Kaiser Foundation Health Plan and Hospitals Financial Update
May 4, 2018

Stable first quarter financial results support integrated care delivery with sustainable performance

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. Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals (KFHP/H) are not-for-profit organizations, which means we do not have stockholders who profit from positive financial performance. As not-for-profit organizations, we devote our resources to advance our mission through investments in our integrated care delivery system.

First Quarter 2018

For the first quarter ending March 31, 2018, KFHP/H reported combined operating revenues of $20.3 billion. Operating income was $1.1 billion and non-operating income was $336 million, resulting in net income of $1.4 billion for the first quarter. Our net income supports investments in our integrated care delivery system, including facilities and technology.

Membership

As of March 31, 2018, Kaiser Permanente's membership totaled 12.2 million, increasing by approximately 472,000 members since Dec. 31, 2017.

Capital Spending

Capital spending of $881 million in the first quarter reflects ongoing investments in facilities and technology.

In the first quarter, KFHP/H opened Tanasbourne Medical and Dental Office in Hillsboro, Oregon and a new medical office in Santa Clarita, California, in addition to embarking on other significant construction and renovation projects. This brings the total number of medical offices to 684, along with 39 hospitals, to support the needs of our members, patients and communities.

Our capital expenditures include investments in medical technology and digital capabilities to advance patient care — both in-person and virtual — to provide patients with greater choice and convenience in accessing Kaiser Permanente's care and service.

Community Investments

Consistent with our not-for-profit mission, we devote significant resources to improve the health of the communities we serve. KFHP/H's community health investments provide care for low-income individuals and underserved communities, reinforce community-based health partnerships, and support research and the training of health care workers.

For more information, contact: Marc Brown: 510-271-6328, Marc.T.Brown@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.