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## **Kaiser Foundation Health Plan and Hospitals Report Year-to-Date and Third Quarter 2016 Financial Results**

**November 4, 2016 (OAKLAND, Calif.)** — Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals and their respective subsidiaries (KFHP/H) today reported for the nine months ending September 30, 2016, total operating revenue of \$48.3 billion, compared to \$45.6 billion for the same period in 2015. Operating income for the first nine months of 2016 was \$1.9 billion, equal to the operating income for the same period in 2015. Net non-operating income was \$471 million in the first nine months of this year, compared to \$71 million in the same period last year. Year-to-date net income was \$2.3 billion, compared to \$1.9 billion for the same period in 2015.

"Kaiser Permanente's performance year-to-date is strong," said Chairman and CEO Bernard J. Tyson. "Our focus continues to be on delivering and improving affordability, quality, service and access for our members and communities."

For the quarter ending September 30, 2016, combined total operating revenue was \$16.2 billion, compared to \$15.3 billion for the same period in 2015. Operating income was \$672 million in the third quarter of 2016, compared to \$363 million for the same quarter last year. KFHP/H reported net non-operating income of \$452 million for the third quarter of 2016, compared to a net loss of \$478 million in the same quarter of 2015. As a result, net income for the third quarter was \$1.1 billion, versus a net loss of \$115 million in the same period of 2015.

"Kaiser Permanente is continuing our trend of stable growth and solid operating income, with strong returns in the financial market," said Kathy Lancaster, executive vice president and chief financial officer. "We continue to be disciplined in our approach and remain focused on our goal of providing high-quality, affordable health care while investing in the communities we serve to promote health and well-being."

Year-to-date capital spending was \$1.9 billion through the third quarter of 2016, equivalent to the capital spending for the same period in 2015. KFHP/H's capital spending reflects continued investments in facilities and technology to meet the needs and support care delivery for their growing membership and communities. Kaiser Permanente membership has grown by approximately 376,000 members since December 31, 2015, totaling more than 10.6 million members as of September 30, 2016.



Consistent with their not-for-profit mission, KFHP/H devote resources to improve the health of the communities they serve. KFHP/H's community benefit investments provide care for low-income individuals and underserved communities, reinforce community-based health partnerships, support research, and train health care workers. In the third quarter of 2016, KFHP/H continued to invest in a range of programs to serve the needs of local communities.

*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 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 10.6 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](http://kp.org/share).

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