



## **Kaiser Foundation Health Plan and Hospitals Financial Update**

November 2, 2018

### ***Overall stable financial performance enables ongoing investments to improve the health of our members and the communities we serve***

Kaiser Permanente's mission is to provide high-quality, affordable health care services and to improve the health of our members and the communities we serve. As not-for-profit organizations, Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals (KFHP/H) devote resources to advancing our mission through investments in integrated care delivery, and in programs that improve member and community health.

#### **Third Quarter 2018**

For the third quarter ending September 30, 2018, KFHP/H reported combined operating revenues of \$19.9 billion. Operating income was \$636 million, and net non-operating income was \$248 million, resulting in net income of \$884 million for the third quarter.

#### **Membership**

Kaiser Permanente's membership remained stable, totaling 12.2 million as of September 30, 2018.

#### **Capital Spending**

Capital spending of \$760 million in the third quarter reflects ongoing investments in upgrading and opening new facilities, as well as in technology.

In the third quarter, KFHP/H opened two new facilities in California, a behavioral health clinic in Sacramento and a hearing center in San Rafael that replaces an older facility in the area. These additions bring our total number of medical offices nationwide to 690, along with 39 hospitals.

Concurrent with new facility openings, we are also undertaking extensive redesigns and remodels of many of our existing campuses to further improve member experience.

## Supporting a Sustainable Future

Consistent with our not-for-profit mission, we continue to devote significant resources to improve the health of our communities. We understand that one of the most effective ways to protect the health of the more than 68 million people in the communities we serve is by contributing to healthy environmental conditions. In the third quarter, [we finalized an agreement](#) for a major renewable energy purchase, enabling Kaiser Permanente to achieve its goal of being carbon neutral in 2020.

**For more information, contact: Vincent Staube:** 510-267-7364, [Vincent.P.Staube@kp.org](mailto:Vincent.P.Staube@kp.org)

### **Footnote:**

*Certain statements included in this document herein may constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations that may be contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such assumptions on which such forward-looking information may be based. Accordingly, actual results will vary and the variations may be material. Readers of this document should understand the limitations inherent in forward-looking data and evaluate whether such data and any underlying assumptions are appropriate for their purposes. These materials may also contain historical market data; however, historical market trends are not reliable indicators of future market behavior. Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals and their respective subsidiaries do not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change, or events, conditions or circumstances on which such statements are based, occur.*