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September 26, 2006

VIA FACSIMILE (323-783-7101) & U.S. MAIL

Mr. Justen Deal
Kaiser Permanente
1515 North Vermont Avenue, Floor 4
Los Angeles, CA 90027-5337

Dear Mr. Deal:

This letter serves to advise you that we are in receipt of your September 25, 2006 letter to the Board of Directors of Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals, and the issues you have raised will be thoroughly evaluated.

While this letter is not intended to respond to all of your allegations, I would like to address your concern regarding Kaiser's selection of Epic Systems Corporation to assist with the development of its electronic medical records system. Although you may personally disagree with Kaiser's vendor selection, Epic Systems is a prominent developer of healthcare information systems and has been used by numerous health care organizations for their medical record systems needs. Indeed, Epic System's client list includes: Allina Hospitals & Clinics, Advanced Healthcare, CentraCare Health Systems, Children's Hospital Boston, Children's Hospital of Philadelphia, Children's Memorial Hospital, Cleveland Clinic Foundation, Evanston Northwestern Healthcare, Fairview Health Service, Geisinger Health System, Group Health Cooperative, Harvard Vanguard Medical Associates, HealthPartners Institute for Urban Family Health, Loyola University Medical Center, Meriter Health Services, Nemours Foundation, Oregon Community Health Information Network, Parkland Health and Hospital System, Rush University Medical Center, Palo Alto Medical Foundation, Sentara Healthcare, St. Mary's Duluth Clinic, Texas Health Resources, Thedacare, Tucson Medical Center, University of California Davis Medical Center, University of Utah Health Network, and Vanderbilt University Medical Center. Do you have any concerns that you can share with us about the decision-making process used by these providers to select Epic?

Please do not hesitate to contact me if you have any questions.

Sincerely,

Deborah Broyles/ab
Deborah J. Broyles

DJB/ab
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