



DEPARTMENT OF
FINANCE

CITY OF SACRAMENTO
CALIFORNIA

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SACRAMENTO, CA
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July 2, 2003

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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Approve Resolution Authorizing the Issuance of Bonds by the California Statewide Communities Development Authority for Kaiser Permanente

LOCATION: 6600 Bruceville Road

COUNCIL DISTRICT: Council District 8

CONTACT PERSON: Patti Bisharat, Special Projects Manager, 808-8197

FOR COUNCIL MEETING OF: July 17, 2003

RECOMMENDATION:

Staff recommends the adoption of a resolution to approve the funding of bonds by the California Statewide Communities Development Authority for Kaiser Permanente.

SUMMARY:

Kaiser Permanente has submitted an application to California Statewide Communities Development Authority (CSCDA) for issuance of revenue bonds to refund prior tax-exempt debt that financed various Kaiser facilities throughout California. The proposed refunding will not extend any of the original bond maturities or include any new project money and therefore does not require a public hearing under the Tax and Equity Fiscal Responsibility Act (TEFRA). However, as a participant of the California Statewide Communities Development Authority, the City must approve the issuance of bonds for a local project.

BACKGROUND:

The California Statewide Communities Development Authority ("Authority") is a joint exercise of powers authority consisting of numerous California cities, counties and special district, including the City of Sacramento. Currently over 225 cities, 54 counties and over 50 districts or agencies of some type are program participants of the Authority.

The Authority is authorized to issue bonds in order to promote economic development including assisting in the financing of facilities for non-profit organizations. In order for the Authority to comply with its JPA Agreement and federal law with respect to such financing, the member participant of the Authority in which the facilities proposed to be financed are located must 1) conduct a public hearing and 2) approve the Authority's issuance of indebtedness. In this case, the bond issuance is to refund prior tax-exempt debt which will not extend any of the original bond maturities or include new project money. Under this situation, a public hearing is not required, however, the financing cannot proceed without the City of Sacramento's approval of the issuance of the bonds.

Kaiser Permanente has submitted an application to the Authority for issuance of revenue bonds up to \$240 million to refund prior tax-exempt debt that financed various Kaiser facilities throughout California including the South Sacramento Medical Center. Kaiser Foundation Hospitals was incorporated in 1948 and is part of the health care delivery system known as the Kaiser Permanente Medical Care Program. Hospital subsidiaries, Kaiser Foundation Health Plan, Inc. and its subsidiaries (collectively known as the "Health Plan Organization") and 8 independent medical groups are the other organizations comprising Kaiser Permanente. The Health Plan Organizations operate the largest nonprofit health plan system in the United States. Health Plan and Hospitals provide a significant community benefit as part of a truly integrated delivery system that serves the health care needs of over 6.2 million Californians who are Kaiser Permanent members. Providing low cost, high quality, comprehensive health benefits coverage and care that emphasizes prevention contributes to the quality of life in California and helps to prevent medial indigence. A copy of application materials submitted by Kaiser Permanente is included as Attachment A.

Under the proposed financing of this report, Kaiser Permanente has requested the issuance of revenue bonds up to \$240 million to refund prior tax-exempt debt that financed various Kaiser facilities throughout California including the South Sacramento Medical Center. A complete list of the facilities that bond proceeds were originally used for is included as Attachment B.

The City of Sacramento's participation in this proposed financing is limited to the Authority's financing of the Kaiser Permanente and issuance of the bonds. No city funds are at risk as a result of taking the recommended action nor is there any pecuniary liability of the City with respect to the financing.

FINANCIAL CONSIDERATIONS

The recommended action will have no fiscal impacts on the City.

ENVIRONMENTAL CONSIDERATIONS

Not applicable.

POLICY CONSIDERATIONS

The recommendation of this report is consist with City Council policy. The City Council has approved similar financing requests in the past.

ESBD CONSIDERATIONS

Not applicable.

Respectfully submitted,



Patti Bisharat
Special Projects Manager

APPROVED:



ROBERT P. THOMAS
City Manager

Attachments

Resolution

Attachment A: Application Info from Kaiser Permanente

Attachment B: List of Facilities

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RESOLUTION NO. 2003-479

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING ISSUANCE OF BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR A LOCAL KAISER PROJECT

WHEREAS, Kaiser Foundation Hospitals, d/b/a Kaiser Permanente ("Kaiser"), has submitted an application to California Statewide Communities Development Authority (the "Authority") for its assistance in issuing the Authority's Refunding Revenue Bonds (Kaiser Permanente) Series 2003 (herein, the "Bonds") in an aggregate principal amount not to exceed \$240,000,000 to refund prior tax-exempt bonds which financed various Kaiser facilities throughout the State of California.

WHEREAS, City of Sacramento is a Program Participant of the Authority ("Participant") in which a portion of the Project being refinanced with the Bonds is located (the "Local Project").

WHEREAS, the location and a description of the Local Project, and the approximate amount of prior bond proceeds spent on the Local Project, is set forth in the Authority application, a copy of which has been provided to the Participant.

WHEREAS, Section 9 of the Authority's Joint Exercise of Powers Agreement, which the Participant has signed, requires that the Participant approve the Local Project and the issuance of the Bonds before the Authority may issue the Bonds. Participant has been advised that there is no legal requirement for it to conduct a public hearing for federal tax purposes or otherwise prior to approval or issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY SACRAMENTO AS FOLLOWS:

Section 1. The City Council hereby approves the Local Project and the issuance of the Bonds.

Section 2. The Mayor and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

FOR CITY COUNCIL USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 3. The Clerk shall forward a certified copy of this Resolution to:

Sean Mick, Project Manager
Orrick, Herrington & Sutcliffe LLP
400 Capital Mall, Suite 3000
Sacramento, California 95814

Section 4. This Resolution shall take effect immediately upon its passage.

ADOPTED by the City Council of the _____ at a regular meeting held on the ____ day of _____, 2003, by the following vote:

AYES:

NOES:

ABSENT:

[Mayor/Chair]

ATTEST:

Clerk

FOR CITY COUNCIL USE ONLY

RESOLUTION NO.: _____

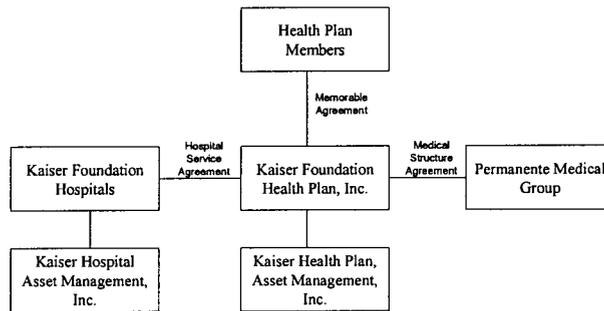
DATE ADOPTED: _____

**California Statewide Communities Development Authority
Kaiser Permanente Application for Financing**

A Detailed Applicant History

Background on Formation, Mission and Goals. Kaiser Foundation Hospitals ("Hospitals") was incorporated on February 20, 1948, and is part of the health care delivery system known as the Kaiser Permanente Medical Care Program ("Kaiser Permanente"). Hospitals' subsidiaries, Kaiser Foundation Health Plan, Inc. ("Health Plan, Inc.") and its subsidiaries (collectively with Health Plan, Inc. referred to as the "Health Plan Organization" and individually as a "Health Plan Organization") and 8 independent medical groups (the "Permanente Medical Groups") are the other organizations comprising Kaiser Permanente. The Health Plan Organizations operate the largest nonprofit health plan system in the United States. Kaiser Permanente serves over 8,000,000 members and employs over 90,000 people and over 11,000 physicians are associated with the Permanente Medical Groups.

Corporate Chart



Kaiser Permanente operates in 9 states and the District of Columbia. In each market, Kaiser Permanente consists of three separate but closely cooperating organizations: One of the Health Plan Organization facilities provided or arranged by Hospitals and an independent Permanente Medical Group. In California and in Hawaii, the Health Plan Organization is Kaiser Foundation Health Plan, Inc.

The Health Plan Organizations are nonprofit corporations that enter into membership contracts with individuals and groups to arrange comprehensive health care services on a predominately prepaid basis. Benefits under membership contracts include hospital care, professional care in hospitals and physicians' offices, X-ray and laboratory services, physician therapy, emergency ambulance service, health education and prescribed drugs. All Health Plan Organizations are federally qualified HMOs under the HMO Act of 1973. The Health Plan Organization in each region contracts with Hospitals to provide or arrange hospital services and with one of the Permanente Medical Groups to provide professional services required to provide the health benefits covered by membership contracts. In addition, each Health Plan Organization provides certain supportive services to Hospitals and the regional Permanente Medical Group. Besides performing functions such as enrollment, data processing, accounting, purchasing and transportation services, Health Plan Organizations operate prescription pharmacies at non-hospital locations.

Hospitals contract with the Health Plan Organization in each region to provide or arrange all hospital services covered by membership contracts. All of its hospitals are community hospitals, and staff privileges are available on the usual basis to qualified physicians in the community. In four regions (Colorado, Mid-Atlantic states, Ohio, Georgia) Hospitals does not operate hospitals, it assumes the responsibility to arrange and pay for hospital services required by Health Plan Organization members at local community hospitals.

One of the Permanente Medical Groups contracts with the Health Plan Organization in each region to provide or arrange the professional and related medical care covered by membership contracts. Each Medical Service Agreement is for a term of one or more years, renewable upon mutual agreement. The compensation paid to Permanente Medical Groups is negotiated at arm's length, and in consideration of the provision of professional and related administration services. Additional compensation is budgeted but is paid only if and to the extent that the Health Plan Organization meets certain financial, member satisfaction, quality and other goals. The physician groups are principally organized as professional corporations (one is a partnership), and each is responsible for its own physician recruitment, selection and staffing patterns. Each Permanente Medical Group derives over 95% of its professional income from serving members.

Kaiser Health Plan Asset Management, Inc. and Kaiser Hospital Asset Management, Inc. were formed in 1998 for the purpose of acquiring equipment and leasing it solely to Kaiser Foundation Hospitals and Kaiser Foundation Health Plan, Inc. respectively. One of the responsibilities of these organizations is to better track equipment throughout the Health Plan Organizations.

Kaiser Foundation Hospitals, Kaiser Foundation Health Plan Inc., Kaiser Health Plan Asset Management Inc. and Kaiser Hospital Asset Management Inc. will be the joint and several Obligor.

Kaiser Permanente's Community Benefit Commitment

Health Plan and Hospitals provide a significant community benefit as part of a truly integrated delivery system that serves the health care needs of over 6.2 million Californians who are Kaiser Permanente members. Providing low-cost, high quality, comprehensive health benefits coverage and care that emphasizes prevention contributes to the quality of life in California and helps to prevent medical indigence.

- **Comprehensive Benefits.** Health Plan and Hospitals provides coverage for unlimited hospital days, physician visits, preventive services, immunizations, well-baby care and prenatal care. Enrollees pay limited co-payments, which protect members from substantial out-of-pocket costs. Comprehensive, prepaid coverage removes or minimizes financial barriers to care promoting early consultation, detection and treatment of disease. Health Plan and Hospitals actively encourages members to maintain their health through regular preventive self-care. This reduces uncompensated care and prevents medical indigence by encouraging and financing preventive medical care at the most effective and appropriate level.
- **No Pre-Existing Condition Exclusions.** Pre-existing condition exclusions allow carriers to exclude from coverage care for a condition that preceded enrollment with the carrier. Health Plan and Hospitals imposes no pre-existing condition exclusions and thereby provides substantial protection for new members who are ill at the time of enrollment. By ensuring that all our enrollees are covered for all their medical needs, we reduce the amount of uncompensated care, promote the health of our members, and prevent medical indigence.

Participation in Publicly Financed Programs in Addition to Medi-Cal and Medicare

Health Plan and Hospitals participate in three state health insurance programs, in addition to Medi-Cal and Medicare, directed at preventing medical indigence.

- **Major Risk Medical Insurance Program (MRMP).** This program provides limited insurance for those who are not insurable for individual coverage because of pre-existing conditions or excessively high medical bills. Health Plan has participated in this program since inception. For 2001, Health Plan had 3,598 members enrolled from MRMP.
- **Access for Infants and Mothers Program (AIM).** Health Plan and Hospitals participates in this health insurance program for low-income pregnant women. Women who are eligible for Medi-Cal and who are not covered by any other public or private health care insurance program will receive coverage for during the term of their pregnancy and for 60 days postpartum. Children born under the AIM program receive health coverage for two full years after they are born. Health Plan enrolled 1,536 AIM beneficiaries in 2001.
- **Health Families.** Health Plan enrolled 39,364 children as members by year-end 2001 from this state funded commercial insurance program for uninsured children from low and moderate-income families in California. Health Plan provides comprehensive health benefits coverage including dental, and vision care. Health Plan provided over \$1.7 million in subsidized coverage to these members.

Direct Community Benefit Investment Program

As part of the long-standing commitment of Health Plan and Hospitals to the communities it serves, the Health Plan/Hospitals Board of Directors formally approved the Direct Community Benefit Investment ("DCBI") policy in March 1996. In 2001, Health Plan and Hospitals in California committed nearly 2% of total revenue to community benefit expenditures focusing on (i) improving the health of children, (ii) improving the health of the uninsured through subsidized coverage or care, and (iii) advancing medical knowledge through clinical and health services research. Examples of specific programs in California include:

Kaiser Permanente Cares for Kids. Kaiser Permanente Cares for Kids (KPCK) Initiative was designed to ensure universal health care coverage for California uninsured children. The centerpiece of this initiative is the provision of subsidized healthcare coverage for uninsured children ineligible for the State's Medi-Cal or Healthy Families programs due to their income or immigration status.

The Child Health Plan opened for enrollment in September 1998 and target children under the age of 19 who live within one of Kaiser Permanente's service areas in California and have family incomes between 250% and 300% of the Federal Poverty Level. KPCK Child Health Plan provides a comprehensive benefit package that includes inpatient and outpatient services, prescription drugs, dental and vision care. As of December 31, 2001, Health Plan enrolled 2,770 children into the program and provided \$2.3 million in subsidized coverage.

Steps Plan. In 2001, Health Plan and Hospitals spent \$23.3 million to provide subsidized coverage to over 8,513 low-income persons enrolled in the Steps Plan. These individuals are not eligible for other public or privately funded coverage in California. This program provides Health Plan members the opportunity to continue their health care coverage at reduced costs when they are experiencing financial difficulties due to job loss, involuntary reduction in work hours, death, divorce, or legal separation from a spouse. Based on income, the plan subsidizes the cost of health care coverage in four graduated percentages or steps of 80%, 60%, 40% and 20%. Participants remain in the entry-level step for one full year before moving to the next subsidized level. The plan is also offered to parents of children enrolled in Healthy Families or KP Cares for Kids Child Health Plan and participants of specially designated vocational training and job placement programs.

Charitable Care. Hospitals in California spent \$8.8 million in 2001 to assist those patients with limited resources to pay for care provided in Kaiser Permanente facilities. There are two programs designed to distinguish true charity care from bad debt.

- The Medical Financial Assistance (MFA) provides assistance to those patients who are unable to pay for all or part of the health care services and supplies that they receive within Kaiser Permanente medical facilities and from Kaiser Permanente providers, and when appropriate from non-Kaiser Permanente providers and facilities. Patients must meet the established eligibility criteria in order to participate in the program.
- The Indigent Care (Northern California only) is an account set up for emergency services to charge the cost of care and treatment given to homeless persons without a known address.

Clinical and Health Services Research. Health Plans and Hospitals spent approximately \$15.0 million in 2001 to conduct and support clinical and health research. The results of many of these studies not only affect the practice of medicine within Kaiser Permanente, but also are shared with community providers to benefit society. These studies provide great community benefit as they typically address problems of significant health policy interest or are designed to improve the quality of care or the quality of life for society at large. KPH operates two large research departments: the Division of Research in Northern California and the Department of Research and Evaluation in Southern California. In addition to sponsoring these departments, Hospitals also supports other research-related programs such as Kaiser Foundation Research Institute, Medical Editing, Medical Libraries and maintains Cancer Tumor Registries.

Watts Counseling and Learning Center. For 35 years, the Watts Counseling and Learning Center has been a valuable community resource for low income, inner city families of Watts and South Central Los Angeles. The center provides mental health and counseling services, assistance to children with learning disabilities, and job related services to nearby residents. In addition, they operate a state-licensed preschool and after-school child care program, conduct a summer day camp, manage support groups of Kids Can Cope (parents or siblings of children with cancer) and train graduate social work interns from local universities. In 2001, over 700 children and adults participated in the various programs and services offered at Watts Counseling and Learning Center. Costs to support this program totaled \$1.8 million.

Educational Outreach Program. The Educational Outreach Program, which focuses on dropout prevention is offered as a free community service primarily for Latino youth ages 10-14 in Baldwin Park, 20 miles east of metropolitan Los Angeles. Children and parents can attend nine different after-schools and Saturday programs conducted both in English and Spanish, including homework assistance and study skills; reading improvement; *Aprendiendo Juntas* Learning Together, mother-daughter workshops; MotherRead parent literacy classes; SafeSitter workshops; summer enrichment; special education advocacy; and Medical Explorer Post and Summer Youth programs. This community benefit program is an outgrowth of the Watts Counseling and Learning Center. During 2001, this community program served 516 children and their parents. KFI spent \$380,616 to support this community program.

Educational Theater Program. Hospitals spent over \$3.1 million in 2001 to support the Educational Theatre Program ("ETP"). ETP has performed free, award-winning, health education plays for youth in grades K-12 for 15 years in California. There are several programs in ETP's repertoire: The Bodywise Traveling Menagerie and Star Challenge, promoting health and safety while discouraging tobacco, alcohol and drug use (grades K-5); P.E.A.C.E., Signs, modeling for students grades 4th-6th, How to Cope with issues of violence; Nightmare on Puberty Street, addressing the common adolescent question, "Am I normal?" (Grades 6-8); Intersections, presenting issues of personal responsibility, communication and the consequences of life choices (grades 6-10); and Secrets, raising HIV, AIDS and STD awareness among high school students. In 2001, approximately 416,000 children, parents and teachers attended performances. Supplementary materials such as teaching guides, student guides, parent materials and posters reinforce the educational messages in each presentation.

Grants and Donations. Hospitals gave approximately \$9.3 million in grants and donations during 2001. Through the Community Contribution Program, Kaiser Permanente provides donations and grants to a myriad of non-profit community-based organizations serving diverse communities throughout California. More than 1,800 organizations received support in 2001.

Requests for funding are received year round. Preference is given to programs that address specific needs of vulnerable populations including children, disabled persons, economically disadvantaged families, and the elderly. Grants also are awarded to eligible groups and organizations for hosting health conferences and fairs, providing health education messages, sponsoring non-profit fundraising events and supporting capital campaigns. The program does not fund academic research, contributions to individuals, leisure and recreation programs, performing arts programs or political campaigns.

The program has six principal grant categories: SB 697 Grant Funds, Community Clinic Partners, Growing Healthy Community Grants, HIV/AIDS grants, Community Relations Grants and the Board of Directors Fund.

- **SB 697 Grant Funds.** These funds are allocated annually to each the 27 KFH medical centers to support community benefit activities and projects outlined in the local community benefit plans. Most funding is in the form of contributions to community coalitions and collaboratives, local government agencies, nonprofit 501(c) 3 organizations, and public schools. Funds also may be used for additional resources including consultants, staff positions and in-kind services.
- **Clinic Partners Program** was created in response to the growing number of medically indigent California residents. KFH service areas form partnerships with neighboring community, free, and school-based health clinics in order to increase their service capacity. KFH provides financial, human, and technical resources to the clinics and KFH physicians, nurses, medical professional and other employees volunteer their time. Graduate medical residents and participants in other health profession training programs complete rotations at several clinics to provide care for uninsured patients. KFH donates surplus equipment, furniture, and supplies including computers, examination tables, filing cabinets and waiting room chairs to the clinics. In addition, as part of the program, regional and state clinic associations receive funds to ensure that the existing network of "safety net" providers remains coordinated and strong.
- **HIV/AIDS Grants** support community agencies throughout California that serve the health care needs of individuals with HIV/AIDS. Submitted proposals are reviewed and approved by internal committees from each KFH service area. Awards range from \$3,000 to \$10,000.
- **Growing Healthy Communities.** Grants of \$25,000 each are awarded annually to two nonprofit, community-based organizations in Northern California and two in Southern California for programs to help families managing care for members with childhood obesity or diabetes.
- **Community Relations Grants.** In addition to directly funding and supporting programs and services provided by non-profit community agencies that serve vulnerable populations, KFH supports many of their general fundraising events. Community Relations grants also sponsors many health-related conferences, and public forums, and contribute to local chapters of national organizations such as American Diabetes, American Heart and American Lung Associations that serve the broader community.
- **Board of Directors Fund.** The Kaiser Permanente Program Office at national headquarters maintains a Board of Directors Fund to support national non-profit organizations and initiatives. All divisions contribute to the fund.

Community Wellness Programs

Providing health education is an important, long-time service provided to communities by Hospitals. Most often, our facilities serve as primary sites for dissemination of health education and materials to KFHP members and the community at large. Hospital-based health education centers offer books, pamphlets and videos on a wide variety of topics. Other health education services are also offered through community programs, in which Kaiser Permanente employees frequently participate, (e.g. health education classes and seminars, health fairs, health screenings, neighborhood outreach programs and worksite wellness programs). Activities include distribution of health education brochures in different languages, as well as blood pressure and cholesterol screenings and eyeglass repairs offered free of charge. Typical topics for classes and seminars include breast-feeding, HIV prevention, pediatric asthma, and prostate cancer. Hospitals spent approximately \$1.4 million.

Provider Education and Training Programs

Hospitals spent \$30.9 million education and training for physicians, medical interns and residents.

- **Graduate Medical Education (GME).** Hospitals has provided medical resident training for more than 50 years. The training program is a unique medical education model, because it is offered within an integrated health care delivery system. Two regionally administered programs, North and South included both KFHP-affiliated and independent residents. In the 2000-2001 academic year, Hospital trained 675 residents, 66% of whom were studying in primary care areas of medicine, including family medicine, internal medicine, obstetrics/gynecology, pediatrics, and psychiatry. As part of their program, many of the independent residents include a community rotation to provide medical care to disadvantaged populations in variety of ambulatory settings such as community clinics, school-based health centers, homeless shelters, and migrant farmworker camps. The dollar amount reported reflects the unreimbursed costs of administering such a large residency program.

- **Continuing Medical Education.** In order to maintain their state licenses, physicians are required to complete a minimum of 50 hours of continuing medical education (CME) every two years. Physician Education and Development, Northern California, and Regional Symposia and the Physician Education Department, Southern California provide Permanente Medical Group physicians and community providers with on-going education and training to ensure patients receive quality, up-to-date health care. Many of the education programs are opened up to community providers.
- **Nurse Practitioner and Other Non-Physician Training Programs.** Hospitals in California spent over \$5.1 million in training programs for nurse practitioners, nurses, radiology and pharmacy technicians, physical therapists, and other non-physician health professionals. There are eighteen different training and education programs. Examples of these programs are listed below:
- **Kaiser Permanente School of Radiology (KPSOR).** Founded in 1989, KPSOR was established as a response to severe shortage of radiological technologists. Since, the program has graduated over 150 technologists. The program operates in partnership with Contra Costa College and the City of Richmond's Education and Training Department to ensure the program is made accessible to underserved communities.
- **Delores Jones Nursing Scholarship Program.** This scholarship program provides financial assistance to nursing students primarily in Southern California as they pursue and achieve their educational and career goals. The program targets students from underrepresented groups including men and those striving for academic excellence despite financial challenges. In 2001, 150 students received scholarship awards ranging between \$1,000-\$5,000.
- **Psychology and Social Work Internship Program.** Currently, this program is only offered in selected Northern California Hospital facilities. Students who have completed their undergraduate academic training in psychology and are taking postgraduate course leading to a Master's or Doctoral degree in clinical psychology or social work are eligible to participate in this program. The program offers regular and intensive exposure to all facets of outpatient services, professional guidance and weekly seminars.
- **Orthopedic Physical Therapy Residency Program.** This residency program established in 1979 and located at the Hayward Medical Center is the oldest manual therapy residency program in the United States. The program provides post-professional advanced specialty training and graduate credit can be earned for a master degree or clinical doctorate in physical therapy. As part of the course curriculum, resident design and implement a teaching project for the community.
- **Kaiser Permanente School of Anesthesia for Nurses.** The Kaiser Permanente School of Anesthesia for Nurses, which was founded in 1972, is a pioneer of graduate level education for nurse anesthetists. The school in partnership with California State University Long Beach offers a two-year, sequential academic and clinical graduate program for nurses with a bachelor's degree. When they complete the program, students earn the degree of Master of Science in Nursing with clinical specialty in Anesthesiology.

Pharmacist Residency Program. During this one-year, postgraduate education and training program, licensed pharmacists have the opportunity to gain additional experience in pharmaceutical administration and care in a fully integrated, nonprofit managed care organization. This program enables them to experience the continuity and variety a wide range of ambulatory care and hospital settings. The nationally accredited program accepts 18 residents annually.

Youth Employment Programs. In California, Hospitals spent approximately \$1.4 million to fund youth employment programs aimed at improving the education and job skill levels of disadvantaged young people.

- **Summer Youth.** This program provides economically disadvantaged youth, primarily high school students with supportive and meaningful employment experiences in the health care field. Many former students are now employed with the organization as registered nurses, Assistant department administrators, lab technicians, opticians and engineers.
- **Inroads.** This is a nationwide career development organization whose mission is to recruit and develop talented minority youth to prepare them for corporate and community leadership. Health plan and Hospitals has participated in this program for more than ten years. Outstanding African American, Latino and Native American students are recruited during their senior year in high school or their first year of college to participate in the program as interns. These student interns typically work two to five summers within the organization with the goal of full-time employment upon graduation.

D Facility Addresses

The Series 2003 Bonds will be used to refinance the Series 1983 (1993 Re-Offering), 1985 (1994 Re-Offering) and 1993C Bonds. The addresses of the facilities that bond proceeds were originally used for are:

I. 1983 Re-offered Tender Bonds

- A. Hayward Medical Center
27400 Hesperian Boulevard
Hayward, CA 94545

- B. San Rafael Medical Center
99 Montecillo Road
San Rafael, CA 94903

- C. Santa Clara Medical Center
900 Kiely Boulevard
Santa Clara, CA 95051

- D. Santa Teresa Medical Center
250 Hospital Parkway
San Jose, CA 95119

- E. South San Francisco Medical Center
1200 El Camino Real
San Francisco, CA 94080

- F. Walnut Creek Medical Center
1425 South Main Street
Walnut Creek, CA 94596

- G. Woodland Hills Medical Center
5601 De Soto Avenue
Woodland Hills, CA 91367

II. 1985 Re-offered Tender Bonds

- A. Los Angeles Medical Center
4747 Sunset Boulevard
Los Angeles, CA 90027

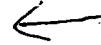
- B. Redwood City Medical Center
1150 Veterans Boulevard
Redwood City, CA 94603

- C. San Diego Medical Center
4647 Zion Avenue

San Diego, CA 92120

Project Locations

- D. Riverside Medical Center
10800 Magnolia Avenue
Riverside, CA 92505
- E. South Sacramento Medical Center
6600 Bruceville Road
Sacramento, CA 95823
- F. West Los Angeles Medical Center
6041 Cadillac Avenue
West Los Angeles, CA 90034



III. 1993 Series C

- A. Bellflower Medical Center
9400 East Rosecrans Avenue
Bellflower, CA 90706
- B. Los Angeles Medical Center
4747 Sunset Boulevard
Los Angeles, CA 90027
- C. Orange County Medical Center (Anaheim)
441 North Lakeview Avenue
Anaheim, CA 92807
- D. Panorama City Medical Center
13652 Cantara Street
Panorama City, CA 91402
- E. Roseville Medical Center
1001 Riverside Avenue
Roseville, CA 95678
- F. Vallejo Medical Center
975 Sereno Drive
Vallejo, CA 94589