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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning , 2008, and ending , 20

B Check if applicable: [X] Address change; [ ] Name change; [ ] Initial return; [ ] Termination; [X] Amended return; [ ] Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization SOUTHERN HEALTH PLAN, INC D/B/A
Doing Business As BLUECROSS BLUESHIELD TN COMM. TRUST
Number and street (or P.O box if mail is not delivered to street address) Room/suite
1 CAMERON HILL CIRCLE
City or town, state or country, and ZIP + 4
CHATTANOOGA, TN 37402

D Employer identification number 58-1406632

E Telephone number (423) 535-7350

G Gross receipts $ 10,822,212.

F Name and address of principal officer CALVIN ANDERSON
1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) Are all affiliates included? [ ] Yes [ ] No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶ N/A

I Tax-exempt status: [X] 501(c)(4) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ HTTP://WWW.BCBST.COM/ABOUT/COMMUNITY/TRUST/

K Type of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation 1980 **M** State of legal domicile OH

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
TO SUPPORT PROGRAMS THAT IMPROVE THE QUALITY OF LIFE IN TENNESSEE, AND TO PROMOTE GOOD HEALTH; IMPROVE THE AVAILABILITY, ACCESSIBILITY AND QUALITLY OF HEALTH CARE FOR THE PEOPLE OF TENNESSEE.

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	3
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	NONE
5	Total number of employees (Part V, line 2a)	5	NONE
6	Total number of volunteers (estimate if necessary)	6	NONE
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	-341,062.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	

Revenue

		Prior Year	Current Year
8	Contribution and grants (Part VIII, line 1h)		NONE
9	Program service revenue (Part VIII, line 2g)		NONE
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	549,053.	-1,550,515.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		NONE
12	Total revenue Add lines 8 through 11 (must equal Part VIII, column (A), line 12)	549,053.	-1,550,515.

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	431,179.	551,021.
14	Benefits paid to or for members (Part IX, column (A), line 4)		NONE
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	NONE	NONE
16a	Professional fundraising fees (Part IX, column (A), line 11e)		NONE
b	Total fundraising expenses, Part IX, column (D), line 25) ▶		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	76,696.	86,484.
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	507,875.	637,505.
19	Revenue less expenses Subtract line 18 from line 12	41,178.	-2,188,020.

Net Assets or Fund Balances

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	16,105,474.	11,210,722.
21	Total liabilities (Part X, line 26)	5,021.	2,686.
22	Net assets or fund balances Subtract line 21 from line 20	16,100,453.	11,208,036.

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SCANNED JUN 18 2010

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

▶ Signature of officer — Date 4/27/2010

▶ Todd F. Gizzo, EVP & CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature — Date 4/20/10 — Check if self-employed ▶ [ ] — Preparer's identifying number (see instructions) P00292940

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ ERNST & YOUNG U.S. LLP
1901 6TH AVENUE NORTH, STE 1200 BIRMINGHAM, AL 35203

EIN ▶ 34-6565596

Phone no ▶ 205-251-2000

May the IRS discuss this return with the preparer shown above? (See instructions) [ ] Yes [X] No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2008)

JSA
8E1010 2 000

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V08-8.3

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Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:
TO SUPPORT PROGRAMS THAT IMPROVE THE QUALITY OF LIFE IN TENNESSEE, AND TO PROMOTE GOOD HEALTH; IMPROVE THE AVAILABILITY, ACCESSIBILITY AND QUALITLY OF HEALTH CARE FOR THE PEOPLE OF TENNESSEE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes" describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code) (Expenses $ 551,021. including grants of $ 551,021.) (Revenue $ NONE)
SEE SCHEDULE O FORM 990, PART III, LINE 4A

4b (Code.) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses ▶ $** 551,021. *(Must equal Part IX, Line 25, column (B).)*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1		X
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		
5	**Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? *If "Yes," complete Schedule F, Part I*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		X
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5,? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		X
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	NONE		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	NONE		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	NONE		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b			
	Note: If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			X
b	If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter.				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

Part VI **Governance, Management, and Disclosure** *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O See instructions			
1a	Enter the number of voting members of the governing body 1a 3			
b	Enter the number of voting members that are independent . . . . . 1b NONE			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3	X	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		X
8	Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9a	Does the organization have local chapters, branches, or affiliates?	9a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	11		X

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision			
a	The organization's CEO, Executive Director, or top management official?	15a		X
b	Other officers or key employees of the organization?	15b		X
	Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available. Check all that apply

☐ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ DANA HULL 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402 423-535-7919

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors, institutional trustees, officers; key employees, highest compensated employees, and former such persons.

[X] Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
RON HARR CHAIRPERSON	1.	X							627,096.	74,293.
CALVIN ANDERSON PRESIDENT & CEO, BOARD MEMBER	2.	X		X					304,980.	41,963.
WILLIAM YOUNG BOARD MEMBER	1.	X							746,926.	59,697.
JOHN GIBLIN ADMIN OFFICER - CFO	.3			X					726,940.	41,489.
DANNY TIMBLIN TREASURER	1.3			X					221,876.	27,118.
ALAINE ZACHARY ASSISTANT TREASURER	.3			X					157,616.	18,717.
SHELIA CLEMONS SECRETARY	.3			X					104,280.	40,532.
KATHARINE LAURANCE ASSISTANT SECRETARY	1.3			X					60,810.	13,970.
CHRISTOPHER HUNTER TREASURER	0						X		526,009.	25,840.
HAROLD CANTRELL ASSISTANT TREASURER	0						X		184,475.	116,782.
VICKY GREGG PRESIDENT & CEO	0						X		2,561,771.	297,583.
JOHN SHULL SECRETARY	0						X		449,238.	102,108.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total ▶									6,672,017.	860,092.

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ NONE

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ NONE

Part VIII Statement of Revenue 58-1406632

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a				
	b Membership dues 1b				
	c Fundraising events 1c				
	d Related organizations 1d				
	e Government grants (contributions) 1e				
	f All other contributions, gifts, grants, and similar amounts not included above 1f				
	g Noncash contributions included in lines 1a-1f $				
	h **Total.** Add lines 1a-1f ▶	NONE			
Program Service Revenue		**Business Code**			
	2a				
	b				
	c				
	d				
	e				
	f All other program service revenue				
	g **Total.** Add lines 2a-2f ▶	NONE			
	3 Investment income (including dividends, interest, and other similar amounts) ▶	-24,606.		-341,062.	316,456.
	4 Income from investment of tax-exempt bond proceeds ▶	NONE			
	5 Royalties ▶	NONE			
		(i) Real / (ii) Personal			
	6a Gross Rents				
	b Less rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss) ▶	NONE			
		(i) Securities / (ii) Other			
	7a Gross amount from sales of assets other than inventory	10,846,818.			
	b Less cost or other basis and sales expenses	12,372,727.			
	c Gain or (loss)	-1,525,909			
	d Net gain or (loss) ▶	-1,525,909.			-1,525,909.
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a				
	b Less direct expenses b				
	c Net income or (loss) from fundraising events ▶	NONE			
	9a Gross income from gaming activities See Part IV, line 19 a				
	b Less direct expenses b				
	c Net income or (loss) from gaming activities ▶	NONE			
	10a Gross sales of inventory, less returns and allowances a				
	b Less cost of goods sold b				
	c Net income or (loss) from sales of inventory ▶	NONE			
	Miscellaneous Revenue	**Business Code**			
	11a				
	b				
	c				
	d All other revenue				
	e **Total.** Add lines 11a-11d ▶	NONE			
	12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶	-1,550,515.		-341,062.	-1,209,453.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	551,021.	551,021.		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	NONE			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	NONE			
7 Other salaries and wages	NONE			
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions)	NONE			
9 Other employee benefits	NONE			
10 Payroll taxes	NONE			
11 Fees for services (non-employees)				
a Management	NONE			
b Legal	NONE			
c Accounting	NONE			
d Lobbying	NONE			
e Professional fundraising services See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	NONE			
12 Advertising and promotion	NONE			
13 Office expenses	NONE			
14 Information technology	NONE			
15 Royalties	NONE			
16 Occupancy	NONE			
17 Travel	NONE			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	NONE			
20 Interest	NONE			
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	NONE			
23 Insurance	NONE			
24 Other expenses Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a ADMINISTRATIVE EXPENSE	65,409.		65,409.	
b NATIONAL ASSOCIATION DUES	500.		500.	
c TAXES & LICENSES	17,239.		17,239.	
d EXTERNAL INVESTMENT EXPENSE	3,336.		3,336.	
e				
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	637,505.	551,021.	86,484.	
26 **Joint Costs.** Check here ▶ ☐ If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	-6,058.	1	9,719.
	2	Savings and temporary cash investments	453,340.	2	417,402.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sales or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment: cost basis 10a			
	b	Less accumulated depreciation. Complete Part VI of Schedule D 10b		10c	
	11	Investments - publicly traded securities	15,623,758.	11	8,378,242.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	34,434.	15	2,405,359.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	16,105,474.	16	11,210,722.
Liabilities	17	Accounts payable and accrued expenses		17	
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable		24	
	25	Other liabilities. Complete Part X of Schedule D	5,021.	25	2,686.
	26	**Total liabilities.** Add lines 17 through 25	5,021.	26	2,686.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	16,100,453.	27	11,208,036.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	16,100,453.	33	11,208,036.
	34	Total liabilities and net assets/fund balances	16,105,474.	34	11,210,722.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 [ ] Cash [X] Accrual [ ] Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits?	3b		

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number

58-1406632

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g , recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically importantly land area
☐ Preservation of certified historic structure

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table.

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Term endowment ▶ _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a-1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
ACCRUED BOND INTEREST	5,359.
INVESTMENT RECEIVABLE	2,400,000.
Total. *(Column (b) should equal Form 990, Part X, col (B) line 15)* ▶	2,405,359.

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
DUE TO AFFILIATE	2,686.
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	2,686.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	-1,550,515.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	637,505.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-2,188,020.
4	Net unrealized gains (losses) on investments	4	-3,077,459.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	373,062.
9	Total adjustments (net). Add lines 4-8	9	-2,704,397.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	-4,892,417.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	-4,290,248.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	-3,077,459.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines 2a through 2d			2e	-3,077,459.
3	Subtract line 2e from line 1			3	-1,212,789.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	3,336.		
b	Other (Describe in Part XIV)	4b	-341,062.		
c	Add lines 4a and 4b			4c	-337,726.
5	Total revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)			5	-1,550,515.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	602,169.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	602,169.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	3,336.		
b	Other (Describe in Part XIV)	4b	32,000.		
c	Add lines 4a and 4b			4c	35,336.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)			5	637,505.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8; Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b.

SEE PAGE 5

Part XIV Supplemental Information *(continued)*

FORM 990, SCHEDULE D, PARTS XI, XII, AND XIII

RECONCILIATION FROM AFS TO 990

990, SCH D, PART XII, LINE 4B

FORM 990-T:

FLOW THROUGH FROM PARTNERSHIP:

SPA PARTNERS L.P.	- 61,875
MESIROW FINANCIAL ALTERNATIVE	-279,187
TOTAL LOSS	-341,062*

*NOT REPORTED ON AUDITED FINANCIAL STATEMENTS

FOR YEAR ENDED DECEMBER 31, 2008

FORM 990 SCHEDULE D PART XIII, LINE 4B

FORM 990, SCH D, PART XIII LINE 4B

SCHEDULE I:

CHARITABLE CONTRIBUTION EXPENSE	32,000

FORM 990, SCH D, PART XI LINE 8

TOTAL OF XIII LINE 4B AND XII LINE 4B	373,062

TOTAL

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the U.S.

▶ Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number

58-1406632

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☒ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SEE SCHEDULE I-1							

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 21

3 Enter total number of other organizations . . . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I-1 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule I (Form 990)

▶ Attach to Form 990 to list additional information for Part II and Part III, Schedule I (Form 990)

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number

58-1406632

Part I Continuation of Grants and Other Assistance to Governments and Organizations in the U.S. (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ALLIED ARTS 406 FRAZIER AVENUE CHATTANOOGA, TN 37405	23-7005188	501(C)(3)	10,000.				PROGRAM SUPPORT
AMERICAN CANCER SOCIETY 2000 CHARLOTTE AVENUE NASHVILLE, TN 37203	64-0329009	501(C)(3)	21,500.				PROGRAM SUPPORT
AMERICAN DIABETES ASSOCIATION 211 CENTER PARK DRIVE STE 3010	13-1623888	501(C)(3)	12,500.				PROGRAM SUPPORT
AMERICAN HEART ASSOCIATION 2170 BUSINESS CENTER DRIVE STE 1	13-5613797	501(C)(3)	21,500.				PROGRAM SUPPORT
BOY SCOUTS OF AMERICA 3414 HILLSBORO PIKE NASHVILLE, TN 37215	62-0477729	501(C)(3)	21,000.				PROGRAM SUPPORT
COMMUNITY FDN OF GREATER CHATTANOOGA 1270 MARKET STREET CHATTANOOGA, TN 37402	62-6045999	501(C)(3)	10,000.				PROGRAM SUPPORT
JOBS NOW 10215 TECHNOLOGY DRIVE STE 202	62-1158958	501(C)(3)	10,000.				PROGRAM SUPPORT
JUNIOR ACHIEVEMENT 5721 MARLIN ROAD STE 3400	62-0636297	501(C)(3)	8,500.				PROGRAM SUPPORT
MEMPHIS REGIONAL CHAMBER POST OFFICE BOX 224 MEMPHIS, TN 38101	62-0291250	501(C)(6)	20,000.				PROGRAM SUPPORT
NATIONAL CIVIL RIGHTS MUSEUM 450 MULBERRY STREET MEMPHIS, TN 38103	58-1484027	501(C)(3)	6,500.				PROGRAM SUPPORT
NATIONAL KIDNEY FOUNDATION 4450 WALKER BOULEVARD KNOWVILLE, TN 37917	62-0886595	501(C)(3)	9,160.				PROGRAM SUPPORT
NATIONAL MS SOCIETY 4219 HILLSBORO ROAD STE 306	62-0693217	501(C)(3)	10,000.				PROGRAM SUPPORT
SAINT THOMAS HEALTH SERVICES FUND 4220 HARDING ROAD NASHVILLE, TN 37205	58-1663055	501(C)(3)	20,000.				PROGRAM SUPPORT
ST. JUDE CHILDREN'S RESEARCH HOSPITAL 501 ST JUDE PLACE MEMPHIS, TN 38105	62-0646012	501(C)(3)	10,000.				PROGRAM SUPPORT
STREET LAW INC 1010 WAYNE AVENUE STE 870	52-2015256	501(C)(3)	7,500.				PROGRAM SUPPORT

2 Enter total number of Section 501(c)(3) and government organizations . . . . . ▶ 21

3 Enter total number of other organizations . . . . . ▶

SCHEDULE I-1 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule I (Form 990)

▶ Attach to Form 990 to list additional information for Part II and Part III, Schedule I (Form 990)

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number

58-1406632

Part I Continuation of Grants and Other Assistance to Governments and Organizations in the U.S. (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
TENNESSEE AQUARIUM ONE BROAD STREET CHATTANOOGA, TN 37401	58-1837154	501(C)(3)	50,000.				PROGRAM SUPPORT
THE CHURCH HEALTH CENTER 1210 PEABODY MEMPHIS, TN 38104	58-1716113	501(C)(3)	10,000.				PROGRAM SUPPORT
TREASURER STATE OF TENNESSEE 710 JAMES ROBERTSON PARKWAY	62-6001445	501(C)(3)	10,000.				PROGRAM SUPPORT
UTC ATHLETICS 615 MC CALLIE AVENUE DEPT 6806	62-6001636	501(C)(3)	25,000.				PROGRAM SUPPORT
UNITED WAY OF METRO NASHVILLE 250 VENTURE CIRCLE NASHVILLE, TN 37228	62-0533104	501(C)(3)	7,500.				PROGRAM SUPPORT
UNITED WAY OF THE MID SOUTH 6775 LENOX CENTER COURT MEMPHIS, TN 38115	56-1010742	501(C)(3)	6,500.				PROGRAM SUPPORT

2 Enter total number of Section 501(c)(3) and government organizations . . . . . ▶ 21

3 Enter total number of other organizations . . . . . ▶

Part III Continuation of Grants and Other Assistance to Individuals in the U.S. (Schedule I (Form 990), Part III.)

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

JSA
8E1318 3 000

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number

58-1406632

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a			
a	Receive a severance payment or change of control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & Incentive compensation	(iii) Other reportable compensation				
	(i)							
RON HARR	(ii)	305,539.	297,443.	24,114.	66,219.	8,074.	701,389.	NONE
	(i)							
CALVIN ANDERSON	(ii)	195,411.	104,454.	5,115.	30,987.	10,976.	346,943.	NONE
	(i)							
CHRISTOPHER HUNTER	(ii)	298,077.	224,640.	3,292.	14,704.	11,136.	551,849.	NONE
	(i)							
HAROLD CANTRELL	(ii)	62,110.	119,676.	2,689.	115,658.	1,124.	301,257.	NONE
	(i)							
WILLIAM YOUNG	(ii)	376,849.	366,754.	3,323.	48,250.	11,447.	806,623.	NONE
	(i)							
JOHN GIBLIN	(ii)	451,923.	270,301.	4,716.	30,141.	11,348.	768,429.	NONE
	(i)							
DANNY TIMBLIN	(ii)	182,142.	40,800.	-1,066.	16,524.	10,594.	248,994.	NONE
	(i)							
ALAINE ZACHARY	(ii)	132,308.	NONE	25,308.	10,058.	8,659.	176,333.	NONE
	(i)							
VICKY GREGG	(ii)	979,853.	1,547,695.	34,223.	289,250.	8,333.	2,859,354.	NONE
	(i)							
JOHN SHULL	(ii)	260,000.	187,969.	1,269.	91,028.	11,080.	551,346.	NONE
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SCHEDULE J PART III LINE 4B

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

LISTED BELOW ARE COMPENSATED OFFICERS, AND KEY EMPLOYEES OF THE RELATED ORGANIZATION WHO ARE INCLUDED IN THE SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN OF THE RELATED ORGANIZATION, BCBST:

WILLIAM YOUNG	$ 27,000
JOHN GIBLIN	12,891
JOHN SHULL	47,000
RON HARR	38,000
CALVIN ANDERSON	3,000
CHRISTOPHER HUNTER	1,000
HAROLD CANTRELL	97,000
VICKY GREGG	262,000

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

FORM 990, LINE B

DESCRIPTION OF AMENDMENTS

PART VI

AMENDMENT RELATED TO CLARIFICATION OF FORM INSTRUCTIONS ("ORGANIZATION" VERSUS "RELATED ORGANIZATION") AND REFERENCE TO ORGANIZATION BYLAWS.

PART VII

AMENDMENT RELATED TO FURTHER CLARIFICATION OF FORM INSTRUCTIONS ("ORGANIZATION" VERSUS "RELATED ORGANIZATION"). AMENDED OFFICERS AND FORMER OFFICERS LISTED ON PART VII BASED ON CLARIFICATION OF INSTRUCTIONS.

SCHEDULE I

TOTAL NUMBER OF "SECTION 501(C)(3) AND GOVERNMENT ORGANIZATIONS" WAS CORRECTED TO 21.

SCHEDULE I-1

TOTAL NUMBER OF "SECTION 501(C)(3) AND GOVERNMENT ORGANIZATIONS" WAS CORRECTED TO 21.

SCHEDULE J

AMENDMENT RELATED TO CLARIFICATION OF FORM INSTRUCTIONS ("ORGANIZATION" VERSUS "RELATED ORGANIZATION") AND REFERENCE TO ORGANIZATION BYLAWS.

(LINE 6B CHANGED TO "NO"; SUPPLEMENTAL INFORMATION CHANGED IN RESPONSE TO CHANGE OF LINE 6B)

SCHEDULE J-1

INFORMATION MOVED TO SCHEDULE J

SCHEDULE J-2

NO LONGER REQUIRED

SCHEDULE O

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

AMENDMENT RELATED TO CLARIFICATION OF FORM INSTRUCTIONS ("ORGANIZATION" VERSUS "RELATED ORGANIZATION") AND REFERENCE TO ORGANIZATION BYLAWS.

FORM 990, PART III, LINE 4A

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

MISSION:

TO SUPPORT PROGRAMS THAT IMPROVE THE QUALITY OF LIFE IN TENNESSEE, PARTICULARLY THOSE PROGRAMS THAT PROMOTE GOOD HEALTH AND THAT IMPROVE THE AVAILABILITY, ACCESSIBILITY AND QUALITY OF HEALTH CARE FOR THE PEOPLE OF TENNESSEE.

OBJECTIVES:

TO SUPPORT PROGRAMS THAT PROMOTE ACCESS TO HEALTH CARE SERVICES, HEALTH EDUCATION

TO SUPPORT PROGRAMS THAT PROMOTE WELLNESS AND ILLNESS PREVENTION, AS WELL AS EFFECTIVE, EFFICIENT DISEASE MANAGEMENT

TO SUPPORT PROGRAMS FOR ALL LEVELS OF EDUCATION BUILDING A COMPETENT WORKFORCE AND PROSPEROUS ECONOMY

TO SUPPORT EVENTS AND PROGRAMS THAT EMPHASIZE ECONOMIC AND COMMUNITY DEVELOPMENT

TO DEMONSTRATE EXCELLENT CORPORATE CITIZENSHIP AND COMMITMENT TO TENNESSEANS, WITH THE PRIORITY TO SUPPORT THE COMMUNITIES WE SERVE

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

EMPHASIZING HEALTH LIVING, HEALTH CARE ACCESS AND QUALITY OF LIFE

POLICIES:

THE BLUECROSS BLUESHIELD OF TENNESSEE COMMUNITY TRUST WILL SPEND FUNDS IN CURRENT FISCAL YEAR THAT ARE EARNED ON THE PRINCIPAL DURING THE PRIOR YEAR.

EARNINGS ON THE PRINCIPAL THAT ARE NOT SPENT IN A GIVEN FISCAL YEAR MAY BE SPENT DURING ANY SUBSEQUENT YEAR.

THE TRUST'S DOLLAR DISTRIBUTION IS BASED ON ACTUAL NET ACCUMULATED EARNINGS.

ADMINISTRATIVE EXPENSES FOR MANAGING THE TRUST WILL BE MARKET-BASED AND WILL BE CONTRACTED THROUGH BCBST AT COST.

THE INVESTMENTS OF THE BLUECROSS BLUESHIELD OF TENNESSEE COMMUNITY TRUST WILL BE MANAGED BY THE INTERNAL INVESTMENT COMMITTEE OF BLUECROSS BLUESHIELD OF TENNESSEE.

THE TRUST'S POLICIES ON ELIGIBILITY FOR CONTRIBUTIONS WILL BE APPROVED BY ITS BOARD AND DELEGATED TO ITS EXECUTIVE DIRECTOR FOR EXECUTION.

ALL TRUST CONTRIBUTIONS WILL BE MADE IN ACCORDANCE WITH 501(C)(4) GUIDELINES.

ELIGIBILITY:

Name of the organization: SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number: 58-1406632

PREFERENCE WILL BE GIVEN TO PROGRAMS THAT CAN BE CLOSELY TRACKED, WITH QUANTITATIVE IMPACT STATED AND TO PROGRAMS THAT ARE SOLUTION ORIENTED AND THAT BUILD CAPACITY.

TO BE ELIGIBLE FOR CHARITABLE SUPPORT FROM THE BLUECROSS BLUESHIELD OF TENNESSEE TRUST, ORGANIZATIONS MUST BE NONDISCRIMINATORY, SERVE THE COMMUNITY, COMPLY WITH APPLICABLE LAWS REGARDING REGISTRATION AND FINANCIAL REPORTING, BE NONPROFIT, NOT-FOR-PROFIT, AND BE ELIGIBLE FOR TAX-DEDUCTIBLE SUPPORT, I.E. 501(C)(3).

THE BCBST COMMUNITY TRUST WILL CONSIDER CONTRIBUTIONS FOR:

PROGRAMS MEETING THE ABOVE MENTIONED OBJECTIVES AND ELIGIBILITY CRITERIA.

THE BLUECROSS BLUESHIELD OF TENNESSEE COMMUNITY TRUST WILL NOT PROVIDE CHARITABLE CONTRIBUTIONS FOR:

- O INDIVIDUALS
- O PRIVATE SCHOOLS
- O PRIVATE CLUBS
- O ORGANIZATIONS NOT ELIGIBLE FOR TAX DEDUCTIBLE SUPPORT
- O DENOMINATIONAL OR FAITH BASED ORGANIZATIONS FOR RELIGIOUS PURPOSES
- O POLITICAL CAUCUSES, CANDIDATES OR CAMPAIGNS
- O ADVERTISING
- O HOSPITALS OR HOSPITAL BUILDING FUNDS (EXCEPTION: SPECIAL THAT MATCHES ONE OF OUR COMPANY'S PRIORITIES).

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

O SPORTS FACILITIES, SPORTS TEAMS (EXCEPTION: COMMUNITY PROJECT THAT MATCHES ONE OF OUR COMPANY'S PRIORITIES)

O ANY ACTIVITIES DEEMED INAPPROPRIATE TO THE COMPANY

APPLICATION PROCESS:

ORGANIZATIONS THAT COMPLY WITH BCBST'S GUIDELINES AND CORPORATE GIVING CRITERIA MUST SUBMIT WRITTEN INFORMATION IN ORDER FOR THEIR REQUESTS TO BE CONSIDERED.

REQUESTS SHOULD INCLUDE:

A BRIEF DESCRIPTION OF THE PROGRAM OR ORGANIZATION TO BE FUNDED, INCLUDING A CLEAR STATEMENT OF ITS GOALS AND OBJECTIVES,

A PROPOSED TOTAL PROJECT BUDGET,

ANTICIPATED TIME SCHEDULE OF THE PROJECT,

INFORMATION ON OTHER SOURCES OF FINANCIAL SUPPORT,

A COPY OR A STATEMENT OF THE OPERATING BUDGET AND THE LAST AUDITED FINANCIAL STATEMENT,

A LIST OF THE ORGANIZATIONS' BOARD OF DIRECTORS,

A COPY OF THE IRS W9 TAX IDENTIFICATION FORM, AND THE IRS 501(C)(3) DETERMINATION LETTER

A STATEMENT OF PAST RESULTS/ACHIEVEMENTS OF THE PROGRAM SUPPORTED WITH FIGURES AND/OR DOCUMENTATION

A MINIMUM OF THREE MONTHS (90-DAYS) LEAD-TIME IS REQUIRED

REVIEW PROCESS

A COMMITTEE WILL REVIEW EACH SUBMISSION. SEND SUBMISSIONS TO:

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

KATHY BINGHAM

MANAGER, BCBST HEALTH FOUNDATION AND COMMUNITY TRUST

BLUECROSS BLUESHIELD OF TENNESSEE

1 CAMERON HILL

CHATTANOOGA TN 37402

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

FORM 990, PART VI, SECTION A, LINE 3

PURSUANT TO ARTICLE 1, SECTION 2 OF THE ADMINISTRATIVE SERVICES AGREEMENT (ASA), SHP GRANTS AND DELEGATES THE EXCLUSIVE DISCRETIONARY AUTHORITY TO SUPERVISE AND MANAGE THE DAY-TO-DAY OPERATIONS OF SHP TO BCBST.

FORM 990, PART VI, SECTION A, LINE 7A

PURSUANT TO ARTICLE VI, SECTION 2 OF THE SHP BYLAWS, DIRECTORS SHALL BE APPOINTED BY BCBST BOARD.

FORM 990, PART VI, SECTION A, LINE 10

PROCESS USED TO REVIEW FORM 990

INTERNAL CONTROLS ARE IN PLACE TO INSURE AN ACCURATE RECORDING OF TRANSACTIONS AND AN ACCURATE REPORTING OF THE RESULTS. THE PROCESS TO REVIEW FORM 990 STARTS WITH THE PREPARATION OF WORK PAPERS; REVIEWED BY MANAGEMENT; AND THEN A FINAL REVIEW OF FORM 990 IS MADE BY OFFICERS RESPONSIBLE FOR THE FILING OF THE RETURN.

A COPY OF THE FORM 990 WAS PROVIDED TO THE SOUTHERN HEALTH PLAN BOARD OF DIRECTORS BEFORE BEING FILED WITH THE IRS.

Name of the organization: SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number: 58-1406632

FORM 990, PART VI, SECTION B, LINE 12C

MONITORING AND ENFORCEMENT OF THE WRITTEN CONFLICT OF INTEREST POLICY

THE COMPANY MAINTAINS AN ONGOING PROCESS FOR THE COLLECTION, RETENTION, AND MONITORING OF BOTH INDIVIDUAL AND ORGANIZATIONAL BUSINESS ACTIVITIES TO FACILITATE REPORTING OBLIGATIONS AND RISK MITIGATION EFFORTS. THE COMPANY COMMUNICATES TO ALL PERSONNEL, AFFILIATES, AND BUSINESS ASSOCIATES THE CLEAR EXPECTATION THAT THEY SUPPORT THE EFFORTS IN THE AVOIDANCE OF CONFLICTS OF INTEREST AND UNDERSTAND AND PROMOTE A COMMITMENT TO INTEGRITY, SOUND BUSINESS POLICIES, AND GOOD CORPORATE GOVERNANCE.

SEE REVELANT CONFLICT OF INTEREST POLICY BELOW:

CONFLICT OF INTEREST POLICY:

IT IS THE POLICY OF THE BCBST ENTERPRISE THAT ALL ACTUAL OR POTENTIAL CONFLICTS OF INTEREST SHOULD BE AVOIDED. EMPLOYEES, CONTRACTORS, OFFICERS, AND MEMBERS OF THE BOARD OF DIRECTORS SHOULD NOT ENGAGE IN ACTIVITIES THAT CONFLICT OR ARE OTHERWISE INCOMPATIBLE WITH BCBST RESPONSIBILITIES. IN ADDITION, BCBST WILL COMMUNICATE TO ALL AFFILIATES AND BUSINESS ASSOCIATES THE CLEAR EXPECTATION THAT THEY SUPPORT OUR EFFORTS IN THE AVOIDANCE OF CONFLICTS OF INTEREST AND UNDERSTAND AND PROMOTE A COMMITMENT TO INTEGRITY, SOUND BUSINESS POLICIES, AND GOOD CORPORATE GOVERNANCE.

BCBST ACKNOWLEDGES THAT CERTAIN REGULATORY AND CORPORATE CONTRACTUAL OBLIGATIONS CREATE A SPECIFIC RESPONSIBILITY TO IDENTIFY, DISCLOSE, MONITOR, AND MITIGATE ALL ACTUAL AND POTENTIAL CONFLICTS OF INTEREST FOR

Name of the organization: SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number: 58-1406632

BOTH INDIVIDUAL AND ORGANIZATIONAL ACTIVITIES. BCBST'S COMMITMENT TO ETHICAL BEHAVIOR AND COMPLIANT BUSINESS PRACTICES DICTATE THAT ALL ACTUAL AND POTENTIAL CONFLICTS WILL BE EVALUATED BASED UPON THE RISKS OF BIASED GROUND RULES, IMPAIRED OBJECTIVITY, OR UNEQUAL ACCESS TO INFORMATION.

BCBST WILL MAINTAIN AN ONGOING PROCESS FOR THE COLLECTION, RETENTION, AND MONITORING OF BOTH INDIVIDUAL AND ORGANIZATIONAL BUSINESS ACTIVITIES TO FACILITATE REPORTING OBLIGATIONS AND RISK MITIGATION EFFORTS RELATIVE TO ACTUAL AND POTENTIAL CONFLICTS OF INTEREST.

IF AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST IS IDENTIFIED, AN ANALYSIS WILL BE PERFORMED TO DETERMINE THE PROPER MITIGATION STRATEGY AND/OR REPORTING OBLIGATIONS FOR THE ISSUE AS APPROPRIATE. MITIGATION METHODS MAY INCLUDE:

A) PHYSICAL SEPARATION

B) ORGANIZATIONAL SEPARATION

C) NON-DISCLOSURE COMMITMENTS

D) CONFLICT OF INTEREST TRAINING

E) MANAGEMENT OVERSIGHT AND TRACKING

F) CONFLICT OF INTEREST REPORTING AND DISCLOSURE PROCESSES

G) NO ACTION DECISION

A CONFLICT OF INTEREST IS A SITUATION WHERE PERSONAL OR BUSINESS INTERESTS OR ACTIVITIES COULD INFLUENCE JUDGMENT OR DECISIONS, AND THEREFORE, THE ABILITY TO ACT IN THE BEST INTEREST OF THE COMPANY. THIS ALSO INCLUDES ACTIVITIES THAT MAY ONLY APPEAR TO INFLUENCE JUDGMENT OR DECISIONS.

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

AN INDIVIDUAL CONFLICT OF INTEREST IS A SITUATION WHERE AN EMPLOYEE, CONTRACTOR, OFFICER, MEMBER OF THE BOARD OF DIRECTORS, OR FAMILY MEMBER OF THESE INDIVIDUALS, STANDS TO RECEIVE A PERSONAL BENEFIT, WHETHER FINANCIAL OR OTHERWISE, AS A RESULT OF HIS OR HER ACTIONS IN CONNECTION WITH THE COMPANY. THIS CAN OCCUR AS A RESULT OF EMPLOYMENT POSITIONS, ACCESS TO INFORMATION, BUSINESS KNOWLEDGE, BUSINESS RELATIONSHIPS, OR BY OTHER MEANS.

AN ORGANIZATIONAL CONFLICT OF INTEREST IS A SITUATION WHERE OTHER ACTIVITIES OR RELATIONSHIPS MAY RENDER, OR APPEAR TO RENDER, BCBST, ITS SUBSIDIARIES, OR ITS JOINT VENTURES, UNABLE TO:

- PROVIDE IMPARTIAL ASSISTANCE OR ADVICE;
- PERFORM CONTRACTUAL OBLIGATIONS WITHOUT IMPAIRMENT; OR
- AVOID AN UNFAIR COMPETITIVE ADVANTAGE.

UPON HIRE OR APPOINTMENT AND AT LEAST ANNUALLY THEREAFTER, A CONFLICT OF INTEREST QUESTIONNAIRE MUST BE COMPLETED BY ALL EMPLOYEES, CONTRACTORS, OFFICERS, AND MEMBERS OF THE BOARD OF DIRECTORS.

AN ORGANIZATIONAL CONFLICT OF INTEREST REMINDER NOTIFICATION IS DISTRIBUTED PERIODICALLY TO AN IDENTIFIED GROUP OF KEY PERSONNEL, REPRESENTING VITAL AREAS OF THE COMPANY, TO ASSIST IN THE IDENTIFICATION OF ANY ACTIVITIES THAT MAY CREATE AN ACTUAL OR POTENTIAL ORGANIZATIONAL CONFLICT OF INTEREST.

THE CODE OF CONDUCT EDUCATION POLICY PROMOTES THE EFFECTIVE COMMUNICATION OF THE BCBST CODE OF CONDUCT. THIS COMMUNICATION INCLUDES A CONFLICT OF INTEREST ELEMENT AND IS PERFORMED AT LEAST ANNUALLY WITH

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

ALL EMPLOYEES, CONTRACTORS, OFFICERS, MEMBERS OF THE BOARD OF DIRECTORS, VENDORS, AGENTS & BROKERS, AND CONTRACTED PROVIDERS.

BCBST WILL ALSO UTILIZE VARIOUS OTHER METHODS OF NOTIFICATION, COLLECTION AND MONITORING TECHNIQUES TO PROMOTE AN ENVIRONMENT OF ETHICAL BUSINESS CONDUCT FREE OF CONFLICTS OF INTEREST WITH OUR AFFILIATES AND BUSINESS ASSOCIATES IN SUPPORT OF THE ENTERPRISE CONFLICT OF INTEREST PROGRAM.

QUESTIONS OR CONCERNS REGARDING INDIVIDUAL OR ORGANIZATIONAL CONFLICTS OF INTEREST SHOULD BE DIRECTED TO THE CHIEF COMPLIANCE OFFICER, PRODUCT LINE COMPLIANCE OFFICERS OR THE CORPORATE COMPLIANCE DEPARTMENT.

Name of the organization: SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number: 58-1406632

FORM 990, PART VI, SECTION B, LINE 15

PROCESS FOR DETERMINING COMPENSATION

FORM 990, PART VI, SECTION B, LINE 15A

DESCRIBE THE PROCESS FOR DETERMINING THE COMPENSATION OF THE ORGANIZATION'S CEO, EXECUTIVE DIRECTOR, OR TOP MANAGEMENT OFFICIAL

SHP DOES NOT COMPENSATE ITS OFFICERS AND DIRECTORS, HOWEVER, OFFICERS AND DIRECTORS ARE COMPENSATED BY A RELATED ORGANIZATION.

THE PROCESS FOR DETERMINING COMPENSATION OF SHP'S CEO, CALVIN ANDERSON, PAID BY A RELATED ORGANIZATION, IS DESCRIBED BELOW IN FORM 990, PART VI, SECTION B, LINE 15B.

FORM 990, PART VI, SECTION B, LINE 15B

DESCRIBE THE PROCESS FOR DETERMINING COMPENSATION OF THE OTHER OFFICERS OR KEY EMPLOYEES OF THE ORGANIZATION.

SHP DOES NOT COMPENSATE ITS OFFICERS AND DIRECTORS, HOWEVER, OFFICERS AND DIRECTORS ARE COMPENSATED BY A RELATED ORGANIZATION.

SALARY LEVELS, DEFINED BY SALARY RANGES, ARE DESIGNED TO BE GENERALLY COMPETITIVE WITH THE MARKET MEDIAN FOR THE RELEVANT COMPETITIVE MARKET, RELATIVE TO SIMILAR JOB SCOPE. WHERE CLEAR MARKET COMPARISONS DO NOT

Name of the organization: SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number: 58-1406632

EXIST. COMPARISONS OF THE REQUISITE COMPETENCIES THROUGH OUR JOB EVALUATION PROGRAM ARE USED TO DETERMINE RELATIVE JOB SCOPE AND SALARY LEVEL. SALARY ADMINISTRATION METHODS ARE DESIGNED TO BE FLEXIBLE AND ADAPTABLE, IN ORDER TO KEEP PACE WITH CHANGING BUSINESS NEEDS.

JOB EVALUATION IS THE ASSIGNMENT OF INDIVIDUAL POSITIONS TO A GRADE AND LEVEL WITHIN THE ORGANIZATION. JOB EVALUATION IS REQUIRED WHEN A NEW POSITION IS CREATED. JOB EVALUATION MAY ALSO BE APPROPRIATE IN ORDER TO DETERMINE WHETHER A RECLASSIFICATION TO A DIFFERENT SALARY GRADE IS WARRANTED, IN THE EVENT A CURRENT POSITION WITHIN THE COMPANY HAS HAD SIGNIFICANT CHANGE IN CONTENT. IN ADDITION, THE JOB'S FLSA (FAIR LABOR STANDARDS ACT) CLASSIFICATION WILL ALSO BE VIEWED AS PART OF THE JOB EVALUATION PROCESS.

BCBST'S JOB EVALUATION METHODOLOGY IS BASED ON THE GLOBAL GRADING SYSTEM DEVELOPED BY WATSON WYATT, A LEADING, GLOBAL HUMAN CAPITAL CONSULTING FIRM. THIS METHODOLOGY IS DESIGNED TO:

- O BALANCE INTERNAL EQUITY AND EXTERNAL COMPETITIVENESS;
- O ESTABLISH A FRAMEWORK OR A COMMON LANGUAGE FOR DEFINING LEVELS OF JOB CONTENT ACROSS THE ORGANIZATION;
- O FOCUS ON JOBS, NOT PEOPLE;
- O ESTABLISH A FLEXIBLE, ADAPTABLE MEANS OF COMMUNICATING CAREER PATHS; AND
- O ESTABLISH THE FRAMEWORK FOR DETERMINING COMPENSATION DECISIONS CONSISTENT WITH BCBST TOTAL REWARDS STRATEGY.

COMPETITIVE SALARY STRUCTURES ARE DEVELOPED USING BOTH THE RESULTS OF THE JOB EVALUATION PROCESS AND COMPENSATION LEVELS IN THE RELEVANT COMPETITIVE MARKET RELATIVE TO SIMILAR JOB SCOPE. MARKET RATES ARE ANALYZED FROM A VARIETY OF PERSPECTIVES TO ASSURE COMPARABILITY OR THE

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

MOST ACCURATE MATCH TO BCBST JOBS. IN ADDITION TO DETERMINING THE OVERALL INDUSTRY PAY RATES, THE DATA IS ANALYZED BY INDUSTRY AND/OR FOR A SPECIFIC GEOGRAPHIC LOCATION DEPENDING ON THE DEFINED MARKET FOR A PARTICULAR JOB. THE SELECTION OF RELEVANT SURVEY DATA CORRESPONDS TO OUR RECRUITING MARKETS. FOR EXAMPLE, NATIONAL DATA IS USED FOR EXECUTIVE AND MANAGEMENT JOBS, NATIONAL AND REGIONAL INFORMATION FOR MOST PROFESSIONAL LEVEL POSITIONS AND LOCAL SURVEYS FOR SUPPORT JOBS.

FOR THE SHP OFFICERS AND KEY EMPLOYEES, PAID BY A RELATED ORGANIZATION, WE USED RELEVANT MARKET DATA AT THE NATIONAL LEVEL. WE USE MULTIPLE COMPENSATION SURVEY SOURCES SUCH AS MERCER, AND WATSON WYATT.

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

FORM 990, PART VI, SECTION C, LINE 19

GOVERNING DOCUMENT

ORGANIZATION MAKES GOVERNING DOCUMENTS AVAILABLE TO PUBLIC UPON REQUEST

Name of the organization	Employer identification number
SOUTHERN HEALTH PLAN, INC D/B/A	58-1406632

FORM 990, PART VII, SEC A, COL (B)

HOURS WORKED FOR RELATED ORGANIZATIONS

CURRENT OFFICERS AND DIRECTORS LISTED ARE FULL TIME EMPLOYEES OF A RELATED ORGANIZATION AND WORK A TOTAL OF 40-50 HOURS PER WEEK ON AVERAGE COMBINED. THEIR TIME IS DEVOTED TO SYSTEM WIDE ACTIVITIES WHICH COULD INCLUDE TIME SPENT ON ANY OF THE RELATED ORGANIZATIONS LISTED IN SCHEDULE R.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

SOUTHERN HEALTH PLAN, INC D/B/A

Employer identification number

58-1406632

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
TENNESSEE HEALTH FOUNDATION, INC. 20-0298456 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	SUPPORT HLTHC	TN	501(C)(3)	PF	N/A

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2008

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Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner? Yes	(J) No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
SEE SCHEDULE R-1							

Part V Transactions With Related Organizations

			Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV.				
1	During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to other organization(s)	1b		X
c	Gift, grant, or capital contribution from other organization(s)	1c		X
d	Loans or loan guarantees to or for other organization(s)	1d		X
e	Loans or loan guarantees by other organization(s)	1e		X
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n	Sharing of paid employees	1n		X
o	Reimbursement paid to other organization for expenses	1o	X	
p	Reimbursement paid by other organization for expenses	1p	X	
q	Other transfer of cash or property to other organization(s)	1q		X
r	Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a–r)	(C) Amount involved
(1)	BLUE CROSS BLUE SHIELD OF TN, INC	O	65,409.
(2)	BLUE CROSS BLUE SHIELD OF TN, INC	P	7,969.
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See Instructions regarding exclusion for certain investment partnerships.

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

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Part II Continuation of Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V-UBI amount on box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
BLUECROSS BLUESHIELD OF TENN 62-0427913 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	HEALTH INSURANCE	TN	N/A	C CORP	NONE	NONE	NONE
GOLDEN SECURITY INSURANCE CO 62-1156312 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	HEALTH INSURANCE	TN	N/A	C CORP	NONE	NONE	NONE
VOLUNTEER STATE HEALTH PLAN 62-1656610 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	HLTH MAINTENANCE	TN	N/A	C CORP	NONE	NONE	NONE
GROUP INSURANCE SERVICES, IN 62-0721232 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	INS PROVIDER	TN	N/A	C CORP	NONE	NONE	NONE
SOUTHERN DIVERSIFIED BUSINES 62-1156889 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	HOLDING COMPANY	TN	N/A	C CORP	NONE	NONE	NONE
RIVERBEND GOVERNMENT BENEFIT 20-2469347 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	3RD PARTY ADMIN	TN	N/A	C CORP	NONE	NONE	NONE
RIVERTRUST SOLUTIONS, INC 20-0528228 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	MEDICARE APPEALS	TN	N/A	C CORP	NONE	NONE	NONE
SECURITY CARE, INC 20-1442165 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	MEDICARE CH CARE	TN	N/A	C CORP	NONE	NONE	NONE
SHARED HEALTH, INC 20-3484545 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	HLTH INFO TECH SE	TN	N/A	C CORP	NONE	NONE	NONE
GORDIAN HEALTH SOLUTIONS, IN 62-1631426 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	WELLNESS SRVCS	TN	N/A	C CORP	NONE	NONE	NONE
BENEVIVE, INC 20-8042682 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	HOLDING COMPANY	TN	N/A	C CORP	NONE	NONE	NONE

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

	(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			