATION HEALTH PLAN OF GEORGIA, INC	990-T	NONE
56-1421313	KAISER FOUNDATION HEALTH PLAN OF NORTH CAROLINA	990-T	NONE
52-0954463	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES INC	990-T	NONE
34-0922268	KAISER FOUNDATION HEALTH PLAN OF OHIO	990-T	NONE
23-7425486	COMMUNITY HEALTH PLAN	990-T	NONE
94-3299124	KAISER HEALTH PLAN ASSET MANAGEMENT, INC	990-T	NONE
93-0954562	KAISER HEALTH ALTERNATIVES	990-T	NONE
94-3299123	CAMP BOWIE SERVICE CENTER	990-T	NONE
93-0480268	OHP	990-T	NONE
91-2171891	LOKAHI ASSURANCE, LTD	990-T	NONE
03-0329760	OAK TREE ASSURANCE LTD	1120-PC	NONE
95-4237200	KAISER FOUNDATION ADDED CHOICE HEALTH PLAN INC	1120	NONE
94-3113684	KAISER PERMANENTE HEALTH ALTERNATIVES	1120	NONE
94-3259432	KAISER PROPERTIES SERVICES, INC	1120	NONE
91-1814507	CHP COMPANIES INC	1120	NONE
22-2751724	HUDSON VALLEY COMMUNITY SERVICES CORP	1120	NONE
22-2973489	UPSTATE COMMUNITY SERVICES, INC	1120	NONE
<u>KAISER FOUNDATION HOSPITALS GROUP:</u>			
94-1105628	KAISER FOUNDATION HOSPITALS	990-T	NONE
94-3299125	KAISER HOSPITALS ASSET MANAGEMENT, INC	990-T	NONE
94-3245176	KAISER PERMANENTE INTERNATIONAL	1120	NONE
94-3292262	KAISER PERMANENTE VENTURES	1120	NONE
68-0444615	CARETOUCH, INC (LLC)	1120	NONE
94-3289704	KAIVEST I, LLC	1065	NONE
91-2166347	KP ONCALL LLC	1065	NONE

THE COMMON ADDRESS OF ALL ENTITIES JOINING IN THIS ELECTION OF APPORTIONMENT AS LISTED ABOVE IS

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

CONSENT AND AUTHORIZATION FOR ALLOCATION ON BEHALF OF ALL MEMBER COMPANIES



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

COMPENSATION, BENEFITS AND EXPENSES OF DIRECTORS AND OFFICERS
FORM 990, PART V LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES

(A) NAME	(B) TITLE	(C) COMPENSATION		(D) BENEFITS		(E) REIMBURSEMENT OF EXPENSES	
		TOTAL	ALLOCATE TO KFHP MAS	TOTAL	ALLOCATE TO KFHP MAS	TOTAL	ALLOCATE TO KFHP MAS
DIRECTORS.							
BERNARD J TYSON	DIRECTOR & CHAIRMAN	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
WILLIAM A GILLESPIE MD	DIRECTOR	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
STEVEN R ZATKIN	DIRECTOR	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
ROBERT M CRAME	DIRECTOR	535,894	20,364	29,824	1,133	2,100	80
BARBARA D BLUM	DIRECTOR	15,125	15,125	1,323	1,323	0	0
M LEE BOATWRIGHT III	DIRECTOR	12,707	12,707	0	0	0	0
JAMES O GIBSON	DIRECTOR	14,375	14,375	3,838	3,838	0	0
FREDERICK D GREGORY	DIRECTOR	10,500	10,500	0	0	0	0
JEAN HARRIS	DIRECTOR	14,500	14,500	0	0	0	0
ISADORE B BEEMAN	DIRECTOR	14,825	14,825	0	0	0	0
SUBTOTAL DIRECTORS		817,728	102,196	34,985	6,294	2,100	80
OFFICERS & KEY EMPLOYEES.							
BERNARD J TYSON	GROUP PRESIDENT	709,874	32,105	25,011	1,131	0	0
MARILYN J KAWAMURA	REGIONAL PRESIDENT	524,900	378,878	25,452	18,665	0	0
L DALE CRANDALL	EXECUTIVE VICE PRESIDENT	1,397,022	53,537	34,612	1,288	2,100	43
WILLIAM A GILLESPIE MD	EXECUTIVE VICE PRESIDENT	1,149,373	55,658	28,953	1,402	800	38
KIRK E MILLER	SENIOR VICE PRESIDENT	775,917	30,158	27,273	1,090	2,100	82
STEVEN R ZATKIN	SENIOR VICE PRESIDENT	362,283	17,544	27,278	1,321	2,093	101
THOMAS R MEIER	VICE PRESIDENT & TREASURER	225,809	8,777	21,541	837	2,100	82
DEBORAH B TOKES	VICE PRESIDENT & CONTROLLER	241,304	11,685	23,751	1,150	2,100	102
KATHLEEN A ELDRIDGE	ASSISTANT SECRETARY	39,082	1,485	8,957	340	470	18
VICTORIA B ZATKIN	ASSISTANT SECRETARY	138,028	4,925	23,811	850	1,805	64
DINAH SEVER	ASSISTANT SECRETARY	293,009	222,536	23,783	18,047	660	501
SUBTOTAL OFFICERS AND KEY EMPLOYEES		5,856,411	817,388	270,804	46,093	14,228	1,032
TOTAL DIRECTORS OFFICERS AND KEY EMPLOYEES		6,474,137	919,584	305,789	52,387	16,328	1,112

NOTE 1 THIS ORGANIZATION IS ONE OF THE CORPORATE ENTITIES LISTED ON THE STATEMENT "RELATED AND CONTROLLED ENTITIES" INCLUDED AS A PART OF THIS RETURN. THIS ORGANIZATION IS A PARTICIPATING MEMBER OF THE DIRECT SERVICE PREPAID HEALTH CARE PROGRAM COMMONLY REFERRED TO AS "THE KAISER PERMANENTE MEDICAL CARE PROGRAM" (MEDICAL CARE PROGRAM).

NOTE 2 COMPENSATION, BENEFIT CONTRIBUTIONS AND REIMBURSEMENT FOR CERTAIN EXPENSES OF DIRECTORS, OFFICERS AND KEY EMPLOYEES ARE PAID BY KAISER FOUNDATION HEALTH PLAN, INC. (HEALTH PLAN) AS COMMON DISBURSEMENT AGENT FOR PARTICIPATING MEMBER ORGANIZATIONS. CERTAIN DIRECTORS, OFFICERS AND KEY EMPLOYEES PERFORM SERVICES FOR SEVERAL OF THE MEDICAL CARE PROGRAM MEMBER ORGANIZATIONS.

BASED ON MANAGEMENT ANALYSIS AND CONSISTENT WITH THE ALLOCATION OF OTHER COMMON EXPENSES, A COMPOSITE ALLOCATION OF COMPENSATION, BENEFIT CONTRIBUTIONS AND REIMBURSEMENT OF EXPENSES ARE ALLOCATED TO KAISER FOUNDATION HOSPITALS. SPECIFIC ALLOCATIONS ARE THEN MADE TO CERTAIN OTHER PARTICIPATING ORGANIZATIONS BASED ON REASONABLE CONSIDERATIONS. THE BALANCE OF COMPENSATION, ETC. IS THEN ALLOCATED TO KAISER FOUNDATION HEALTH PLAN, INC. AND ITS SUBSIDIARY REGIONAL HEALTH PLANS BASED ON THE PERCENTAGE OF REGIONAL HEALTH PLAN MEMBERSHIP TO THE TOTAL MEMBERSHIP OF ALL HEALTH PLAN ENTITIES COMPRISING THE MEDICAL CARE PROGRAM.

FOR THOSE INDIVIDUALS ASSIGNED TO A SPECIFIC ENTITY OR SUB-GROUP OF ENTITIES, THEIR COMPENSATION, BENEFIT CONTRIBUTIONS AND REIMBURSEMENT OF EXPENSE ARE ALLOCATED DIRECTLY TO THE ENTITY AND/OR BASED ON A RATIO OF THE MEMBERSHIP OF THE ENTITY TO TOTAL MEMBERSHIP OF THE SUB-GROUP OF ENTITIES FOR WHICH THE INDIVIDUAL HAS ASSIGNED RESPONSIBILITIES.

NOTE 3 THE AMOUNTS REPORTED ABOVE FOR REIMBURSEMENT OF EXPENSE DO NOT INCLUDE SUCH ORDINARY AND NECESSARY EXPENSES AS TRAVEL, TRANSPORTATION, LODGING, MEALS, BUSINESS MEETINGS, CONFERENCES AND OTHER ROUTINE EXPENDITURES FOR WHICH THE INDIVIDUAL ACCOUNTS TO THE EMPLOYER ORGANIZATION. THESE ITEMS ARE REIMBURSED ON A SPECIFIC EXPENDITURE BASIS CONSISTENT WITH ADOPTED POLICIES AND PROCEDURES BASED ON PRUDENT FIDUCIARY RESPONSIBILITIES AND STANDARDS. THE POLICIES UNDER WHICH THESE INDIVIDUALS ACCOUNT TO THE EMPLOYER MEET THE REQUIREMENTS OF INTERNAL REVENUE CODE SECTION 274 SUBSTANTIATION REQUIREMENTS.

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

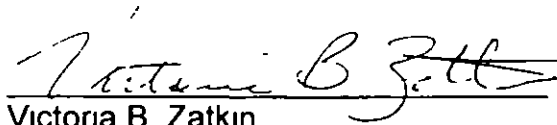
NOTE 5 THE ABOVE LISTED INDIVIDUALS CAN BE CONTACTED C/O
 KAISER FOUNDATION HEALTH PLAN, INC.
 ONE KAISER PLAZA, 1550 ORDWAY
 OAKLAND, CA 94612

**KAISER FOUNDATION HEALTH PLAN
OF THE MID-ATLANTIC STATES, INC.**

BYLAWS CERTIFICATE

I, the undersigned, Victoria B. Zatkín, hereby certify that I am the duly elected Assistant Secretary of Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., a Maryland nonprofit corporation. I further certify that attached hereto is a true and correct copy of the Bylaws of Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., and I do further certify that the attached Bylaws have not been altered, amended or revoked, and are, at the date of this certificate, in full force and effect.

IN WITNESS WHEREOF, the undersigned has hereunto signed her name this 25th day of June, 2002.



Victoria B. Zatkín
Assistant Secretary

BYLAWS OF
KAISER FOUNDATION HEALTH PLAN OF
THE MID-ATLANTIC STATES, INC

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 its services and benefits 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 Outside of Maryland

The principal office of this corporation outside of Maryland shall be located at the Ordway Building, Kaiser Center, One Kaiser Plaza, Oakland, Alameda County, California

Section B-2 Principal Office in Maryland

The principal office of this corporation in this state is located at 2101 E Jefferson Street, Rockville, Montgomery County, Maryland

Section B-3 Change of the Principal Office

The Board of Directors may change the location of the principal offices at any time

Section B-4 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 public benefit 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, powers and privileges incident to membership shall cease upon termination of membership

Section C-4 Dues, Assessments and Liabilities

No member of this corporation shall 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 Meetings of the member shall be governed by Section D-5, relating to meetings of Directors, except that meetings of the

member shall be held upon at least ten days but not more than 90 days notice by first class mail

Section C-6. Other Action by Member

The member may, by unanimous written consent, take any action which the members of a Maryland nonstock corporation are permitted under Maryland law 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 Member

The member shall have the maximum power and authority now or hereafter provided or permitted under Maryland law to members of Maryland nonstock corporations, except that all such powers shall be exercised consistent 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

Subject to the restrictions stated in the Articles of Incorporation and in this Section D-1 and elsewhere in these Bylaws, (A) all corporate powers shall be exercised by or under the authority of the Board of Directors, and the Board of Directors shall control the business and affairs of the corporation, and (B) the Board shall have the maximum power and authority now or hereafter provided or permitted under Maryland law to directors of Maryland nonstock corporations, acting as a board, except that all such powers shall be exercised consistent 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, except where stated in this Section and elsewhere in these Bylaws, as constituting or implying any limitation upon powers exercisable by the Board of Directors or the corporation. Subject to the foregoing, 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 or amend Bylaws to the extent and in the manner provided in Section H-3,
- (d) Select, remove and prescribe powers and duties of officers, agents and employees, and require security for faithful service, provided however, that removal of the Chairman of the

Board or the 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, except that the sale, lease, exchange, or other disposition of, the mortgage, pledge or dedication to the repayment of indebtedness (whether with or without recourse), or any other encumbrance of property of the corporation, or the acquisition of assets, whether or not in the usual or regular course of the corporation's activities, where the fair market value of such corporate property or assets being disposed of, acquired or encumbered exceeds 10% of the value of the assets of the corporation as reflected in the most recent annual or quarterly financial statements that are available on the date immediately preceding the date of the relevant transaction shall in addition require the affirmative vote of the member,

(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 purposes of the corporation,

and receive, hold, administer and expend funds and property subject to such trust,

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

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

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

Section D-2 Number

There shall be not less than five nor more than eleven Directors, as determined by resolution of the member. Two of the Directors shall be elected by direct election of enrolled subscribers ("Subscriber Directors") in accord with Section D-4

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, 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. 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, Term of Office and Removal of Directors

(a) There shall be two classes of Directors, Subscriber Directors and Directors other than Subscriber Directors.

(b) Subscriber Directors shall be elected by direct election to be conducted among subscribers, in accordance with procedures to be determined by resolution of the Board of Directors. Two Subscriber Directors shall be elected at the annual meeting of the Advisory Council in 1995. The term of one Subscriber Director shall end at the annual meeting of the Advisory Council in 1996, and the term of the second Subscriber Director shall end at the annual meeting of the Advisory Council in 1997. At the annual meeting of the Advisory Council in 1996, and each calendar year thereafter, upon expiration of the term of one subscriber Director, one Subscriber Director shall be elected for a two year term of office which shall end at the later of the annual meeting of the Advisory Council in the second year following his or her election or when his or her successor is elected.

(c) Directors other than Subscriber Directors shall be elected by the member at the annual meeting of the member in 1995 for a term of office which shall end at the later of the annual meeting of the member in 1996 or when their successors are elected. Thereafter, Directors other than Subscriber Directors shall be elected by the member at the annual meeting of the member in 1996 and every second year thereafter for a term of office which shall end at the later of the annual meeting of the member in the second year following their election or when their successors are elected.

(d) In any event, the term of a Director other than a Subscriber Director shall end on December 31 of the year in which he or she attains age 70. Any vacancy may be filled by the

member 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) Place of Meetings Meetings shall be held at the place specified in the notice of the meeting or at such place as the Board of Directors shall designate by resolution or unanimous written consent, but unless another place shall be so designated, all meetings shall be held at the principal office referred to in Section B-1

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

(c) Notice Notice of all regular or special meetings shall be mailed, telegraphed, or personally delivered to each Director and to the member, at his, her or its usual business address Notice of special meetings shall include a description of each matter of business to be conducted at the meeting Notice of a meeting need not be given to the member or any Director who signs a waiver of notice or a written consent to holding the meeting

(d) Proof of Notice 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 waiver or consent 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 Directors present at 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 the required quorum for such meeting

(f) Meetings Without Notice If all Directors are present at any meeting, or if a quorum is present and all Directors not present either sign a waiver of notice of such meeting, or a consent to the holding thereof, whether prior to or after the meeting, 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

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.

Section D-7 Meeting by Telephone

A Director may participate in a meeting of the Board of Directors by means of a conference telephone or similar communication equipment enabling all Directors participating in the meeting to hear one another at the same time, participation in such a meeting shall constitute presence in person at such meeting.

ARTICLE E

OFFICERS

Section E-1 Officers

The officers of this corporation shall be a Chairman of the Board, a President, one or more Executive or 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. One person may hold two or more offices, except that the same person may not be both President and Vice President or President and Secretary.

A person who holds more than one office in the corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.

Section E-2 Election and Term of Office

Except for the Chairman of the Board and the President, who shall be elected by the member, 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

The Board of Directors may remove an officer by resolution passed by the Board at any regular or special meeting, but only by a majority vote of all the Directors then in office, if it finds that the best interests of the corporation would be served thereby, except that removal of the Chairman of the Board or the President shall require the affirmative vote of the member. 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

election or appointment to such office

Section E-6 Chairman of the Board

The Chairman of the Board 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, 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 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 primary responsibility for carrying out the policies and supervising and controlling the personnel, programs and activities of the corporation. The President shall prepare budgets for, and otherwise report to the Board of Directors regarding, the projects and activities of the corporation and the execution of the policies adopted by the Board of Directors

Section E-8 Executive or Senior Vice President

Each Executive or Senior Vice President shall assist the President in the performance of his or her duties. In the absence or disability of the President, the Executive Vice President, if one is designated by the Board, or in the absence of such designation, the 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 Executive or 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 the principal offices of the corporation as specified in Section B-1 and Section B-2, 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 official may perform all of 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 Action Without a Meeting

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

(b) By Telephone Meetings of committees may be held by telephone. A Director may participate in a meeting of a committee by means of a conference telephone or similar communication equipment enabling all Directors participating in the meeting to hear one another at the same time, participation in such a meeting shall constitute presence in person at such meeting

Section F-3 Executive Committee

(a) Composition The Executive Committee shall consist of three Directors, who shall be selected by the Board of Directors, and who shall continue as members of the Executive Committee at the pleasure of the Board

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

- (1) Adopt, amend or repeal Bylaws
- (2) Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable
- (3) Elect, appoint or remove Directors, designate committees of the Board of Directors or fill vacancies in the Board of Directors or in any such committee
- (4) Dissolve, merge or consolidate the corporation
- (5) Adopt, amend or repeal Articles of Incorporation
- (6) Sell, lease, pledge, transfer or exchange all or substantially all of the property of the corporation
- (7) Fix compensation of Directors for serving on the Board or on any committee

- (8) Authorize any direct or indirect transfer of money or other property or incur any indebtedness to or for the benefit of the member or the Directors or officers of the corporation or to or for the benefit of transferees in liquidation (other than creditors of the corporation)
- (9) Take any other action which the Board of Directors is not authorized to take

(c) Conduct of Business A quorum of the Executive Committee shall consist of two committee members The Executive Committee shall report to the Board of Directors regarding its actions and decisions

Section F-4 Other Committees

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

ARTICLE G
MISCELLANEOUS

Section G-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 member at any reasonable time and for any purpose reasonably related to his, her or its interests as a Director or member. Such inspection may be made in person, or by any agent or attorney designated by the Director or 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 G-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 G-3 Execution of Contracts

The Board of Directors may authorize any officer or officers or 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 G-4 Bylaws, Minutes and Membership Records

The original or a certified copy of the Bylaws, 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 Section B-2 and shall be subject to inspection as provided in Section G-1.

Section G-5 Representation of Shares of Other Corporations

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

Section G-6 Fiscal Year

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

Section G-7 Indemnification of Directors, Officers, Employees, and the Member

The corporation shall indemnify Directors, officers, employees and the member of the corporation to the fullest extent permitted by the Maryland Nonstock Corporations Act and Maryland General Corporation law

Section G-8 Insurance

To the extent permitted by law, this corporation shall have the power to purchase and maintain insurance on behalf of any Director, officer or employee of the corporation against any liability asserted against and incurred by such person in his or her official capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify that person under the provisions of Section G-7

ARTICLE H

AMENDMENT AND EFFECT OF BYLAWS

Section H-1 Previous Bylaws Superseded

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

Section H-2 Effects of Bylaws

These Bylaws are in all respects subordinate to, and shall be controlled by, applicable provisions of the laws of the State of Maryland 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 H-3 Manner of Amendment

These Bylaws may be amended by a majority vote of the Board of Directors, provided a quorum of the Board is present and voting, except that Articles C, D and H of these Bylaws may be amended only by the member



KAISER PERMANENTE

COMMUNITY BENEFIT REPORT

for

KAISER FOUNDATION HEALTH PLAN OF THE

MID-ATLANTIC STATES, INC.

FY 2001

*For Attachment to the
Internal Revenue Service Form 990
Return of Organization Exempt from Income Tax
(rev 10/01/2002)*



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INTRODUCTION

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc (“Health Plan”) is a nonprofit, federally qualified HMO that is a subsidiary of Kaiser Foundation Health Plan, Inc Kaiser Foundation Health Plan, Inc , its five principal operating tax exempt subsidiary health plans (Kaiser Foundation Health Plan of Ohio, Kaiser Foundation Health Plan of Colorado, Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc , Kaiser Foundation Health Plan of Georgia, Inc , and Kaiser Foundation Health Plan of the Northwest), and Kaiser Foundation Hospitals (“Hospitals”) are nonprofit corporations that are part of the integrated health care delivery system known as the Kaiser Permanente Medical Care Program (“Kaiser Permanente”) Additionally, Kaiser Foundation Health Plan, Inc has five subsidiary health plans that are no longer operating and will be dissolved because Kaiser Permanente has divested its Northeast, North Carolina and Kansas City Regions (Kaiser Foundation Health Plan of Connecticut, Inc , Kaiser Foundation Health Plan of Kansas City, Inc , Kaiser Foundation Health Plan of North Carolina, CHP Companies, Inc and Community Health Plan)

Kaiser Permanente is an integrated health care delivery system that in 2001 served over 8 million people in 11 states (California, Colorado, Georgia, Hawaii, Kansas, Maryland, Missouri, Ohio, Oregon, Virginia and Washington) and the District of Columbia It is the largest private non-profit health care program in the United States with over 120,000 employees and over 11,000 full-time equivalent contracting physicians During 2001 in Maryland, Virginia and the District of Columbia, Health Plan serves over 530,000 people, with approximately 6,000 employees and more than 750 contracting physicians

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

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

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

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

This report describes the structure of Kaiser Permanente and documents the community benefit provided by Health Plan in Maryland, Virginia and the District of Columbia, as well as the national community benefit activities of Kaiser Foundation Health Plan, Inc and its other subsidiary Health Plans and Hospitals

KAISER PERMANENTE

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

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

Persons enroll in Kaiser Permanente through Health Plan through a group or individual contract under which Health Plan undertakes to arrange comprehensive health care services for members on a predominantly prepaid basis. Health Plan fulfills its contractual obligations to members by contracting with Hospitals and the Permanente Medical Group to provide the required health care services.

Members receive physician services from the Permanente Medical Group. The Permanente Medical Group accepts responsibility for professional care of Health Plan members, is responsible for their own physician recruitment, selection and staffing, and is independent from Health Plan and Hospitals. The Permanente Medical Group treats members in facilities owned by the Health Plan.

Hospitals and Health Plan are separate corporations governed by identical Boards of Directors. Hospitals accepts responsibility to provide or arrange necessary hospital services and facilities for Health Plan members. Hospitals contracts with community hospitals to provide services to members. In Maryland, the hospitals include Greater Baltimore Medical Center, Holy Cross Hospital, Howard County General Hospital, Johns Hopkins Bayview Medical Center, Johns Hopkins Hospital, and Saint Agnes Hospital. In Virginia, the hospitals include Alexandria Hospital, Arlington Hospital, Fair Oaks Hospital, Fairfax Hospital, Loudoun Hospital Center, Mount Vernon Hospital, and Reston Hospital Center. In the District of Columbia, the hospitals include Children's National Medical Center, George Washington University Medical Center, and the Washington Hospital Center.

Membership in Health Plan is available without regard to sex, race, religion, ethnic background, sexual orientation, occupational status or income level. Health Plan members are broadly representative of the various age, social and income groups within the areas it serves.

Once enrolled, a member is free to maintain membership, irrespective of age, health status or employment

COMMUNITY BENEFIT PROVIDED BY HEALTH PLAN

Health Plan's primary social mission is the organization and provision of comprehensive health care services on a prepaid basis through an integrated health care delivery system, available to the community as a whole. Because Health Plan is a nonprofit organization, revenues that exceed the cost of operations and the provision of care are used to benefit the members through improved facilities and service, increased benefits and affordable rates rather than to pay dividends to stockholders. Providing low-cost, high quality, comprehensive health benefits coverage and care that emphasizes prevention helps to prevent medical indigence and contributes to the quality of life in the communities we serve. Health Plan has incorporated the following elements that support and facilitate the attainment of its social mission into its operations

- **Integrated services and facilities** – Health Plan has organized and integrated the professional and physical resources required to provide comprehensive health care. This primarily occurs at medical office buildings owned or leased by Health Plan. Our members typically have available in one place all the services and professional care they require, 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 centers are centralized, facilitating the development and transfer of best clinical practices among all Permanente providers. Duplication of facilities, equipment and personnel are avoided or minimized.
- **Group practice** - The Permanente Medical Group is organized into a large multi-specialty group practice that takes responsibility for providing comprehensive care to a defined population in facilities owned or leased by Health Plan. The Permanente Medical Group and Health Plan exclusively contract with each other to provide or arrange for medical services to Health Plan members. Group practice enhances the quality and appropriateness of care for members and for the community by facilitating the development and sharing of “best clinical practices” throughout the community and across the nation. The income that the Permanente Medical Group and its physicians receive is solely in consideration of their professional medical and related services. The amounts paid to the Permanente Medical Group is negotiated annually at arms’ length. By altering the straight-line relationship between service performed and income received, Health Plan removes incentives to perform unneeded services, encouraging use of the most appropriate services.
- **Prepayment** – Health Plan pays the Permanente Medical Group a per capita payment that does not vary with the amount of service provided. Permanente Medical Group physicians are not compensated on a fee-for-service basis.
- **Comprehensive Benefits** - Health Plan provides coverage for unlimited hospital days, physician visits, preventive services, immunizations, well-baby care and prenatal care. Enrollees pay limited copayments, which protect members from substantial out-of-pocket costs. Comprehensive, prepaid coverage removes or minimizes financial barriers to care promoting early consultation, detection and treatment of disease. Health Plan actively encourages members to maintain their health through regular preventive care services such as

well-baby check-ups, immunizations and screening tests. This reduces uncompensated care and prevents medical indigence by encouraging and financing preventive medical care at the most effective and appropriate level.

- **No Pre-Existing Condition Exclusions** - Pre-existing condition exclusions allow carriers to exclude from coverage care for a condition that preceded enrollment with the carrier. Health Plan imposes no pre-existing condition exclusions and thereby provides substantial protection for new members who are ill at the time of enrollment. Health Plan 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** – Nationally, Kaiser Permanente has participated in Medicare since it was first implemented in 1965. In Mid-Atlantic States, Health Plan has participated since 1991. In 2001, Health Plan enrolled approximately 24,500 Medicare beneficiaries in Maryland, Virginia and the District of Columbia through Medicare+Choice Contracts, which provide all Medicare Part A and Part B services, plus additional drug, optical, and inpatient coverage.

COMMUNITY BENEFIT PROGRAM

In addition to the above, Kaiser Permanente has a wide variety of community benefit programs, some of which are allocable to Kaiser Foundation Health Plan, Inc. and its subsidiaries, some to Hospitals. This report highlights examples of Kaiser Permanente's national community benefit programs as well as the community benefit activities of Health Plan and Hospitals in Maryland, Virginia and the District of Columbia. Consistent with our DCBI Policy, based upon the needs of the communities we serve and our ability to impact these needs, Kaiser Permanente is focusing its investments on three overlapping areas of priority:

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

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

In 2001, Kaiser Foundation Health Plan, Inc., its subsidiaries, and Hospitals spent approximately \$349 million or approximately 1.7% of revenue, on DCBI activities across the nation in the communities we serve. In Mid-Atlantic States, Health Plan and Hospitals spent approximately \$5.8 million on Direct Community Benefit Investment activities in 2001. The following charts summarize 2001 DCBI expenditures nationally and in Mid-Atlantic States. The expenditures reflected in the charts are unaudited estimates calculated in accordance with Kaiser Permanente's DCBI Accounting Policy.

2001 DCBI Expenditures for National Program

DCBI CATEGORY	NATIONAL DCBI TOTAL	NATIONAL HOSPITALS TOTAL	NATIONAL HEALTH PLANS TOTAL
Dues Subsidy	\$36,540,132	\$8,177,106	\$28,363,026
Medicaid Shortfalls	\$201,204,002	\$62,618,916	\$138,585,086
Other Publicly Subsidized Programs	\$1,662,171	\$396,207	\$1,265,964
Charitable Care	\$15,121,244	\$10,621,244	\$4,500,000
Graduate Medical Education	\$27,233,578	\$26,514,928	\$718,650
Health Professional Training Programs (non-MD)	\$5,453,665	\$5,097,995	\$355,670
Continuing Medical Education	\$7,133,586	\$7,103,928	\$29,658
Health Education Activities	\$2,180,439	\$1,531,990	\$648,449
Community Health Care Services	\$5,235,651	\$5,143,439	\$92,212
Educational Symposiums	\$838,914	\$838,914	0
Grants\Donations – Health Care	\$10,481,301	\$8,765,412	\$1,715,889
Grants\Donations – Non Health Care	\$270,912	\$85,325	\$185,587
Medical Research	\$9,013,299	\$7,810,128	\$1,203,171
Medical Libraries	\$6,296,969	\$6,296,969	0
Tumor Board & Registries	\$3,611,978	\$3,438,578	\$173,400
Educational Theatre	\$4,971,712	\$4,013,560	\$958,152
Youth\Other Employment Programs	\$1,504,288	\$1,401,948	\$102,340
Board of Directors Fund	\$887,233	\$887,233	0
Other Community Service	\$3,230,520	0	\$3,230,520
TOTAL	\$342,871,594	\$160,743,820	\$182,127,774

2001 DCBI Expenditures in Mid-Atlantic States

DCBI CATEGORY	MID-ATLANTIC STATES TOTAL	HOSPITALS IN MID-ATLANTIC STATES TOTAL	HEALTH PLAN IN MID-ATLANTIC STATES TOTAL
Dues Subsidy	\$3,302,356	\$175,000	3,127,356
Health Education Activities	\$447,015		\$447,015
Grants\Donations – Health Care	\$1,123,435		\$1,123,435
Educational Theatre	\$606,943	\$606,943	
Other Community Service Activity	\$309,449		\$309,449
TOTAL	\$5,789,198	\$781,943	\$5,007,255

HIGHLIGHTS OF COMMUNITY BENEFIT PROGRAM IN MID-ATLANTIC STATES

The following are some highlights of the 2001 DCBI Program in Mid-Atlantic States

Dues Subsidy Program

Health Plan and Hospitals spent \$3.3 million to provide subsidized coverage to approximately 3,400 low-income persons who are not eligible for other public or privately funded coverage in Maryland, Virginia, and the District of Columbia. Of that amount, approximately \$175,000 is attributable to services provided by Hospitals and over \$3.1 million is attributable to Health Plan. The Dues Subsidy Program is aimed at Health Plan members who lost their coverage due to a sudden financial crisis such as job loss, involuntary reduction in work hours, death, divorce, or legal separation from a spouse. In addition, the Mid-Atlantic States Region operates programs in five jurisdictions that provide care for uninsured children. Located in the District of Columbia, Montgomery and Prince George's Counties in Maryland, and Fairfax and Prince William Counties in Virginia, these programs are a partnership with local governments, hospitals, and non-profit community based organizations. Each program focuses on primary and preventive services, and offers care in our facilities by our physicians.

Educational Theatre

Hospitals spent approximately \$606,000 in 2001 to produce the Educational Theatre Program ("ETP"). ETP has been performing award-winning health education performances for young people for more than 15 years in Maryland, Virginia and the District of Columbia. All plays are shown free of charge to students in kindergarten through twelfth grade, their parents and teachers, and the broader community. Educational Theatre presented three different age-appropriate productions to more than 53,000 children, youth and adults, including "Professor Bodywise's Traveling Menagerie", a basic introduction to health education for children in

kindergarten through fifth grade, “Secrets”, an HIV-AIDS awareness fact-based play for high school students, and, “The R-Files”, a performance for middle school students focusing on using good judgement to resist the pressures of alcohol, drugs, smoking, early sexual experience, and violence

Health Education Activities

Health Plan in the Mid-Atlantic States Region spent approximately \$447,000 to provide general public education activities on a wide variety of health care issues. These include participation in health fairs, health symposiums, health campaigns, health education classes and other educational seminars aimed at non-health care professionals and open to the general public

Grants and Donations for Health Care Related Activities

In the Mid-Atlantic States Region, Health Plan provided more than \$1.1 million in health care related grants and donations in the communities it serves. Of particular interest in the Mid-Atlantic States Region is that Health Plan provided significant contributions to support the area’s two health foundations—the Maryland Health Care Foundation and the Virginia Health Care Foundation, both of which focus on making primary health care available and accessible to the uninsured and medically underserved. In addition, Health Plan awarded the third round of Community Health Impact Grants, providing more than \$600,000 in support to more than 30 local non-profit organizations throughout the region to increase access to health care for populations in need.

Other Community Service Activities

In the Mid-Atlantic States Region, Health Plan provided more than \$300,000 to other community service activities for purposes not directly related to health care. These donations include contributions to schools for general education support, scholarships, food drives, clothing drives for low-income children in shelters near medical centers, and other community service functions. In addition, a contribution of \$30,000 was made by Health Plan as a corporate contribution to the area’s two United Way campaigns, augmenting funds donated by employees and physicians.

• If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box
Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time — Must File Original and One Copy.

Table with 3 columns: Type or print, Name of Exempt Organization, Employer identification number. Row 1: KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES INC., 52-0954463. Row 2: ONE KAISER PLAZA, 1550 ORDWAY. Row 3: OAKLAND CA 94612.

Check type of return to be filed (File a separate application for each return)

- Form 990, Form 990-EZ, Form 990-T (sec 401(a) or 408(a) trust), Form 1041-A, Form 5227, Form 8870, Form 990-BL, Form 990-PF, Form 990-T (trust other than above), Form 4720, Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868

• If the organization does not have an office or place of business in the United States, check this box
• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)
If this is for the whole group, check this box
If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until NOVEMBER 15 20 02
5 For calendar year 2001, or other tax year beginning 20 and ending 20
6 If this tax year is for less than 12 months, check reason Initial return, Final return, Change in accounting period
7 State in detail why you need the extension THIS ENTITY IS A MEMBER OF AN AFFILIATED GROUP COMPRISING A NATIONAL MANAGED HEALTH CARE DELIVERY PROGRAM AND IT MUST DEFER RETURN FILING UNTIL DATA FOR EACH MEMBER'S RETURN IS COMPLETE.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ NONE
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ NONE
c Balance Due. Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ 0

Signature and Verification

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

Signature: [Signature] Title: VICE PRESIDENT/CONTROLLER Date: 7/29/2002

Notice to Applicant — To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return
We have not approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return Please attach this form to the organization's return
We have not approved this application After considering the reasons stated in item 7 we cannot grant your request for an extension of time to file We are not granting a 10-day grace period
We cannot consider this application because it was filed after the due date of the return for which an extension was requested
Other

Director By Date

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above EXTENSION APPROVED

Table with 2 columns: Type or print, Name, Number and street, City or town, province or state, and country. Row 1: LINDA WEISKOPF FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN, AUG 13 2002



Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

• If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box

• If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)

Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time — Only submit original (no copies needed)

Note. Form 990-T corporations requesting an automatic 6-month extension — check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization	Employer identification number
	KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.	52-0954463
	Number street, and room or suite no. If a PO box, see instructions	
	ONE KAISER PLAZA, 1550 ORDWAY	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	OAKLAND CA 94612	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) NA. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until AUGUST 15, 2002, to file the exempt organization return for the organization named above. The extension is for the organization's return for

▶ calendar year 2001 or

▶ tax year beginning _____ 20____, and ending _____, 20____

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ 0

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ 0.00

Signature and Verification

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

Signature ▶ [Handwritten Signature]

Title ▶ VICE PRESIDENT/CONTROLLER

Date ▶ 5/ 8 /2002

For Paperwork Reduction Act Notice, see instruction