

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>PERMANENTE PHYSICIANS RETIREMENT PLAN FOR OPMG, INC.</u>	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ▶</td> <td><u>011</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>02/01/1982</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>011</u>	1c Effective date of plan	<u>02/01/1982</u>
1b Three-digit plan number (PN) ▶	<u>011</u>				
1c Effective date of plan	<u>02/01/1982</u>				
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>OHIO PERMANENTE MEDICAL GROUP, INC.</u> <u>C/O KAISER FOUNDATION HEALTH PLAN</u> <u>ONE KAISER PLAZA, SUITE 2001</u> <u>OAKLAND, CA 94612</u>	<table border="1"> <tr> <td>2b Employer Identification Number (EIN) <u>34-1355001</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>510-271-5940</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>621112</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>34-1355001</u>	2c Sponsor's telephone number <u>510-271-5940</u>	2d Business code (see instructions) <u>621112</u>	
2b Employer Identification Number (EIN) <u>34-1355001</u>					
2c Sponsor's telephone number <u>510-271-5940</u>					
2d Business code (see instructions) <u>621112</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/13/2012</u>	<u>HARRIET E GUBERMAN</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") KAISER FOUNDATION HEALTH PLAN, INC. ONE KAISER PLAZA, SUITE 2001 OAKLAND, CA 94612	3b Administrator's EIN 94-1340523 3c Administrator's telephone number 510-271-5940
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	309
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	169
b Retired or separated participants receiving benefits.....	6b	17
c Other retired or separated participants entitled to future benefits.....	6c	101
d Subtotal. Add lines 6a , 6b , and 6c	6d	287
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	14
f Total. Add lines 6d and 6e	6f	301
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	4

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1E 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>PERMANENTE PHYSICIANS RETIREMENT PLAN FOR OPMG, INC.</u>	B Three-digit plan number (PN) ▶ <u>011</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>OHIO PERMANENTE MEDICAL GROUP, INC.</u>	D Employer Identification Number (EIN) <u>34-1355001</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>	
2 Assets:	
a Market value	2a <u>62184260</u>
b Actuarial value	2b <u>58021750</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment	3a <u>29</u> (1) Number of participants <u>6811863</u> (2) Funding Target
b For terminated vested participants	3b <u>106</u> <u>14084674</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>3971477</u>
(2) Vested benefits	3c(2) <u>38923637</u>
(3) Total active	3c(3) <u>174</u> <u>42895114</u>
d Total	3d <u>309</u> <u>63791651</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.08 %</u>
6 Target normal cost	6 <u>3784960</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>08/15/2012</u>
Signature of actuary	Date
<u>BLAKE P. MURPHY</u>	<u>11-05322</u>
Type or print name of actuary	Most recent enrollment number
<u>HEWITT ASSOCIATES LLC</u>	<u>949-725-4500</u>
Firm name	Telephone number (including area code)
<u>100 BAYVIEW CIRCLE</u> <u>NEWPORT BEACH, CA 92660-2935</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	7245487	8700625
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	3069015	0
9	Amount remaining (line 7 minus line 8)	4176472	8700625
10	Interest on line 9 using prior year's actual return of <u>12.95</u> %	540853	1126731
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		4019149
b	Interest on (a) using prior year's effective rate of <u>6.56</u> % except as otherwise provided (see instructions)		459766
c	Total available at beginning of current plan year to add to prefunding balance		4478915
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	4717325	3082675
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	6744681

Part III		Funding percentages	
14	Funding target attainment percentage	14	80.38 %
15	Adjusted funding target attainment percentage	15	80.38 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.80 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and liquidity shortfalls	
18 Contributions made to the plan for the plan year by employer(s) and employees:			
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
01/17/2012	5000000		
08/13/2012	500000		
Totals ▶		18(b)	5500000
		18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 5155746
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.78%	2nd segment: 6.31%	3rd segment: 6.57 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	3784960	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	12514582	2059031	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	5843991	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	3847944	3847944
36 Additional cash requirement (line 34 minus line 35)	36	1996047	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	5155746	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	3159699	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	3159699	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning	01/01/2011	and ending	12/31/2011
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A Name of plan PERMANENTE PHYSICIANS RETIREMENT PLAN FOR OPMG, INC.	B Three-digit plan number (PN)	011
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500 OHIO PERMANENTE MEDICAL GROUP, INC.	D Employer Identification Number (EIN) 34-1355001
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE:	KAISER PERMANENTE GROUP TRUST
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b Name of sponsor of entity listed in (a):	KAISER PERMANENTE MED CARE PROGRAM
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c EIN-PN	94-6365467-101	d Entity code	E	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	59706028
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
---	--

c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
--	--

b Name of sponsor of entity listed in (a):	
---	--

c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
--	--

b Name of sponsor of entity listed in (a):	
---	--

c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan PERMANENTE PHYSICIANS RETIREMENT PLAN FOR OPMG, INC.	B Three-digit plan number (PN) ►	011
C Plan sponsor's name as shown on line 2a of Form 5500 OHIO PERMANENTE MEDICAL GROUP, INC.	D Employer Identification Number (EIN) 34-1355001	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	5000000	5500000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)	61919844	59706028
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	66919844	65206028

Liabilities

g Benefit claims payable	1g	4503898	0
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	4503898	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	62415946	65206028
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	5500000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		5500000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		1927443
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		7427443

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4637361	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		4637361
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4637361

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2790082
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MORRIS, DAVIS AND CHAN LLP

(2) EIN: 94-2214860

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		71500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>PERMANENTE PHYSICIANS RETIREMENT PLAN FOR OPMG, INC.</u>	B Three-digit plan number (PN) ▶ <u>011</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>OHIO PERMANENTE MEDICAL GROUP, INC.</u>	D Employer Identification Number (EIN) <u>34-1355001</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3581074</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>4</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☒ Increase	☐ Decrease	☐ Both	☐ No
--	--	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**PERMANENTE PHYSICIANS
RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

TRUST NO. 15669 AND NO. 16947

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
TOGETHER WITH INDEPENDENT
AUDITORS' REPORT

DECEMBER 31, 2011 AND 2010

MORRIS, DAVIS & CHAN LLP
Certified Public Accountants

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

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MORRIS, DAVIS & CHAN LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Investment Committee
**Permanente Physicians Retirement Plan for
Ohio Permanente Medical Group, Inc.**
Trust No. 15669 and No. 16947

We have audited the accompanying statements of net assets available for benefits of the **Permanente Physicians Retirement Plan for Ohio Permanente Medical Group, Inc.** (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2011, and changes therein for the year then ended and its financial status as of December 31, 2010, and changes therein for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes as of December 31, 2011 and reportable transactions for the year ended December 31, 2011, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Morris, Davis & Chan LLP

Oakland, California
October 8, 2012

1111 Broadway, Suite 1505 • Oakland, California 94607 • (510) 250-1000 • Fax (510) 250-1032

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Assets		
Investments, at fair value		
Investment in a 103-12 investment entity	\$ 59,616,872	\$ 61,833,697
Contribution receivable from Employer	5,500,000	5,000,000
Net assets held in 401(h) account	<u>89,156</u>	<u>86,147</u>
 Total assets	 <u>65,206,028</u>	 <u>66,919,844</u>
Liabilities		
Amounts related to obligation of 401(h) account	<u>89,156</u>	<u>86,147</u>
 Total liabilities	 <u>89,156</u>	 <u>86,147</u>
 Net assets available for benefits	 <u><u>\$ 65,116,872</u></u>	 <u><u>\$ 66,833,697</u></u>

The accompanying notes are an integral part of the financial statements.

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Investment income		
Net appreciation in fair value of investments	\$ 680,431	\$ 5,377,050
Interest and dividends	1,598,979	1,704,906
	<u>2,279,410</u>	<u>7,081,956</u>
Contributions from Employer	<u>5,500,000</u>	<u>5,000,000</u>
	<u>7,779,410</u>	<u>12,081,956</u>
Total additions		
Retirement benefits paid	9,141,733	7,358,680
Administrative expenses	<u>354,502</u>	<u>398,976</u>
	<u>9,496,235</u>	<u>7,757,656</u>
Total deductions		
Net (decrease) increase	(1,716,825)	4,324,300
Net assets available for benefits		
Beginning of year	<u>66,833,697</u>	<u>62,509,397</u>
End of year	<u><u>\$ 65,116,872</u></u>	<u><u>\$ 66,833,697</u></u>

The accompanying notes are an integral part of the financial statements.

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE A - Description of the Plan

The following description of the **Permanente Physicians Retirement Plan for Ohio Permanente Medical Group, Inc.** (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit plan established effective February 1, 1982. The Plan covers substantially all physicians. Retirement benefits are based on the participant's compensation and years of credited service. Participants become vested on completion of 5 years of service or, if earlier, the attainment of age 65. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

401(h) Account

The Plan includes a medical-benefit component in addition to the normal retirement benefits to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code (IRC). A separate account (Trust No. 16947) has been established and maintained in the Plan for the net assets related to the medical-benefit component (401(h) account). In accordance with IRC Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Plan participants do not contribute to the 401(h) account. Employer contributions to the 401(h) account are determined annually and are at the discretion of the Plan Sponsor.

NOTE B - Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Accounting Pronouncement Issued and Adopted

In January 2010, Accounting Standard Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*, expanded the required disclosures about fair value measurements. ASU 2010-06 requires separate disclosure of significant transfers into and out of Level 1 and Level 2, along with reasons for such transfers; presentation of fair value disclosures by "nature and risk" class for all fair value assets and liabilities effective for 2010 reporting; and separate presentation of gross purchases, sales, issuances, and settlements in the Level 3 reconciliation effective beginning with 2011 reporting. The Plan's financial statements are presented to conform to the applicable requirements of ASU 2010-06. See Note D for discussion of fair value measurements.

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE B - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in accordance with GAAP requires Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note D for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Payment of Retirement Benefits

Retirement benefits are recorded when paid.

Administrative Expenses

Administrative expenses paid by the Plan consist primarily of investment advisor and trustee fees, actuarial and audit fees, pension calculation and benefit administration fees, and premiums paid to the Pension Benefit Guaranty Corporation (PBGC). Certain Kaiser Permanente employee and administrative costs are also paid by the Plan.

Subsequent Events

In preparing the financial statements, significant transactions and events have been evaluated for potential recognition through October 8, 2012, the date the financial statements were available to be issued. Plan management has determined that there are no subsequent transactions and events that require adjustment to or disclosure in the financial statements.

NOTE C - Restructuring of the Kaiser Permanente Master and Collective Trust

Prior to December 29, 2010, the Plan's assets were held in the Kaiser Permanente Master and Collective Trust (KPMCT). The KPMCT held the Defined Benefit Investment Fund (the Fund) for participating defined benefit plans as well as the Marsico Growth Equity Fund and the Stable Income Fund for participating defined contribution plans sponsored by Kaiser Foundation Health Plan, Inc. (KFHP) and the Permanente Medical Groups (PMGs). State Street Bank and Trust Company (State Street) served as trustee of the KPMCT.

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE C - Restructuring of the Kaiser Permanente Master and Collective Trust (Continued)

On December 29, 2010, the KPMCT was amended and restated into the Kaiser Permanente Group Trust (KPGT), a 103-12 investment entity, and the Kaiser Permanente Collective Investment Trust (KPCIT) was established. State Street continued on as trustee of the KPGT. The net assets of the Marsico Growth Equity Fund and the Stable Income Fund were transferred from the KPMCT to the KP Growth Equity Fund and the KP Stable Income Fund, respectively, in the KPCIT. Global Trust Company (Global Trust) became the trustee of KPCIT and State Street became its custodian.

NOTE D - Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE D - Fair Value Measurements (Continued)

The following is a description of the valuation methodology used for investment measured at fair value. There has been no change in the methodology used as of December 31, 2011 and 2010.

- Investment in a 103-12 investment entity is stated at fair value as determined by the issuer based on the unit value of the Fund. Unit value is determined by dividing the Fund's net assets, which represent the unadjusted prices in active markets of the underlying investments, by the number of units outstanding at the valuation date. While not publicly traded, the Fund is comprised primarily of underlying securities represented by a variety of asset classes that are publicly traded on exchanges or over-the-counter, and price quotes for the assets held by the Fund are readily observable and available. Therefore, the Fund is categorized as a Level 2 investment.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Plan's investment in the Fund of \$59,616,872 and \$61,833,697 represents 5% or more of the Plan's net assets as of December 31, 2011 and 2010, respectively.

NOTE E - Funding and Actuarial Matters

The following funding and actuarial information relates to the retirement benefit portion of the Plan (Trust No. 15669).

Employer contributions, as certified by an independent actuary, are made annually in amounts which satisfy the funding standards of ERISA. Employer contributions for the years ended December 31, 2011 and 2010 were \$5,500,000 and \$5,000,000, respectively.

The significant assumptions underlying the actuarial computations for the January 1, 2011 and 2010 valuations are as follows:

	<u>2011</u>	<u>2010</u>
Actuarial Method	- Standard Unit Credit Method	Standard Unit Credit Method
Interest	- Segment rates with a 4-month look back to September 2010, with an effective rate of 6.1%	Segment rates with a 4-month look back to September 2009, with an effective rate of 6.6%

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE E - Funding and Actuarial Matters (Continued)

	<u>2011</u>	<u>2010</u>
Mortality after Retirement	- Based upon the 2011 Static Mortality Table with separate annuitant and nonannuitant rates	Based upon the 2010 Static Mortality Table with separate annuitant and nonannuitant rates
Turnover and Mortality before Retirement	- Combined rates have been assumed to range from 18.2% at age 25 to 3.6% at age 60 for male employees and 17.3% at age 25 to 3.6% at age 60 for female employees.	Combined rates have been assumed to range from 13.2% at age 25 to 0% at age 60 for male employees and 15.6% at age 25 to 0% at age 60 for female employees.
Age at Retirement	- Retirement is assumed to occur at various ages starting at age 55 with 100% retirement assumed at age 70.	Retirement is assumed to occur at various ages starting at age 55 with 100% retirement assumed at age 67.

The accumulated plan benefit information as of January 1, 2011 and 2010, based on the above actuarial assumptions, is as follows:

	<u>2011</u>	<u>2010</u>
Vested benefits		
Participants or beneficiaries currently receiving payments	\$ 6,811,863	\$ 5,627,423
Other participants	53,008,311	53,692,840
	<u>59,820,174</u>	<u>59,320,263</u>
Nonvested benefits	<u>3,971,477</u>	<u>2,969,567</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 63,791,651</u></u>	<u><u>\$ 62,289,830</u></u>

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE E - Funding and Actuarial Matters (Continued)

As of January 1, 2010, the total actuarial present value of accumulated plan benefits was \$62,289,830. During 2010, the actuarial present value of accumulated plan benefits increased by \$1,501,821 due to the following:

Actuarial present value of accumulated plan benefits as of January 1, 2010	<u>\$ 62,289,830</u>
Increase (decrease) during the year attributable to	
Interest accumulation	3,697,120
Benefit payments	(7,358,680)
Assumption changes	3,941,313
Other changes	<u>1,222,068</u>
	<u>1,501,821</u>
Actuarial present value of accumulated plan benefits as of January 1, 2011	<u><u>\$ 63,791,651</u></u>

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. The actuarial present value of accumulated plan benefits is determined by applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money.

NOTE F - Plan Obligations

In accordance with GAAP, benefits due to terminated participants are included in net assets available for benefits. There were \$0 and \$4,503,898 benefits due to terminated participants as of December 31, 2011 and 2010, respectively.

NOTE G - Risks and Uncertainties

The Plan's investment in the Fund holds various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE G - Risks and Uncertainties (Continued)

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE H - Plan Termination

Should the Plan terminate at some future time, its net assets may not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the existing assets and the PBGC guaranty while other benefits may not be provided for at all.

NOTE I - Tax Status

The Plan has obtained a determination letter dated February 14, 2008 in which the Internal Revenue Service (IRS) stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualifications. The Plan administrator has indicated that it will take the necessary steps, if any, to maintain the Plan's qualified status.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that would not meet the more likely than not standard and be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE J - Party-in-Interest Transactions

Certain underlying assets of the Fund are managed by State Street. State Street is the trustee of the Plan. Transactions with the trustee qualify as party-in-interest transactions.

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE K - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 65,116,872	\$ 66,833,697
Amounts allocated to withdrawing participants	-	(4,503,898)
Net assets held in 401(h) account included as assets in Form 5500	<u>89,156</u>	<u>86,147</u>
Net assets available for benefits per Form 5500	<u><u>\$ 65,206,028</u></u>	<u><u>\$ 62,415,946</u></u>

Amounts allocated to withdrawing participants are recorded on Form 5500 for benefit claims that have been processed and approved for payment prior to December 31 but not yet paid as of that date. Amounts allocated to withdrawing participants represent lump sum benefits requested for payment by participants, processed and calculated by actuary during the year, but paid subsequent to year-end.

The net assets of the 401(h) account included in Form 5500 are not available to pay pension benefits but can be used only to pay retiree health benefits.

The following is a reconciliation of the changes in net assets per the financial statements to Form 5500 for the years ended December 31, 2011 and 2010:

				2011		
	Amounts per Financial Statements	End of Year Benefit Obligations Payable	401(h) Account	Beginning of Year Benefit Obligations Payable	Form 5500 Reclassification	Amounts per Form 5500
Investment income	\$ 2,279,410	\$ -	\$ 3,389	\$ -	\$ (2,282,799)	\$ -
Net investment gain from 103-12 investment entities	-	-	-	-	1,927,918	1,927,918
Contributions from Employer	5,500,000	-	-	-	-	5,500,000
Retirement benefits paid	9,141,733	-	-	(4,503,898)	-	4,637,835
Administrative expenses	354,502	-	379	-	(354,881)	-

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE K - Reconciliation of Financial Statements to Form 5500 (Continued)

		2010				
	Amounts per Financial Statements	End of Year Benefit Obligations Payable	401(h) Account	Beginning of Year Benefit Obligations Payable	Form 5500 Reclassification	Amounts per Form 5500
Investment income	\$ 7,081,956	\$ -	\$ 9,822	\$ -	\$ (7,091,778)	\$ -
Net investment gain from 103-12 investment entities	-	-	-	-	6,692,483	6,692,483
Contributions from Employer	5,000,000	-	-	-	-	5,000,000
Retirement benefits paid	7,358,680	4,503,898	-	-	-	11,862,578
Administrative expenses	398,976	-	319	-	(399,295)	-

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

EIN 34-1355001 PLAN NO. 001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 2011

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
*	Defined Benefit Investment Fund	Investment in a 103-12 investment entity (Trust No. 15669)	\$ 57,623,025	\$ 59,616,872
*	Defined Benefit Investment Fund	Investment in a 103-12 investment entity (Trust No. 16947)	75,956	89,156

* Represents a party-in-interest as defined by ERISA.

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**
EIN 34-1355001 PLAN NO. 001
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of party involved	Description of asset	Purchase price	Selling price	Lease rental	Expense incurred with transaction	Cost of asset	Current value of asset on transaction date	Net gain or (loss)
<u>Category (iii) - Series of Transactions (Aggregate) in Excess of 5% of Plan Assets</u>								
Defined Benefit Investment Fund*	Investment in a 103-12 investment entity	\$ 5,000,375	\$ -	N/A	\$ -	\$ 5,000,375	\$ 5,000,375	\$ -
Defined Benefit Investment Fund*	Investment in a 103-12 investment entity	-	9,259,422	N/A	-	8,425,243	9,259,422	834,179

There were no category (i), (ii) or (iv) reportable transactions during the year ended December 31, 2011.

* Represents a party-in-interest as defined by ERISA.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
► Round off amounts to nearest dollar.	
► Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan Permanente Physicians Retirement Plan For OPMG, Inc.	B Three-digit plan number (PN) <u>011</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Ohio Permanente Medical Group, Inc.	D Employer Identification Number (EIN) 34-1355001
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>			
2 Assets:			
a Market value	2a		62,184,260
b Actuarial value	2b		58,021,750
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	29	6,811,863
b For terminated vested participants	3b	106	14,084,674
c For active participants:			
(1) Non-vested benefits.....	3c(1)		3,971,477
(2) Vested benefits	3c(2)		38,923,637
(3) Total active.....	3c(3)	174	42,895,114
d Total.....	3d	309	63,791,651
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		6.08 %
6 Target normal cost	6		3,784,960

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Blake P. Murphy Signature of actuary Blake P. Murphy Type or print name of actuary Hewitt Associates LLC Firm name 100 Bayview Circle Newport Beach CA 92660-2935 Address of the firm	August 15, 2012 Date 11-05322 Most recent enrollment number (949) 725-4500 Telephone number (including area code)
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Part II	Beginning of year carryover and prefunding balances	(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	7,245,487	8,700,625
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	3,069,015	0
9	Amount remaining (line 7 minus line 8).....	4,176,472	8,700,625
10	Interest on line 9 using prior year's actual return of <u>12.95</u> %.....	540,853	1,126,731
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		4,019,149
b	Interest on (a) using prior year's effective rate of <u>6.56</u> % except as otherwise provided (see instructions).....		459,766
c	Total available at beginning of current plan year to add to prefunding balance.....		4,478,915
d	Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections.....	4,717,325	3,082,675
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	6,744,681

Part III	Funding percentages		
14	Funding target attainment percentage	14	80.38 %
15	Adjusted funding target attainment percentage	15	80.38 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	92.80 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV	Contributions and liquidity shortfalls																																																								
18	Contributions made to the plan for the plan year by employer(s) and employees:																																																								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">(a) Date (MM-DD-YYYY)</th> <th style="width: 20%;">(b) Amount paid by employer(s)</th> <th style="width: 20%;">(c) Amount paid by employees</th> <th style="width: 20%;">(a) Date (MM-DD-YYYY)</th> <th style="width: 20%;">(b) Amount paid by employer(s)</th> <th style="width: 20%;">(c) Amount paid by employees</th> </tr> </thead> <tbody> <tr> <td>01/17/2012</td> <td style="text-align: right;">5,000,000</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>08/13/2012</td> <td style="text-align: right;">500,000</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td colspan="2" style="text-align: right;">Totals •</td> <td></td> <td style="text-align: center;">18(b)</td> <td style="text-align: right;">5,500,000</td> <td style="text-align: center;">18(c)</td> </tr> <tr> <td colspan="2"></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> </tbody> </table>	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	01/17/2012	5,000,000					08/13/2012	500,000																													Totals •			18(b)	5,500,000	18(c)						0		
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees																																																				
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Totals •			18(b)	5,500,000	18(c)																																																				
					0																																																				

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a	Contributions allocated toward unpaid minimum required contributions from prior years.	0
b	Contributions made to avoid restrictions adjusted to valuation date.....	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	5,155,746
20	Quarterly contributions and liquidity shortfalls:	
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c	If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.78 %	2nd segment: 6.31 %	3rd segment: 6.57 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	3,784,960										
b Excess assets, if applicable, but not greater than 31a	31b	0										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment.....</td> <td>12,514,582</td> <td>2,059,031</td> </tr> <tr> <td>b Waiver amortization installment.....</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment.....	12,514,582	2,059,031	b Waiver amortization installment.....	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment.....	12,514,582	2,059,031										
b Waiver amortization installment.....	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	5,843,991										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement	0	3,847,944	3,847,944									
36 Additional cash requirement (line 34 minus line 35)	36	1,996,047										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	5,155,746										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	3,159,699										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	3,159,699										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years.....	40	0										

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Schedule SB Attachment (Form 5500)—2011 Plan Year
Permanente Physicians Retirement Plan for OPMG, Inc
EIN: 34-1355001 PN: 011

**Schedule SB, line 15—Reconciliation of Differences Between Valuation Results
and Amounts Used to Calculate AFTAP**

A recertification of the 2011 AFTAP was issued on December 30, 2011, to reflect the following adjustments:

Items	
Certification Date	September 30, 2011
AFTAP	80.06%
Recertification Date	December 30, 2011
AFTAP	80.38%
Adjustments	
Prefunding Balance	(\$200,000)

Schedule SB Attachment (Form 5500)—2011 Plan Year
Permanente Physicians Retirement Plan for OPMG, Inc
EIN: 34-1355001 PN: 011

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2011

Date	Amount	Interest Rate	Interest Adjusted Contribution
January 17, 2012	\$ 5,000,000	6.08%	\$ 4,701,244
August 13, 2012	<u>500,000</u>	6.08%	<u>454,501</u>
Total Contribution	\$ 5,500,000		\$ 5,155,746

Schedule SB Attachment (Form 5500)—2011 Plan Year
Permanente Physicians Retirement Plan for OPMG, Inc
EIN: 34-1355001 PN: 011

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

(a)	(b)	(c)	(d)
Age	Rate	Weight	Product (a) × (b) × (c)
55.5	3.00%	1.0000	1.67
56.5	3.00%	0.9700	1.64
57.5	3.00%	0.9409	1.62
58.5	3.00%	0.9127	1.60
59.5	3.00%	0.8853	1.58
60.5	15.00%	0.8587	7.79
61.5	15.00%	0.7299	6.73
62.5	15.00%	0.6204	5.82
63.5	20.00%	0.5274	6.70
64.5	20.00%	0.4219	5.44
65.5	20.00%	0.3375	4.42
66.5	30.00%	0.2700	5.39
67.5	30.00%	0.1890	3.83
68.5	30.00%	0.1323	2.72
69.5	30.00%	0.0926	1.93
70	100.00%	0.0648	4.54
Weighted Average			63.42

Schedule SB Attachment (Form 5500)—2011 Plan Year
Permanente Physicians Retirement Plan for OPMG, Inc
EIN: 34-1355001 PN: 011

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates	Based on segment rates with a four-month lookback to September 2010.
1 st Segment Rate	3.78%.
2 nd Segment Rate	6.31%.
3 rd Segment Rate	6.57%.
Effective Rate	6.08%.
Lump Sum Interest Rate	Same as funding interest rates above.
Salary Increases	Sample annual increases in salary are shown below:

Age	Rate
25	8.25%
30	7.25%
35	6.85%
40	5.95%
45	3.95%
50	3.95%
55	3.55%
60	3.55%

Optional Payment Form Election Percentage	Lump sum: 80%. Joint and survivor pop-up annuity or equivalent: 5%. Other elections: Life annuity equivalent.
Retirement Age	
Active Participants	See Table A.
Terminated Vested Participants	Age 63.
Mortality Rates	
Healthy and Disabled	2011 Static Mortality Table with separate annuitant and non-annuitant rates.
Withdrawal Rates	See Table B.

Schedule SB Attachment (Form 5500)—2011 Plan Year
Permanente Physicians Retirement Plan for OPMG, Inc
EIN: 34-1355001 PN: 011

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Surviving Spouse Benefit	It is assumed that 75% of males and 65% of females have an eligible spouse. Wives are assumed to be two years younger than their husbands.
Benefit and Compensation Limits	Benefits and compensation are limited by the current IRC section 415 maximum benefit of \$195,000 and the 401(a)(17) compensation limit of \$245,000.
Valuation of Plan Assets	3-year smoothed value.
Actuarial Method	Standard unit credit.
Valuation Date	January 1, 2011.

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Table A
Retirement Rates

Sample early retirement rates that vary by age and eligibility for unreduced retirement are shown below:

Age	Not Eligible	Eligible
55-59	3.0%	3.0%
60-62	10.0%	15.0%
63-64	10.0%	20.0%
65	20.0%	20.0%
66-69	30.0%	30.0%
70	100.0%	100.0%

Table B
Probabilities of Withdrawal

Sample ultimate rates applicable to employees with five or more years of service are as follows:

Age	Rate	
	Male	Female
25	6.6%	6.3%
30	6.0%	5.9%
35	5.5%	5.5%
40	5.1%	5.1%
45	4.7%	4.7%
50	4.1%	4.1%
55	3.3%	3.3%
60	2.4%	2.4%

For employees with less than five years of service the above turnover rates are increased by multiplying by the following percentages:

Years of Service	Factor	
	Male	Female
less than 1	275%	275%
1, but less than 2	250%	250%
2, but less than 3	200%	200%
3, but less than 5	150%	150%

Schedule SB Attachment (Form 5500)—2011 Plan Year
 Permanente Physicians Retirement Plan for OPMG, Inc
 EIN: 34-1355001 PN: 011

Schedule SB, line 26—Schedule of Active Participant Data

Number of Participants and Average Compensation

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29										
30-34		5								
35-39		6	4							
40-44	1	11	5	3						
45-49		4	4	7	8					
50-54		7	2	9	9	9				
55-59		5	5	5	6	16	2	1		
60-64			3	2	4	2	2	6		
65-69			1	1		2	2	4	1	
70+	1				1					1

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Schedule SB Attachment (Form 5500)—2011 Plan Year
Permanente Physicians Retirement Plan for OPMG, Inc
EIN: 34-1355001 PN: 011

Schedule SB, line 24—Change in Actuarial Assumptions

Salary Increases	Updated assumption to better reflect anticipated plan experience.
Optional Payment Form Election Percentage	Changed lump sum percentage from 85% to 80% and joint and survivor pop-up annuity percentage from 7.5% to 5% to better reflect anticipated plan experience.
Retirement Rates	Updated assumption to better reflect anticipated plan experience.
Withdrawal Rates	Updated assumption to better reflect anticipated plan experience.

Schedule SB Attachment (Form 5500)—2011 Plan Year
Permanente Physicians Retirement Plan for OPMG, Inc
EIN: 34-1355001 PN: 011

Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Remaining Installments	Date Established	Remaining Years	Amortization Amount
Shortfall	\$ 12,514,582	January 1, 2011	7	\$ 2,059,031

Schedule SB Attachment (Form 5500)—2011 Plan Year
Permanente Physicians Retirement Plan for OPMG, Inc
EIN: 34-1355001 PN: 011

Schedule SB, Part V—Summary of Plan Provisions

This section provides a brief summary of the benefits under the plan that are being valued in this report. Refer to the official governing documents for further details of the plan's provisions.

Effective Date	February 1, 1982.
Most Recent Amendment	Fourth Amendment, provided by Kaiser on July 14, 2011.
Eligible Employees	Physicians employed by Ohio Permanente Medical Group, Inc.
Participation	Participation begins on the first anniversary of hire if the eligible employee has at least 1,000 hours of employment. Otherwise, participation begins on the first day of the plan year in which the eligible employee has 1,000 hours of employment.
Normal Retirement	
Eligibility	Age 65.
Monthly Benefit	The sum of the amounts determined under (1) and (2) below: (1) 2.0% of highest average compensation times years of credited service up to 20 years. (2) 1.0% of highest average compensation times years of credited service over 20 years.
Early Retirement	
Eligibility	10 years of service.
Monthly Benefit	The accrued normal retirement benefit earned to the participant's termination date, reduced actuarially using the UP-1984 Mortality Table set back two years for retirees and five years for beneficiaries and a 5.5% interest rate. There is no reduction in the normal retirement benefit if the participant is age 60 with 20 years of service at termination.

Schedule SB, Part V—Summary of Plan Provisions

Late Retirement

Eligibility	Termination after normal retirement date.
Monthly Benefit	The accrued normal retirement benefit earned to the participant's termination date.

Disability Retirement

Eligibility	5 years of service and the Administrative Committee determines the participant is unable to conduct a normal medical practice because of a disability which is expected to be of long-continued and indefinite duration and which is incurred during service.
Monthly Benefit	The accrued normal retirement benefit earned to the participant's disability retirement date, reduced in the same manner as the early retirement benefit.

In-Service Retirement

Eligibility	A participant with an accrued benefit for years prior to 1995 if he then has 5 or more years of Service or if he has reached the fifth anniversary of his or her participation date may elect to begin receipt of retirement benefits while active after age 65.
Monthly Benefit	<p>The accrued normal retirement benefit earned to the participant's In-Service retirement date.</p> <p>A participant continues to accrue benefits after commencing In-Service Retirement. When the participant's Service ends, the additional accrued benefit will be offset by the value of the Retirement Income received during the participant's continued employment.</p>

Vested Termination

Eligibility	5 years of service.
Monthly Benefit	The accrued normal retirement benefit earned to the participant's date of termination, payable at age 65.

Schedule SB, Part V—Summary of Plan Provisions

In-Service Death Benefits

Eligibility	Any vested participant who is employed within the controlled group at the date of death.
Monthly Benefit	100% of the participant's accrued benefit at the time of death, adjusted for the 100% joint and survivor annuity form of payment, payable at the participant's normal retirement date. If the survivor elects early commencement, the benefit is further reduced in the same manner as the early retirement benefit. If the beneficiary is not the spouse, payment commences within one year of the participant's death in the form of a life annuity or lump sum that is actuarially equivalent to the participant's accrued benefit.

Pre-Retirement Death Benefits

Eligibility	Any vested participant who is married and who has terminated employment at the date of death.
Monthly Benefit	50% of the participant's accrued benefit at the time of death, adjusted for the 50% joint and survivor annuity form of payment, payable at the participant's normal retirement date.

Normal Form of Payment

Unmarried	Life annuity.
Married	50% joint and survivor annuity (actuarially reduced).
Optional Forms of Payment	<ol style="list-style-type: none">(1) Life annuity;(2) Joint and survivor annuity with 50%, 66-2/3%, or 75% continuation to the survivor;(3) Life annuity with 60, 120, 180, or 240 monthly payments guaranteed;(4) Lump sum; and(5) 100% joint and survivor annuity with 15-year guaranteed period and pop-up.

Schedule SB, Part V—Summary of Plan Provisions

Normal Form of Payment (continued)

Optional Forms of Payment (continued)

The 50% joint and survivor annuity and the 100% joint and survivor annuity with 15-year guaranteed period and pop-up have a greater actuarial value than the life annuity. All other optional forms of payment have the same actuarial value as the life annuity.

Definitions

Actuarial Equivalence

Actuarial equivalence is based on the IRC 417(e) basis for the month which is two months before the benefit starting date.

Credited Service

Each calendar year in which a participant has 2,000 or more hours of employment is counted as a year of credited service. Proportional credited service based on a 2,000-hour year is counted for any complete or partial year in which the participant has fewer than 2,000 hours of employment.

Special rules apply for credited service before 1999 and for other special circumstances.

Highest Average Compensation

A participant's average monthly compensation for the highest 36 consecutive months of employment in the last 120 months of employment. The total monthly compensation included in the final average compensation for any 12-month period is limited in accordance with IRC section 401(a)(17).

The monthly compensation is the monthly amount of basic compensation. Monthly compensation does not include share of profits, bonuses, or other special compensation. Monthly compensation includes the monthly amount contributed under salary reduction agreements to plans under IRC sections 401(k), 129, and 125. Other special rules also apply.

Service

Each calendar year in which an employee has 1,000 or more hours of employment is counted as a year of service. Proportional service based on a 1,000-hour year is counted for any year in which the participant has fewer than 1,000 hours of employment.

Plan Changes Since the Prior Year

- No material changes.

Schedule SB, Part V—Summary of Plan Provisions

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

EIN 34-1355001 PLAN NO. 001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 2011

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
*	Defined Benefit Investment Fund	Investment in a 103-12 investment entity (Trust No. 15669)	\$ 57,623,025	\$ 59,616,872
*	Defined Benefit Investment Fund	Investment in a 103-12 investment entity (Trust No. 16947)	75,956	89,156

* Represents a party-in-interest as defined by ERISA.

**PERMANENTE PHYSICIANS RETIREMENT PLAN FOR
OHIO PERMANENTE MEDICAL GROUP, INC.**

EIN 34-1355001 PLAN NO. 001

**SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of party involved	Description of asset	Purchase price	Selling price	Lease rental	Expense incurred with transaction	Cost of asset	Current value of asset on transaction date	Net gain or (loss)
<u>Category (iii) - Series of Transactions (Aggregate) in Excess of 5% of Plan Assets</u>								
Defined Benefit Investment Fund*	Investment in a 103-12 investment entity	\$ 5,000,375	\$ -	N/A	\$ -	\$ 5,000,375	\$ 5,000,375	\$ -
Defined Benefit Investment Fund*	Investment in a 103-12 investment entity	-	9,259,422	N/A	-	8,425,243	9,259,422	834,179

There were no category (i), (ii) or (iv) reportable transactions during the year ended December 31, 2011.

* Represents a party-in-interest as defined by ERISA.