

For more information, contact:

Marc Brown: 510-271-6328

Marc.T.Brown@kp.org

Kaiser Foundation Hospitals and Health Plan Report First Quarter 2015 Financial Results

May 8, 2015 (OAKLAND, Calif.) — Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, Inc., and their respective subsidiaries (KFH/HP) reported today a combined total operating revenue of \$15.0 billion for the quarter ending March 31, 2015, compared to \$13.9 billion in the same period in 2014. Operating income was \$741 million in the first quarter of 2015, compared to \$820 million in the same quarter last year. Net non-operating income was \$301 million in the first quarter of 2015, compared to net non-operating income of \$324 million in the same quarter of 2014. As a result, net income for the first quarter was \$1.0 billion, versus \$1.1 billion in the same period of 2014. First quarter results are typically higher than subsequent quarters due to timing of revenue and expense trends.

Kaiser Permanente experienced strong growth across individual and group membership in the first quarter of 2015, adding more than 464,000 new members, including approximately 70,000 new Medicaid enrollees. This first quarter growth now brings Kaiser Permanente total membership to more than 10 million.

"Our strong first-quarter growth has increased Kaiser Permanente's membership to historic levels," said Chairman and CEO Bernard J. Tyson. "To now cover and care for more than 10 million Americans is a significant milestone for our organization because it validates that we are on the right path with our agenda to advance quality, service and affordability."

In the first quarter of 2015, capital spending was \$740 million, compared to \$827 million in the same quarter in 2014. KFH/HP's capital spending reflects our continued investments in technology and facilities to support members' care. New and renovated facilities opened in the Colorado, Northern California and Southern California regions during the first quarter, including the new Kaiser Permanente South Bay Hospital in Harbor City, CA.

"Our financial performance allows us to advance our mission to provide high-quality, affordable health care and to improve the lives of our members and the communities we serve," said Kathy Lancaster, executive vice president and chief financial officer. "We remain committed to managing our cost trends while maintaining our focus on high-quality care and service."

As non-profit organizations, KFH/HP use their financial resources to invest in facilities and infrastructure to enhance care and service, support community benefit programs and to maintain the fiscal soundness of their integrated health care program.

Except for historical information contained herein, the matters discussed in this media release are forward-looking statements that involve risks and uncertainties. Actual results may differ materially based on a number of factors including, but not limited to: the impact of competitive products and pricing; government regulations; changing membership requirements and the change in business and economic conditions. Forward-looking statements are based on information as of the date of this press release, and we assume no obligation to update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise.

About Kaiser Permanente

Kaiser Permanente is committed to helping shape the future of health care. We are recognized as one of America's leading health care providers and not-for-profit health plans. Founded in 1945, Kaiser Permanente has a mission to provide high-quality, affordable health care services and to improve the health of our members and the communities we serve. We currently serve more than 10 million members in eight states and the District of Columbia. Care for members and patients is focused on their total health and guided by their personal physicians, specialists and team of caregivers. Our expert and caring medical teams are empowered and supported by industry-leading technology advances and tools for health promotion, disease prevention, state-of-the-art care delivery and world-class chronic disease management. Kaiser Permanente is dedicated to care innovations, clinical research, health education and the support of community health. For more information, go to: kp.org/share.

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