



## VENDOR FINANCIAL RISK ASSESSMENT PROGRAM REQUIREMENTS FOR VENDORS, CONTRACTORS, AND SUPPLIERS

### A. Definitions.

“Kaiser Permanente” or “KP” means the integrated health care delivery organization doing business as Kaiser Permanente, which includes Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, Inc., Kaiser Permanente Insurance Company, The Permanente Federation, the Permanente Medical Groups, and the subsidiaries, partners, and successors of the foregoing.

“Vendor” means a vendor, contractor, or supplier who is providing products or services to KP.

### B. Program Overview.

To protect the interests of our members and organization, KP uses a rigorous Vendor Financial Risk Assessment Program (the “Program”) to establish transparency and visibility into our Vendors financial stability.

The Program uses the services of RapidRatings, a leading independent firm that analyzes the financial health of publicly traded and privately-owned companies. RapidRatings utilizes Vendor financial statements to produce assessments for KP’s internal review and decision-making. RapidRatings’ reports are treated confidentially in accordance with each Vendor’s agreement with KP.

### C. Requirements.

In order to perform the required financial assessment, the following information must be uploaded by Vendor to RapidRatings, on behalf of KP:

1. Vendor’s balance sheet, income statement, statement of cash flows, auditors' opinion letter and notes to the audited financial statements for the two (2) most recent annual periods ended, in addition to unaudited financials (i.e., balance sheet, income statement, and statement of cash flows) for the most current quarter-end. If audited financial statements are not available, RapidRatings will work with Vendor to determine appropriate and acceptable alternative financial documentation;
2. The financial statements must apply to the corporate entity referenced in the agreement between the Vendor and KP; and
3. Answers to any additional RapidRatings questions which arise during the assessment process.

### D. Frequency of Assessments.

Vendor financial assessments will be performed at least annually. KP may also require semi-annual or quarterly financial assessments as necessary.



E. Timely Response Required.

Vendors will be contacted via email by Kaiser Permanente's Vendor Risk and Data Office ("VRDO") to inform Vendors when an assessment is required. Vendor response, with the required information listed in Section C above, is required within ten (10) business days of receipt of the request.

F. Failure to Comply.

If Vendor fails to submit the required information promptly to RapidRatings, RapidRatings will notify KP for escalation which may delay the sourcing process or otherwise impact or limit KP's engagement with the Vendor.