Being in good health is something we all aspire to. Good health lets us engage more fully with our friends and family, pursue our passions, and enjoy all the experiences of being alive. As a trusted health care organization with a powerful commitment to care, we strive to provide the systems, places and people that help our members and our communities achieve the best health possible. We help people thrive.
EXECUTIVE LETTER

In the nearly 70-year history of Kaiser Permanente, our mission to provide high-quality and affordable health care has never been more important.

The U.S. health care system is undergoing a dramatic change, and with the implementation of the Affordable Care Act, millions of Americans began to shop for and purchase health coverage using online marketplaces. We worked diligently to successfully prepare for the opening of these new federal and state health care exchanges, and to meet the varied needs of our new and existing members.

In this 2013 annual report, you'll see that Kaiser Permanente continued to demonstrate its national leadership in providing high-quality care and service. Once again we achieved some of the best clinical results, safety ratings and member satisfaction scores in the nation. We were ranked highest in satisfaction in the J.D. Power and Associates 2013 Member Health Plan Study and also led the nation in 2013 with the most Medicare 5-star health plans.

We are proud of the work our 17,000 physicians and 174,000 employees do each and every day to improve the health and well-being of our members and the communities we serve.

Going forward, we will continue to advance our mission on affordability, and make the high-quality care we provide more affordable and more accessible for millions of Americans. Our goal is not simply to slow the rise in health care costs. It is to provide more affordable pricing – while continuing to enhance the quality and service we provide – so health care becomes more affordable to everyone, today, tomorrow and for the next 70 years.

This is our mission. This is our obligation.

Bernard J. Tyson
Chairman and CEO
Kaiser Foundation Health Plan, Inc.
Kaiser Foundation Hospitals

Jack Cochran, MD, FACS
Executive Director
The Permanente Federation, LLC
Awards recognize our quality and excellence

Our efforts to continually improve patient care have been widely recognized. In 2013, Kaiser Permanente achieved some of the best clinical scores, safety ratings and member satisfaction rankings in the nation.

Read story about our awards

QUALITY CARE

We strive to achieve clinical excellence by giving our patients the best possible care and service from top doctors, nurses and other care providers. With compassion and expertise, our care teams push the boundaries in technology and in improving care practices — all with the hope of making lives better.
Treating cancer with 360 degrees of care

We support members and their families who face cancer with a multidisciplinary team of oncologists, surgeons, pharmacists, nurses and care coordinators.

Read story about treating cancer care

Advancing care and treatment for HIV patients

Kaiser Permanente is among the top providers of HIV/AIDS care in the nation, and we’ve eliminated disparities to provide that care to all our patients.

Watch video and read story about advancing care and treatment for HIV patients

Information technology makes everything click

Kaiser Permanente is committed to provide high-quality, affordable care that is easy and convenient to access. Technology plays a big role in ensuring that our members can access the information and care wherever they may be, whenever they need it.

Read story about information technology

Superb nursing — leading the way to safer care

Did you know that the pressure ulcer rate among patients at some U.S. hospitals can range as high as 4 to 10 percent? Kaiser Permanente hospitals, on the other hand, cut the pressure ulcer rate to just 0.24 percent by the end of 2013.
Expert care — at all stages of life

Palliative care focuses on providing patients with relief from the symptoms, pain and stress of a serious illness — whatever the diagnosis — with the goal to improve the quality of life for both the patient and the family.

Read story about expert care

Breastfeeding — bringing up babies

In 2013, Kaiser Permanente, working with the partnership for a Healthier America, completed its commitment to improve the health of nearly 100,000 babies and mothers in its care.

Read story about breastfeeding
Exercise as a vital sign

The simple practice of asking patients about their physical activity actually helps them achieve their health goals, according to a 2013 study from Kaiser Permanente.
Healthy behaviors are key to combatting obesity

As the role of the health care system continues to expand beyond the exam room and into the community, the next frontier in obesity prevention and encouraging healthy living is not only about preventing chronic disease by engaging with patients as partners, but also about supporting simple strategies for healthy eating and active living.

Making Kaiser Permanente the healthiest place to work

Kaiser Permanente, in partnership with the Coalition of Kaiser Permanente Unions, announced a groundbreaking employee incentive effective in 2014. The voluntary employer plan takes a collective approach to workforce wellness, and encourages and empowers Kaiser Permanente employees to make their own health a priority.

Imagining Care Anywhere

Your expectations for Total Health do not begin or end in our offices or hospitals, so ours cannot either. As we build strategies to support healthy behavior choices through programs in our communities, workplaces, and schools, we are also striving to harness the powers of technology.
INNOVATION AND RESEARCH

Our use of technology and commitment to research and innovation are transforming the future of health. By leveraging the full potential of our integrated model, we ask and answer the questions that are changing how care is delivered and improving health outcomes.

Online access to a healthier you

My Health Manager on kp.org and our related mobile app gives members access to powerful health care support to schedule appointments, email doctors, refill prescriptions, view lab results,
Shortening the distance for care

In Georgia, Kaiser Permanente members with weekly behavioral health appointments benefit from new breakthroughs in video teleconferencing.

Watch video and read story about shortening the distance for care
Sharing research, saving lives

Research has been fundamental to Kaiser Permanente since our inception. In 1942, founder Henry J. Kaiser emphasized the important contribution research could make to the health of the communities we serve.

Read story about sharing research

Translating research into practice

As a health care leader, we are committed to translating learning — from the data we collect in the course of patient care — to improve practice. We do so within Kaiser Permanente, and through publications and knowledge sharing throughout the world.

Read story about translating research into practice

Technology lets caregivers focus on care

Technology helps with care in every part of Kaiser Permanente, including in the hospital where it can have a lifesaving impact.

Read story about technology

Improving performance at the front line

Our award-winning care starts at the front line. Kaiser Permanente’s performance improvement strategy was developed with strategic guidance from the Institute for Healthcare Improvement to address system-level issues.
 providing care and coverage to those in need

We believe everyone deserves access to high-quality, affordable...
health care. We invested $1.8 billion in subsidized care and coverage programs to help low-income individuals and families gain access to health care coverage.

Watch video and read story providing care and coverage to those in need

Supporting our community safety nets

In 2013, Kaiser Permanente invested $18 million to support the safety net providers and public health departments in the communities we serve.

Read story about supporting our community safety nets

Measureable impact of being green

Kaiser Permanente recognizes that the health of individuals and the health of communities and environments are inextricably linked. For nearly 70 years we have worked to protect the natural environment to support the health and well-being of those we serve.

Read story about the measureable impact of being green

Learning what communities need

Good health begins in communities, where people spend the majority of their everyday lives. And yet, no two communities are the same. Community Health Needs Assessments (CHNAs) identify what each community needs to thrive.

Read story about learning what communities need
Educational Theatre Program earns applause

Over the past 26 years, more than 16 million people have experienced our award-winning Educational Theatre Program.

Watch video and read story about the Educational Theatre Program

A+ for health in K-12 Schools

Schools give communities a focal point for coming together to generate positive change. According to the Institute of Medicine, schools are in a unique position to support health and should be strengthened as "the heart of health."

Watch video and read story about K-12 Schools

Get walking! And start a revolution

Walking is a simple form of physical activity that is accessible to most people.

Kaiser Permanente joined with America Walks, and the Every Body Walk! Collaborative to host the first National Walking Summit in Washington, D.C. More than 375 walkers and proponents of
walkable communities came together to build a movement about movement.

Watch video and read story about Get walking!
OUR PEOPLE

At Kaiser Permanente, we are 17,425 physicians and 174,415 employees who give our best — and have your best interest in mind.

We are looking out for you

The people of Kaiser Permanente share one passion: to provide the best possible care to our members.

Read story about we are looking out for you

17,425 doctors with your best interest in mind

Kaiser Permanente serves its members with the combined abilities of 17,425 expert doctors. These physicians bring an enormous range of specialties, abilities and backgrounds to the patients they serve, while continuing to learn the latest protocols, techniques and technologies.

Watch video and read story about 17,425 doctors

Kaiser Permanente nurses — innovators
improving patient care

Kaiser Permanente’s 48,285 nurses are the cornerstone of our patient care teams, and they put you, your family and our 9.1 million members at the center of everything they do, providing expert care every day.

Read story about Kaiser Permanente nurses

Meeting the needs of our diverse populations

The demographics of our member and patient populations continue to reflect the ever-expanding diversity of our nation. We seek to provide compelling value and great service for our diverse membership, in part by delivering personalized communications for all.

Read story about meeting the needs of our diverse populations

Community service is in our DNA

Since our earliest days, Kaiser Permanente physicians and employees have embraced community service as an opportunity to put their skills, knowledge and time to work enriching their communities and assisting those in need.

Read story about community service

9.1 million members

17,425 physicians

48,285
### BY THE NUMBERS

Behind every number are lives made better.

<table>
<thead>
<tr>
<th>Nurses</th>
<th>174,415</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>646</td>
</tr>
<tr>
<td>Hospitals, medical offices, and other facilities</td>
<td>646</td>
</tr>
</tbody>
</table>

$53.1$ billion operating revenue
$1.8 billion
operating income

$2.7 billion
net income

9.1 million
members

174,415
employees

17,425
physicians

48,285
nurses

38
hospitals

608
medical offices and other facilities

93,675
babies delivered

4.4 million
members using My Health Manager

34.4 million
lab test results viewed online

14.7 million
secure emails sent

3.6 million
<table>
<thead>
<tr>
<th>Service</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online requests for appointments</td>
<td>455,512</td>
</tr>
<tr>
<td>Kaiser Permanente mobile app downloads</td>
<td>14.8 million</td>
</tr>
<tr>
<td>Online prescription refills</td>
<td>36.5 million</td>
</tr>
<tr>
<td>Doctor office visits</td>
<td>221,660</td>
</tr>
<tr>
<td>Inpatient surgeries</td>
<td>962,852</td>
</tr>
<tr>
<td>Mammograms</td>
<td>1.7 million</td>
</tr>
<tr>
<td>Colorectal cancer screenings</td>
<td>(as of 12/31/13)</td>
</tr>
</tbody>
</table>
## COMMUNITY INVESTMENTS

Approximately $1.9 billion invested in our community

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$175.4 million</td>
<td>in grants and donations</td>
</tr>
<tr>
<td>$49.8 million</td>
<td>to safety-net clinics, hospitals and health departments</td>
</tr>
<tr>
<td>$29.6 million</td>
<td>invested in medical research development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>558,461</td>
<td>children and adults enrolled in care and coverage programs</td>
</tr>
<tr>
<td>4,184</td>
<td>studies undertaken by Kaiser Permanente</td>
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<tr>
<td>1,169</td>
<td>articles published in peer-reviewed journals</td>
</tr>
<tr>
<td>970,994</td>
<td>people reached by Educational Theatre Program</td>
</tr>
<tr>
<td>54</td>
<td>farmers markets</td>
</tr>
</tbody>
</table>

(as of 12/31/13)
LEADERSHIP TEAM

Board of Directors

(as of 12/31/13)

Bernard J. Tyson
Chairman, President and Chief Executive Officer, Kaiser Foundation Health Plan, Inc., and Kaiser Foundation Hospitals

Christine K. Cassel, MD, MACP
President and Chief Executive Officer of the National Quality Forum

Thomas W. Chapman, MPH, EdD
President and Chief Executive Officer of the Health Services for Children Foundation

Jeff Epstein
Operating Partner, Bessemer Venture Partners, and Senior Advisor, Oak Hill Capital Partners

Daniel P. Garcia
Senior Vice President and Chief Compliance Officer, Kaiser Foundation Health Plan, Inc., and Kaiser Foundation Hospitals

William R. Graber
Retired Chief Financial Officer of McKesson Corporation

J. Eugene Grigsby III, PhD
President and Chief Executive Officer of the National Health Foundation

Judith A. Johansen, JD
Former President of Marylhurst University, Portland, Oregon

Kim J. Kaiser
Retired Senior Pilot, Alaska Airlines

Philip A. Marineau
Operating Partner, LNK Partners, and Retired President and Chief Executive Officer of Levi Strauss & Co.

Jenny J. Ming
President and Chief Executive Officer, Charlotte Russe Holding, Inc., and Former President of Old Navy

Edward Pei
Executive Vice President, Hawaii Bankers Association

Margaret E. Porfido, JD
Retired, Chief Human Resources Officer, Level 3 Communications

Cynthia A. Telles, PhD
Director of the Spanish-Speaking Psychosocial Clinic of the Neuropsychiatric Institute and Hospital at the University of California, Los Angeles School of Medicine, and Associate Clinical Professor with the UCLA School of Medicine

National Executive Team

(as of 12/31/13)

Bernard J. Tyson
Chairman, President and Chief Executive Officer, Kaiser Foundation Health Plan, Inc., and Kaiser Foundation Hospitals

Anthony Barrueta
Senior Vice President, Government Relations

Arthur M. Southam, MD, MBA, MPH
Executive Vice President, Health Plan Operations

Benjamin K. Chu, MD, MPH, MACP
Executive Vice President; Group President, Southern California and Hawaii; President Southern California Region

Chuck Columbus
Senior Vice President, Chief Human Resources Officer

Donna Lynne, DrPH
Executive Vice President; Group President, Colorado, Northwest and Georgia; President Colorado Region

Gregory A. Adams
Executive Vice President; Group President, Northern California and Mid-Atlantic States; President Northern California Region

Jed Weissberg, MD
Senior Vice President, Hospitals, Quality and Care Delivery Excellence

Kathy Lancaster
Executive Vice President, Chief Financial Officer

Mark S. Zemelman
Senior Vice President, General Counsel

Philip Fasano
Executive Vice President, Chief Information Officer

Raymond J. Baxter, PhD
Senior Vice President, Community Benefit, Research and Health Policy

Regional Leadership Team
(as of 12/31/13)

Gregory A. Adams
Executive Vice President; Group President, Northern California and Mid-Atlantic States; President Northern California Region

Benjamin K. Chu, MD, MPH, MACP
Executive Vice President; Group President, Southern California and Hawaii; President Southern California Region

Donna L. Lynne, DrPH
Executive Vice President; Group President, Colorado, Northwest and Georgia; President Colorado Region

Kerry W. Kohnen
Regional President Georgia

Janet Liang
Regional President Hawaii

Kim Horn
Regional President Mid-Atlantic States

Andrew McCulloch
Regional President Northwest

Executive Medical Directors
(as of 12/31/13)

Jack Cochran, MD, FACS
Executive Director, The Permanente Federation, LLC

Robert M. Pearl, MD
Executive Director and Chief Executive Officer, The Permanente Medical Group, Inc., and President and Chief Executive Officer, Mid-Atlantic Permanente Medical Group, P.C.

Rob Schreiner, MD, FACP, FCCP
Executive Medical Director and Chairman of the Board, The Southeast Permanente Medical Group, Inc.

Geoffrey S. Sewell, MD, FACP
President and Executive Medical Director, Hawaii Permanente Medical Group, Inc.

Jeffrey A. Weisz, MD
President and Executive Medical Director, Northwest Permanente, P.C., Physicians and Surgeons

William Wright, MD, MSPH
Executive Medical Director and President, Colorado Permanente Medical Group, P.C.

Edward Ellison, MD
Executive Medical Director and Chairman of the Board, Southern California Permanente Medical Group, Inc.