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Form 990

OMB No. 1545-0047

2008

Open to Public
InspectionDepartment 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.

A For the 2008 calendar year, or tax year beginning

07/01, 2008, and ending

06/30, 2009

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization ESSENTIA HEALTH Doing Business As Number and street (or P.O. box if mail is not delivered to street address) 502 E 2ND ST Room/suite City or town, state or country, and ZIP + 4 DULUTH, MN 55805 F Name and address of principal officer: PETER PERSON, MD 502 E 2ND ST DULUTH, MN 55805			D Employer identification number 20-0360007 E Telephone number (218) 786-8376 G Gross receipts \$ 10,682,390. H(a) Is this a group return for affiliates? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <small>If "No," attach a list. (see instructions)</small> H(c) Group exemption number ►		
	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) ► (insert no.) 4947(a)(1) or 527					
	J Website: ► WWW.ESSENTIAHEALTH.ORG					
	K Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►			L Year of formation: 2003 M State of legal domicile: MN		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: WE ARE CALLED TO MAKE A HEALTHY DIFFERENCE IN PEOPLE'S LIVES.		
	2 Check this box ► <input type="checkbox"/> 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		
	4 Number of independent voting members of the governing body (Part VI, line 1b) 4		
	5 Total number of employees (Part V, line 2a) 5		
	6 Total number of volunteers (estimate if necessary) 6		
Revenue	7a Total gross unrelated business revenue from Part VIII, line 12, column (C) 7a 962,836.		
	b Net unrelated business taxable income from Form 990-T, line 34 7b -13,892.		
	Prior Year		
	Current Year		
	8 Contribution and grants (Part VIII, line 1h) 13,502,773.		
	9 Program service revenue (Part VIII, line 2g) 10,007,037.		
Expenses	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 1,549,863.		
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 61,705.		
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 15,114,341.		
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 5,000.		
	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) 43,850.		
Net Assets or Fund Balances	16a Professional fundraising fees (Part IX, column (A), line 11e) 13,405,934.		
	b Total fundraising expenses, Part IX, column (A), line 11d) 13,454,784.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24) 1,659,557.		
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 10,085,566.		
	19 Revenue less expenses. Subtract line 18 from line 12 10,285,216.		
	20 Total assets (Part X, line 16) 1,659,557.		
21 Total liabilities (Part X, line 26) 2,882,181.			
22 Net assets or fund balances. Subtract line 21 from line 20 Beginning of Year 83,615,063. End of Year 56,717,748.			
23 RECEIVED ROBERT NORMAN CPA 5-12-10			
24 DOCUMENT			

Part II Signature Block

Sign Here	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		
	Signature of officer ROBERT NORMAN CPA Date 5-12-10 Type or print name and title CFO		
Paid Preparer's Use Only	Preparer's signature ► Susan Dull	Date 5/7/2010	Check if self-employed ► <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP + 4 ► ERNST & YOUNG US LLP 75 BEATTIE PLACE, SUITE 800 GREENVILLE, SC 29601	EIN ► 34-6565596	Preparer's identifying number (see instructions)
			Phone no. ► 864-298-5740

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

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

Form 990 (2008)

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

WE ARE CALLED TO MAKE A HEALTHY DIFFERENCE IN PEOPLE'S LIVES.

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 \$ 1,920,177. including grants of \$ 5,500.) (Revenue \$ 10,007,037.)

SEE SCHEDULE O

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 ► \$ 1,920,177. (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

	Yes	No
1	X	
2	X	
3	X	
4	X	
5		
6	X	
7	X	
8	X	
9	X	
10	X	
11		
12	X	
13	X	
14a	X	
14b	X	
15	X	
16	X	
17	X	
18	X	
19	X	
20	X	
21	X	
22	X	
23	X	
24a	X	
24b	X	
24c	X	
24d	X	
25a	X	
25b	X	
26	X	
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	X
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

Form 990 (2008)

Part V Statements Regarding Other IRS Filings and Tax Compliance

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	39
----	----

1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable

1b	NONE
----	------

1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?

1c	X
----	---

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
----	------

2b 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
----	---

3b 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
----	---

4b 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
----	---

5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?

5b	X
----	---

5c

6a Did the organization solicit any contributions that were not tax deductible?

6a	X
----	---

6b

6c If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

6c	
----	--

7 Organizations that may receive deductible contributions under section 170(c).

7a Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?

7a	X
----	---

7b If "Yes," did the organization notify the donor of the value of the goods or services provided?

7b	
----	--

7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?

7c	X
----	---

7d If "Yes," indicate the number of Forms 8282 filed during the year

7d	
----	--

7e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

7e	X
----	---

7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

7f	X
----	---

7g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?

7g	
----	--

7h

7i For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?

7i	
----	--

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	X
---	---

9 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.

9a Did the organization make any taxable distributions under section 4966?

9a	
----	--

9b Did the organization make a distribution to a donor, donor advisor, or related person?

9b	
----	--

10 Section 501(c)(7) organizations. Enter:

10a Initiation fees and capital contributions included on Part VIII, line 12

10a	
-----	--

10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities

10b	
-----	--

11 Section 501(c)(12) organizations. Enter:

11a Gross income from members or shareholders

11a	
-----	--

11b 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	
-----	--

12b 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

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.		Yes	No
1a	Enter the number of voting members of the governing body	1a	18
1b	Enter the number of voting members that are independent	1b	12
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

12a Does the organization have a written conflict of interest policy? If "No," go to line 13		Yes	No
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12a	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	12b	X
13	Does the organization have a written whistleblower policy?	12c	X
14	Does the organization have a written document retention and destruction policy?	13	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:	14	X
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	X

Section C. Disclosure

17	List the states with which a copy of this Form 990 is required to be filed ► <u>MN</u>
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
	<input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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: ► <u>ROBERT_NORMAN_502_E_2ND_ST_DULUTH,_MN_55805</u> <u>218-786-3178</u>

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.

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

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

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ► 1

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

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

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

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
SEE STATEMENT 1		
2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ►	5	

Part VIII Statement of Revenue

Contributions, gifts, grants and other similar amounts		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
1a Federated campaigns	1a				
1b Membership dues	1b				
1c Fundraising events	1c				
1d Related organizations	1d				
1e Government grants (contributions)	1e				
1f 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					
Program Service Revenue	Business Code				
2a SUPPORT FEES	541610	9,044,201.	9,044,201.		
b CONSULTANT FEES	541610	962,836.		962,836.	
c					
d					
e					
f All other program service revenue					
g Total. Add lines 2a-2f		10,007,037.			
Other Revenue	(I) Real (II) Personal				
3 Investment income (including dividends, interest, and other similar amounts)		675,353.			675,353.
4 Income from investment of tax-exempt bond proceeds		NONE			
5 Royalties		NONE			
6a Gross Rents	(I) Securities (II) Other				
b Less: rental expenses					
c Rental income or (loss)					
d Net rental income or (loss)		NONE			
7a Gross amount from sales of assets other than inventory					
b Less: cost or other basis and sales expenses		-2,485,007.			
c Gain or (loss)		2,485,007.			
d Net gain or (loss)		2,485,007.			2,485,007.
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		13,167,397.	9,044,201.	962,836.	3,160,360.

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).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(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	5,500.	5,500.		
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	194,150.		194,150.	
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	72,693.		72,693.	
c Accounting	149,551.		149,551.	
d Lobbying	NONE			
e Professional fundraising services. See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	1,188,220.	874,309.	313,911.	
12 Advertising and promotion	5,580.	5,580.		
13 Office expenses	17,762.	11,033.	6,729.	
14 Information technology	NONE			
15 Royalties	NONE			
16 Occupancy	NONE			
17 Travel	14,314.	1,411.	12,903.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	100,857.		100,857.	
20 Interest	384,091.		384,091.	
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	9,433.		9,433.	
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 AFFILIATE_EXPENSES_ALLOCATION	7,479,193.	850,334.	6,628,859.	
b PROVISIONS_FOR_DOUTBTFUL_ACCT	490,983.		490,983.	
c AFFILIATE_COLLABORATIVES	104,674.	104,674.		
d UBI_TAXES	66,021.	66,021.		
e DUES_&_SUBSCRIPTIONS	5,000.		5,000.	
f All other expenses	-2,806.	1,315.	-4,121.	
25 Total functional expenses. Add lines 1 through 24f	10,285,216.	1,920,177.	8,365,039.	
26 Joint Costs. Check here ► <input type="checkbox"/> 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	213,913.	1	4,572,232.	
	2 Savings and temporary cash investments	5,977.	2	803,461.	
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net	376,119.	4	331,266.	
	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	3,391,573.	7	3,391,573.	
	8 Inventories for sales or use		8		
	9 Prepaid expenses and deferred charges	24,997.	9	93,499.	
	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	15,995,223.	11	NONE	
	12 Investments - other securities. See Part IV, line 11	659,285.	12	2,628,750.	
	13 Investments - program-related. See Part IV, line 11	62,929,240.	13	62,876,802.	
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11	18,736.	15	17,272.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	83,615,063.	16	74,714,855.		
Liabilities	17 Accounts payable and accrued expenses	819,685.	17	442,490.	
	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	26,077,630.	23	10,144,731.	
	24 Unsecured notes and loans payable		24		
	25 Other liabilities. Complete Part X of Schedule D	NONE	25	3,927,705.	
	26 Total liabilities. Add lines 17 through 25	26,897,315.	26	14,514,926.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	56,717,748.	27	60,199,929.	
	28 Temporarily restricted net assets		28		
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> 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	56,717,748.	33	60,199,929.	
	34 Total liabilities and net assets/fund balances	83,615,063.	34	74,714,855.	

Part XI Financial Statements and Reporting

		Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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		
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		

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

Name of the organization

Employer identification number

ESSENTIA HEALTH

20-0360007

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is. (Please check only one organization.)

1	<input type="checkbox"/>	A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).		
2	<input type="checkbox"/>	A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)		
3	<input type="checkbox"/>	A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)		
4	<input type="checkbox"/>	A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____		
5	<input type="checkbox"/>	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)		
6	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).		
7	<input type="checkbox"/>	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)		
8	<input type="checkbox"/>	A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)		
9	<input type="checkbox"/>	An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)		
10	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)		
11	<input checked="" type="checkbox"/>	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.		
e	<input checked="" type="checkbox"/>	a <input type="checkbox"/> Type I	b <input type="checkbox"/> Type II	c <input checked="" type="checkbox"/> Type III - Functionally Integrated
e	<input checked="" type="checkbox"/>	d <input type="checkbox"/> Type III - Other	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).	
f	If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box. <input type="checkbox"/>			
g	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?			
g	(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?			
g	(ii) A family member of a person described in (i) above?			
g	(iii) A 35% controlled entity of a person described in (i) or (ii) above?			
h	Provide the following information about the organizations the organization supports.			

	Yes	No
11g(i)		X
11g(ii)		X
11g(iii)		X

(I) Name of supported organization	(II) EIN	(III) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(IV) Is the organization in col. (I) listed in your governing document?	(V) Did you notify the organization in col. (I) of your support?	(VI) Is the organization in col. (I) organized in the U.S.?	(VII) Amount of support
			Yes	No	Yes	
SEE STATEMENT 2						
Total						10,285.216

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

Schedule A (Form 990 or 990-EZ) 2008

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4.						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (See instructions.)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%
19a 33 1/3% support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33 1/3% support tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

Part IV Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

SCHEDULE A, PART I, LINE 11H, COLUMN (IV)

THE SUPPORTED ORGANIZATIONS LISTED IN PART I LINE 11H THAT HAVE A "NO"

BOX CHECKED ARE NOT SPECIFICALLY LISTED IN ESSENTIA'S ARTICLES OF

INCORPORATION ARTICLE XI. HOWEVER, ESSENTIA'S ARTICLES STATE THAT

ESSENTIA IS ORGANIZED AND SHALL BE OPERATED EXCLUSIVELY FOR CHARITABLE,

EDUCATIONAL, SCIENTIFIC AND RELIGIOUS PURPOSES EXCLUSIVELY FOR THE

BENEFIT OF, TO PERFORM THE FUNCTIONS OF, OR TO CARRY OUT THE PURPOSES OF

THE TAX-EXEMPT ENTITIES IDENTIFIED AS SUPPORTED ORGANIZATIONS IN THEIR

RESPECTIVE ARTICLES OF INCORPORATION.

**Department of the Treasury
Internal Revenue Service**

For Organizations Exempt From Income Tax Under section 501(c) and section 527

- ▶ To be completed by organizations described below.
 - ▶ Attach to Form 990 or Form 990-EZ.

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(cy)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization ESSENTIA HEALTH	Employer identification number 20-0360007
--	---

Part I-A: To be completed by all organizations exempt under section 501(c) and section 527 organizations

See the instructions for Schedule C for details

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures ► \$ _____
3 Volunteer hours _____

Part I-B To be completed by all organizations exempt under section 501(c)(3)

See the instructions for Schedule C for details.

1 Enter the amount of any excise tax incurred by the organization under section 4955 ► \$ _____
2 Enter the amount of any excise tax incurred by organization managers under section 4955 ► \$ _____
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
4a Was a correction made? Yes No
b If "Yes," describe in Part IV.

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3)

See the instructions for Schedule C for details.

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ► \$ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► \$ _____

3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b ► \$ _____

4 Did the filing organization file Form 1120-POL for this year? Yes No

5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

Part II-A To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

A Check ►	if the filing organization belongs to an affiliated group.														
B Check ►	if the filing organization checked box A and "limited control" provisions apply.														
Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</td> <td>The lobbying nontaxable amount is:</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. Enter -0- if line g is more than line a														
i	Subtract line 1f from line 1c. Enter -0- if line f is more than line c														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No										

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

	(a)		(b)
	Yes	No	
			Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?	X		5,000.
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		100,252.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		X	
i Other activities? If "Yes," describe in Part IV		X	
j Total lines 1c through 1i			105,252.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). See the instructions for Schedule C for details.

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) If BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." See Schedule C instructions for details.

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5 and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

Part IV Supplemental Information (continued)**SCHEDULE C, PART II-B**

ESSENTIA HEALTH EMPLOYS ONE FULL-TIME IN-HOUSE PUBLIC POLICY INDIVIDUAL

AND DURING 2009 CONTRACTED WITH ONE LEGAL FIRM TO MONITOR STATE

LEGISLATIVE ACTIVITIES OF INTEREST DEALING FULLY WITH HEALTH AND HUMAN

SERVICES ISSUES. ESSENTIA HEALTH'S PUBLIC POLICY ACTIVITIES OCCUR ON A

MULTI STATE AND NATIONAL LEVEL. ESSENTIA HEALTH PUBLIC POLICY ACTIVITIES

INCLUDED IN PERSON, TELEPHONIC, ELECTRONIC COMMUNICATION AND INFORMATION

RELAY WITH LEGISLATORS AND STAFF, ADMINISTRATIVE OFFICIALS, GOVERNMENT

AGENCIES AND DEPARTMENTS ON BOTH THE STATE AND FEDERAL LEVELS. THE

PRIMARY ISSUES OF INTEREST AND CONCERN INCLUDE:

CRITICAL ACCESS HOSPITAL DESIGNATION

PHYSICIAN AND HOSPITAL SERVICES REIMBURSEMENT

MEDICARE AND MEDICAID REIMBURSEMENT POLICIES

DISPROPORTIONATE SHARE HOSPITAL FUNDING

GRADUATE MEDICAL EDUCATION/INDIRECT MEDICAL EDUCATION FUNDING

HEALTH INFORMATION TECHNOLOGY FUNDING AND PRIVACY ISSUES

STATE AND FEDERAL HEALTH CARE REFORM

MEDICARE REIMBURSEMENT FOR REHAB FACILITIES

MEDICARE 340B PRESCRIPTION DRUG DISCOUNT PROGRAM

NURSE STAFFING RATIOS

ELECTRONIC MEDICAL RECORD INTEROPERABILITY

MEDICARE RECOVERY AUDIT CONTRACTOR AUDITS (RAC)

MEDICAID MORATORIUM EXTENSION

MEDICAL EDUCATION AND RESEARCH COSTS (MERC)

MENTAL HEALTH PARITY

Part IV Supplemental Information (continued)

STATE CHILDREN'S HEALTH INSURANCE PROGRAM

PUBLIC HEALTH INITIATIVES

ADMINISTRATIVE SIMPLIFICATION/FORMULARY EXCEPTION - PRIOR AUTHORIZATION

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

OMB No. 1545-0047

2008Open to Public
Inspection

Name of the organization

ESSENTIA HEALTH

Employer identification number

20-0360007

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?	<input type="checkbox"/>	Yes <input type="checkbox"/> 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?	<input type="checkbox"/>	Yes <input type="checkbox"/> 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).	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
	<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
	<input type="checkbox"/> Preservation of open space	

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
2a	
2b	
2c	
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input type="checkbox"/> 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	► \$ _____

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

Schedule D (Form 990) 2008

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 <input type="checkbox"/> Public exhibition	d <input type="checkbox"/> Loan or exchange programs
b <input type="checkbox"/> Scholarly research	e <input type="checkbox"/> Other _____
c <input type="checkbox"/> Preservation for future generations	

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
1c	
1d	
1e	
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
3a(i)	
3a(ii)	
3b	

(i) unrelated organizations

(ii) related organizations

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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
TAX-EXEMPT ORGANIZATION NOTE	1,500,000.	FMV
TAX-EXEMPT ORGANIZATION NOTE	3,000,000.	FMV
INV IN JV WITH TAX-EXEMPT ORG	58,532,818.	FMV
INV IN JV WITH FOR PROFIT ORG	-156,016.	FMV

Total. (Column (b) should equal Form 990, Part X, col. (B) line 13.) **62-876-802**

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

Total. (Column (b) should equal Form 990, Part X, col. (B) line 15.)

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

(a) Description of liability	(b) Amount
Federal income taxes	
AMOUNTS OWED TO RELATED TAX-EXEMPT	3,791,274
AMOUNTS OWED TO RELATED TAX-EXEMPT	136,431
Total. (Column (b) should equal Form 990, Part X, col. (B), line 25.)	3,927,705

Total. (Column (b) should equal Form 990, Part X, Col. (B) line 25.) **3,921,705**

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
2 Total expenses (Form 990, Part IX, column (A), line 25)	2
3 Excess or (deficit) for the year. Subtract line 2 from line 1	3
4 Net unrealized gains (losses) on investments	4
5 Donated services and use of facilities	5
6 Investment expenses	6
7 Prior period adjustments	7
8 Other (Describe in Part XIV)	8
9 Total adjustments (net). Add lines 4-8	9
10 Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10

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	
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a Net unrealized gains on investments	2a	
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 Subtract line 2e from line 1	3	
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	
b Other (Describe in Part XIV)	4b	
c Add lines 4a and 4b	4c	
5 Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	

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

1 Total expenses and losses per audited financial statements	1	
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	
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	
b Other (Describe in Part XIV)	4b	
c Add lines 4a and 4b	4c	
5 Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	

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.

SCHEDULE D, PART X

DURING 2008, ESSENTIA ADOPTED FASB INTERPRETATION NO. 48, ACCOUNTING FOR

UNCERTAINTY IN INCOME TAX - AN INTERPRETATION OF FASB STATEMENT NO. 109,

ACCOUNTING FOR INCOME TAXES. THE ADOPTING OF THIS INTERPRETATION HAD NO

MATERIAL IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS.

Part XIV Supplemental Information (continued)

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.

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

SCHEDULE I. PART I. LINE 2

ESSENTIA HEALTH'S MANAGEMENT REVIEWS THE GRANT ACTIVITY BY REVIEWING & DOCUMENTING EACH EXPENDITURE REQUEST & APPROVING THE EXPENSE

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

ESSENTIA HEALTH

Employer identification number

20-0360007

Part I Questions Regarding Compensation

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
 Travel for companions
 Tax indemnification and gross-up payments
 Discretionary spending account

Housing allowance or residence for personal use
 Payments for business use of personal residence
 Health or social club dues or initiation fees
 Personal services (e.g., maid, chauffeur, chef)

Yes No

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

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?

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
 Independent compensation consultant
 Form 990 of other organizations

Written employment contract
 Compensation survey or study
 Approval by the board or compensation committee

1b

2

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?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

4a X

4b X

4c X

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?
b Any related organization?
If "Yes" to line 5a or 5b, describe in Part III.

5a X

5b X

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?
b Any related organization?
If "Yes" to line 6a or 6b, describe in Part III.

6a X

6b X

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

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

Schedule J (Form 990) 2008

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 VI.

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.

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 I, LINE 4A

FORMER KEY EMPLOYEE, JAMES ABELSEN, A FORMER EMPLOYEE OF RELATED

ORGANIZATION THE DULUTH CLINIC, LTD., RECEIVED PAYMENT TOTALING \$168,850

IN TAX YEAR 2008 RELATED TO HIS TERMINATION. THE TERMINATION TERMS ARE

FROM JUNE 30, 2008 UNTIL JUNE 30, 2010. MR. ABELSEN WILL RECEIVE PAY

TOTALING \$883,406 & BENEFITS TOTALING \$18,489 RELATED TO HIS TERMINATION.

SCHEDULE J, PART I, LINE 4B

THE FOLLOWING INDIVIDUALS LISTED IN FORM 990, PART VII, SECTION A, LINE

1A RECEIVED PAYMENT FROM A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

DURING THE YEAR:

PETER PERSON, MD (ST. MARY'S DULUTH CLINIC HEALTH SYSTEM) \$93,375

ROBERT NORMAN (ECHC) \$64,496

DANIEL MCGINTY (ECHC) \$50,451

THOMAS PRUSAK (ECHC) \$63,542

MARIBETH OLSON (ST. MARY'S DULUTH CLINIC HEALTH SYSTEM) \$19,814

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.

JAMES ABELSEN (ST. MARY'S DULUTH CLINIC HEALTH SYSTEM) \$707,567

ECHC'S NONQUALIFIED RETIREMENT PLAN IS OFFERED TO ECHC EXECUTIVES. THERE

IS A MINIMUM TWO YEAR VESTING DATE, BENEFITS ARE SUBJECT TO INCOME TAXES
UPON VESTING, AND BENEFITS ARE PAYABLE FROM ECHC'S GENERAL ASSETS.

ST. MARY'S DULUTH CLINIC HEALTH SYSTEM'S NONQUALIFIED RETIREMENT PLAN IS

OFFERED TO DESIGNATED ST. MARY'S DULUTH CLINIC HEALTH SYSTEM'S

EXECUTIVES. THERE IS A MINIMUM TWO YEAR VESTING DATE, BENEFITS ARE
SUBJECT TO INCOME TAXES UPON VESTING, AND BENEFITS ARE PAYABLE FROM ST.

MARY'S DULUTH CLINIC HEALTH SYSTEM'S GENERAL ASSETS.

SCHEDULE J-1
(Form 990)

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service
Name of the organization

Continuation Sheet for Schedule J (Form 990)

► Attach to Form 990 to list additional information
regarding compensation.

2008

Open to Public
Inspection

ESSENTIAL HEALTH

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

Employer identification number

20-0360007

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(1)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(I) Base compensation	(II) Bonus & incentive compensation	(III) Other reportable compensation				
<u>GREGORY GLASNER, MD</u>	(I) <u>NONE</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(II) <u>401,506.</u>	(II) <u>15,500.</u>	(III) <u>4,325.</u>	(C) <u>7,500.</u>	(D) <u>7,500.</u>	(E) <u>39,388.</u>	(F) <u>468,219.</u>
<u>CARL HELTINE, MD</u>	(I) <u>NONE</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(II) <u>520,999.</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>22,500.</u>	(D) <u>20,566.</u>	(E) <u>564,065.</u>	(F) <u>276,399.</u>
<u>DANIEL MCGINTY</u>	(I) <u>NONE</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(II) <u>326,332.</u>	(II) <u>91,519.</u>	(III) <u>50,988.</u>	(C) <u>71,336.</u>	(D) <u>28,266.</u>	(E) <u>568,441.</u>	(F) <u>215,170.</u>
<u>ROBERT NORMAN</u>	(I) <u>NONE</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(II) <u>379,275.</u>	(II) <u>106,765.</u>	(III) <u>65,192.</u>	(C) <u>78,382.</u>	(D) <u>78,382.</u>	(E) <u>31,888.</u>	(F) <u>661,502.</u>
<u>PETER PERSON, MD</u>	(I) <u>NONE</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(II) <u>775,545.</u>	(II) <u>206,956.</u>	(III) <u>93,375.</u>	(C) <u>418,189.</u>	(D) <u>29,248.</u>	(E) <u>1,523,313.</u>	(F) <u>754,065.</u>
<u>KEVIN PITZER</u>	(I) <u>NONE</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(II) <u>305,128.</u>	(II) <u>44,100.</u>	(III) <u>NONE</u>	(C) <u>23,000.</u>	(D) <u>32,598.</u>	(E) <u>404,826.</u>	(F) <u>144,848.</u>
<u>JOHN C SMYLIE</u>	(I) <u>NONE</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(II) <u>475,409.</u>	(II) <u>123,019.</u>	(III) <u>NONE</u>	(C) <u>66,599.</u>	(D) <u>26,848.</u>	(E) <u>691,875.</u>	(F) <u>339,542.</u>
<u>LAURA BOEHLKE-BRAY, MD</u>	(I) <u>6,300.</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>6,300.</u>	(F) <u>800.</u>
	(II) <u>265,938.</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>22,500.</u>	(D) <u>3,176.</u>	(E) <u>291,614.</u>	(F) <u>143,419.</u>
<u>TERRENCE CLARK, MD</u>	(I) <u>NONE</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(II) <u>191,669.</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>19,263.</u>	(D) <u>8,727.</u>	(E) <u>219,704.</u>	(F) <u>107,280.</u>
<u>JOEL HAUGEN, MD</u>	(I) <u>6,300.</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>6,300.</u>	(F) <u>800.</u>
	(II) <u>162,730.</u>	(II) <u>27,096.</u>	(III) <u>NONE</u>	(C) <u>18,863.</u>	(D) <u>28,703.</u>	(E) <u>237,392.</u>	(F) <u>91,963.</u>
<u>BRUCE PIATT, MD</u>	(I) <u>6,800.</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>6,800.</u>	(F) <u>800.</u>
	(II) <u>348,795.</u>	(II) <u>14,249.</u>	(III) <u>NONE</u>	(C) <u>8,751.</u>	(D) <u>34,613.</u>	(E) <u>406,408.</u>	(F) <u>213,383.</u>
<u>THOMAS RUSS, MD</u>	(I) <u>8,600.</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>8,600.</u>	(F) <u>2,100.</u>
	(II) <u>281,169.</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>22,500.</u>	(D) <u>18,062.</u>	(E) <u>321,731.</u>	(F) <u>155,180.</u>
<u>MICHAEL MAHONEY</u>	(I) <u>NONE</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(II) <u>182,229.</u>	(II) <u>NONE</u>	(III) <u>NONE</u>	(C) <u>35,066.</u>	(D) <u>9,981.</u>	(E) <u>227,276.</u>	(F) <u>111,404.</u>
<u>TERESA O'TOOLE</u>	(I) <u>NONE</u>	(II) <u>34,103.</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(II) <u>228,547.</u>	(II) <u>27,125.</u>	(III) <u>NONE</u>	(C) <u>47,569.</u>	(D) <u>10,728.</u>	(E) <u>320,947.</u>	(F) <u>151,944.</u>
<u>THOMAS PRUSAK</u>	(I) <u>NONE</u>	(II) <u>65,141.</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>512,718.</u>	(F) <u>221,792.</u>
<u>DAVID BORAN, MD</u>	(I) <u>NONE</u>	(II) <u>4,399.</u>	(III) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>6,655.</u>	(F) <u>NONE</u>
	(II) <u>288,029.</u>	(II) <u>26,715.</u>	(III) <u>30,948.</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>356,746.</u>	(F) <u>NONE</u>

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

JSA
8E1293 1.000

Schedule J-1 (Form 990) 2008

Continuation Sheet for Schedule J (Form 990)

► Attach to Form 990 to list additional information regarding compensation.

Department of the Treasury
Internal Revenue Service

REFLECTIONS

ESSENTIALS OF PUBLIC HEALTH

Directors Trustees Key Employees and Highest Compensated Employees (Schedule I) Date (b)

(A) Name

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

**SCHEDULE J-2
(Form 990)****Continuation Sheet for Form 990**

OMB No. 1545-0047

2008**Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

► Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

Name of the Organization
ESSENTIA HEALTHEmployer Identification number
20-0360007**Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

(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
		Or director Individual trustee	Institutional trustee	Officer	Key employee	Highest compensated employee			
<u>PETER PERSON, MD</u>									
<u>CHIEF EXECUTIVE OFFICER</u>	60.	X		X			NONE	1,075,876.	447,437.
<u>RICHARD BLAIR</u>									
<u>BOARD CHAIR</u>	5.	X		X			17,200.	600.	NONE
<u>LAURA BOEHLKE-BRAY, MD</u>									
<u>BOARD DIRECTOR</u>	5.	X					6,300.	265,938.	25,676.
<u>TERRENCE CLARK, MD</u>									
<u>BOARD DIRECTOR</u>	5.	X					NONE	191,669.	28,035.
<u>LORI COLLARD</u>									
<u>BOARD DIRECTOR</u>	5.	X					10,100.	7,600.	NONE
<u>SISTER LOIS ECKES</u>									
<u>BOARD DIRECTOR</u>	5.	X					NONE	NONE	NONE
<u>SISTER VERDA CLARE EICHNER</u>									
<u>BOARD DIRECTOR</u>	5.	X					NONE	NONE	NONE
<u>JOEL HAUGEN, MD</u>									
<u>BOARD DIRECTOR</u>	5.	X					6,300.	189,826.	47,566.
<u>NEAL HESSEN</u>									
<u>BOARD DIRECTOR</u>	5.	X					7,700.	7,100.	NONE
<u>SISTER KATHLEEN HOFER</u>									
<u>BOARD VICE CHAIR</u>	5.	X		X			NONE	NONE	NONE
<u>LAUREN LARSEN</u>									
<u>BOARD DIRECTOR</u>	5.	X					13,500.	NONE	NONE
<u>WALTER LEINO, MD</u>									
<u>BOARD DIRECTOR</u>	5.	X					7,500.	105,660.	23,432.
<u>BRUCE PIATT, MD</u>									
<u>BOARD DIRECTOR</u>	5.	X					6,800.	363,044.	43,364.
<u>SISTER BEVERLY RAWAY</u>									
<u>BOARD DIRECTOR</u>	5.	X					NONE	NONE	NONE
<u>THOMAS RUSS, MD</u>									
<u>BOARD SECRETARY</u>	5.	X		X			8,600.	281,169.	40,562.
<u>JAMES SEITZ</u>									
<u>BOARD DIRECTOR</u>	5.	X					7,900.	1,200.	NONE
<u>MARY FRANCES SKALA</u>									
<u>BOARD DIRECTOR</u>	5.	X					7,900.	NONE	NONE
<u>SISTER CLARE MARIE TRETTEL</u>									
<u>BOARD DIRECTOR</u>	5.	X					NONE	NONE	NONE
<u>ROBERT NORMAN</u>									
<u>CHIEF FINANCIAL OFFICER</u>	60.			X			NONE	551,232.	110,270.
<u>GREGORY GLASNER, MD</u>									
<u>EXECUTIVE VICE PRESIDENT</u>	60.			X			NONE	421,331.	46,888.
<u>CARL HELTNE, MD</u>									
<u>EXECUTIVE VICE PRESIDENT</u>	60.			X			NONE	520,999.	43,066.

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

JSA

8E1294 1.000

Schedule J-2 (Form 990) 2008

Department of the Treasury
Internal Revenue Service

► **Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.**

Name of the Organization

Employer Identification number

ESSENTIA HEALTH

20-0360007

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

Supplemental Information on Tax-Exempt Bonds

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

Name of the organization

ESSENTIA HEALTH

Part I Bond Issues (Required for 2008)

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased	(h) On behalf of issuer
A CASS COUNTY, NORTH DAKOTA	45-6002205	148047A8	03/04/2008	61,100,000.	SERIES 2008 A-1 & A-2 BONDS	X	X
B WI HEALTH & EDUCATION FACILITIES AUTHORITY	39-1331855	97710V7R3	03/04/2008	12,975,000.	SERIES 2008 B-1 BONDS	X	X
C MN AGRICULTURAL & ECONOMIC DEVELOPMENT BOARD	41-6007162	604920X94	03/04/2008	119,125,000.	SERIES 2008 C BONDS	X	X
D CASS COUNTY, NORTH DAKOTA	45-6002205	148047A70	05/02/2008	62,448,178.	SERIES D BONDS	X	X
E MN AGRICULTURAL & ECONOMIC DEVELOPMENT BOARD	41-6007162	604920Z43	05/02/2008	42,909,274.	SERIES E BONDS	X	X

Part II Proceeds (Optional for 2008)

	A	B	C	D	E
1 Total proceeds of issue
2 Gross proceeds in reserve funds
3 Proceeds in refunding or defeasance escrows
4 Other unspent proceeds
5 Issuance costs from proceeds
6 Working capital expenditures from proceeds
7 Capital expenditures from proceeds
8 Year of substantial completion
9 Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes
10 Were the bonds issued as part of an advance refunding issue?
11 Has the final allocation of proceeds been made?
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?
Part III Private Business Use (Optional for 2008)	A	B	C	D	E
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No	Yes
2 Are there any lease arrangements with respect to the financed property which may result in private business use?

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

Schedule K (Form 990) 2008

Part III Private Business Use (Continued)

	A		B		C		D		E	
	Yes	No								
3 a Are there any management or service contracts with respect to the financed property which may result in private business use?										
b Are there any research agreements with respect to the financed property which may result in private business use?										
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government.	▲	%	%	%	%	%	%	%	%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government.	▲	%	%	%	%	%	%	%	%	
6 Total of lines 4 and 5										
7 Has the organization adopted management practices and procedures to ensure the postissuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage (Optional for 2008)

	A		B		C		D		E	
	Yes	No								
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?										
2 Is the bond issue a variable rate issue?										
3 a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?										
b Name of provider										
c Term of hedge										
4 a Were gross proceeds invested in a GIC?										
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?										
6 Did the bond issue qualify for an exception to rebate?										

Name of the organization

ESSENTIA HEALTH

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20-0360007

FORM 990, PART III, LINE 4A

ESSENTIA HEALTH IS ORGANIZED & SHALL BE OPERATED EXCLUSIVELY FOR CHARITABLE, EDUCATIONAL, SCIENTIFIC & RELIGIOUS PURPOSES EXCLUSIVELY FOR THE BENEFIT OF, TO PERFORM THE FUNCTIONS OF, OR TO CARRY OUT THE PURPOSES OF ECHC, A MINNESOTA NONPROFIT CORPORATION, ST. MARY'S DULUTH CLINIC HEALTH SYSTEM, A MINNESOTA NONPROFIT CORPORATION, & INNOVIS HEALTH, A DELAWARE LIMITED LIABILITY COMPANY & IN SUPPORT OF ECHC, SMDC, & INNOVIS HEALTH & EACH OF THE TAX-EXEMPT ENTITIES IDENTIFIED AS SUPPORTED ORGANIZATIONS IN THEIR ARTICLES OF INCORPORATION ALL OF WHICH ARE ORGANIZATIONS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986.

ESSENTIA HEALTH SUPPORTS REGIONAL LEADERS IN THE DEVELOPMENT & ADVANCEMENT OF BUSINESS, CLINICAL & FINANCIAL MODELS FOR THE DELIVERY OF HIGH-QUALITY & COST-EFFECTIVE HEALTH CARE. THE REGIONAL LEADERS PROVIDE INTEGRATED HEALTH CARE DELIVERY THROUGH THEIR PHYSICIAN GROUP PRACTICES, AMBULATORY & OUTPATIENT CENTERS, ACUTE CARE HOSPITALS & COMMUNITY, RURAL & CRITICAL ACCESS HOSPITALS. THE ORGANIZATIONS ESSENTIA HEALTH SUPPORTS (THE "SUPPORTED ORGANIZATIONS") INCLUDE 11 HOSPITALS & MORE THAN 50 CLINICS IN MINNESOTA, WISCONSIN, NORTH DAKOTA, & IDAHO WITH SEVERAL LOCATED IN RURAL AREAS THAT HAVE LIMITED ACCESS TO OTHER HEALTHCARE OPTIONS. THESE SUPPORTED ORGANIZATION FILE SEPARATE FORM 990'S.

AT FISCAL YEAR ENDED JUNE 30, 2009, ESSENTIA HEALTH'S SUPPORTED ORGANIZATIONS' CONSOLIDATED TOTAL REVENUE WAS \$1,421,745,000 & CONSOLIDATED INCOME FROM OPERATIONS WAS \$20,258,000. THESE HOSPITALS & CLINICS EMPLOY APPROXIMATELY 9,100 FULL TIME EQUIVALENTS. THE HOSPITALS HAVE A TOTAL OF 985 LICENSED BEDS WHICH

Name of the organization

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ESSENTIA HEALTH

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PROVIDED FOR OVER 181,000 HOSPITAL PATIENT DAYS AND OVER 683,000
OUTPATIENT VISITS DURING THE FISCAL YEAR ENDED JUNE 30, 2009. THE
CLINICS HAD OVER 1.6 MILLION ENCOUNTERS DURING THE SAME TIME PERIOD.
ESSENTIA HEALTH'S SUPPORTED ORGANIZATIONS PROVIDED OVER \$8.3 MILLION IN
CHARITY CARE AS WELL AS AN ADDITIONAL \$5.1 MILLION IN DISCOUNTS TO
UNINSURED PATIENTS DURING THE FISCAL YEAR ENDED JUNE 30, 2009. FURTHER
COMMUNITY BENEFITS PROVIDED BY THE SUPPORTED ORGANIZATIONS DURING THE
FISCAL YEAR INCLUDE EDUCATION AND WORKFORCE DEVELOPMENT OF OVER \$9.0
MILLION, SUBSIDIZED HEALTH SERVICES OF \$185,000, COMMUNITY SERVICES OF
\$1.5 MILLION, & CASH & IN-KIND DONATIONS OF \$944,000.

Name of the organization

ESSENTIA HEALTH

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20-0360007FORM 990, PART V, LINE 1CNO GAMING (GAMBLING) Winnings

Name of the organization

ESSENTIA HEALTH

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20-0360007

FORM 990, PART VI, LINE 7B

THE BENEDICTINE SISTERS BENEVOLENT ASSOCIATION ("BSBA") HAS CERTAIN

RESERVED POWERS OVER ALL CATHOLIC FACILITIES WITHIN ESSENTIA HEALTH.

BSBA'S RESERVED POWERS ARE AS FOLLOWS:

SUBJECT TO ANY APPROVALS THAT ARE REQUIRED UNDER APPLICABLE CANON LAW AND

THE PRIOR WRITTEN NOTICE TO ECHC REQUIRED BY SECTION 2.10 OF THE AMENDED

AND RESTATED AFFILIATION AGREEMENT BY AND AMONG BENEDICTINE SISTERS

BENEVOLENT ASSOCIATION, ESSENTIA HEALTH, ECHC, AND ST. MARY'S DULUTH

CLINIC HEALTH SYSTEM DATED AS OF DECEMBER 21, 2007 (THE "AFFILIATION

AGREEMENT"), AND TO ESSENTIA HEALTH AS REQUIRED BY SECTION 2.11 THEREOF,

BENEDICTINE SISTERS BENEVOLENT ASSOCIATION SHALL HAVE THE FOLLOWING

POWERS WHICH SHALL BE EXERCISED BY ACTION OF THE BENEDICTINE SISTERS

BENEVOLENT ASSOCIATION BOARD OF DIRECTORS UNLESS OTHERWISE PROVIDED WITH

RESPECT TO ALL ECCLESIASTICAL GOODS AND CATHOLIC FACILITIES AND ENTITIES

WITHIN THE SYSTEM (AS DEFINED IN THE AFFILIATION AGREEMENT, AS AMENDED):

MISSION. AUTHORITY TO APPROVE THE MISSION, PURPOSE AND VISION STATEMENTS

FOR CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYSTEM.

ADHERENCE TO ETHICAL RELIGIOUS DIRECTIVES (ERDS). AUTHORITY TO APPROVE

THE METHODS, POLICIES AND PROCEDURES PERTAINING TO THE ADHERENCE OF

CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYSTEM TO THE ERDS, AND TO

REQUIRE THE USE OF RELIGIOUS SYMBOLS, DISTINGUISHING ELEMENTS AND

PRAYERS.

OFFICIAL CATHOLIC DIRECTORY. AUTHORITY TO REQUEST THE LISTING OF

QUALIFIED ENTITIES AND FACILITIES WITHIN THE SYSTEM IN THE OFFICIAL

CATHOLIC DIRECTORY, SUBJECT TO THE APPROVAL OF APPLICABLE CATHOLIC

AUTHORITIES.

Name of the organization

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CATHOLIC HEALTH ASSOCIATION. AUTHORITY TO REQUIRE CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYSTEM TO JOIN THE MEMBERSHIP OF THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES.

ALIENATION OF STABLE PATRIMONY OR ECCLESIASTICAL GOODS. AUTHORITY TO APPROVE ALIENATION OF EITHER STABLE PATRIMONY OR OTHER ECCLESIASTICAL GOODS IN THE SYSTEM IF SUCH GOODS INVOLVED IN A SPECIFIC TRANSACTION APPROVED BY ESSENTIA HEALTH PURSUANT TO SECTION 2.8(G) OR 2.8(H) OF THE AFFILIATION AGREEMENT HAVE A DOLLAR VALUE EQUAL TO OR GREATER THAN 70% OF THE AMOUNT ESTABLISHED FROM TIME TO TIME THAT REQUIRES APPROVAL FROM THE HOLY SEE.

AMENDMENTS. AUTHORITY TO APPROVE ANY AMENDMENTS TO THE ARTICLES OF INCORPORATION OR BYLAWS OF THIS CORPORATION THAT WOULD ALTER THE NUMBER OF BENEDICTINE SISTERS OF ST. SCHOLASTICA MONASTERY OF DULUTH OR BENEDICTINE SISTERS BENEVOLENT ASSOCIATION BOARD OF DIRECTOR MEMBERS SERVING AS MEMBERS OF THIS CORPORATION'S BOARD OF DIRECTORS; AUTHORITY TO APPROVE ANY AMENDMENTS TO THE ARTICLES OF INCORPORATION OR BYLAWS OF THE SUPPORTED ORGANIZATIONS, AS WELL AS THE CATHOLIC SMDC SUBSIDIARIES (AS DEFINED IN THE AFFILIATION AGREEMENT), WHICH COULD MATERIALLY AFFECT SUCH ENTITY'S IDENTITY AS A CATHOLIC INSTITUTION, INCLUDING WITHOUT LIMITATION ANY AMENDMENT THAT WOULD ALTER THE NUMBER OF BENEDICTINE SISTERS OF ST. SCHOLASTICA MONASTERY OF DULUTH OR BENEDICTINE SISTERS BENEVOLENT ASSOCIATION BOARD OF DIRECTOR MEMBERS SERVING AS MEMBERS OF SUCH ENTITY'S BOARD OF DIRECTORS; AND AUTHORITY TO CAUSE ESSENTIA HEALTH TO MAKE AMENDMENTS TO THE ARTICLES OF INCORPORATION OR BYLAWS OF THE SUPPORTED ORGANIZATIONS, AS WELL AS THE CATHOLIC SMDC SUBSIDIARIES, WHICH AMENDMENTS BENEDICTINE SISTERS BENEVOLENT ASSOCIATION IN GOOD FAITH ARE NECESSARY TO PRESERVE SUCH ENTITY'S IDENTITY AS A CATHOLIC INSTITUTION.

Name of the organization

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MISSION EFFECTIVENESS. AUTHORITY TO APPROVE ANNUAL PLANS AND EVALUATIONS
RELATING TO MISSION EFFECTIVENESS AND CHAPLAINCY FOR THE CATHOLIC
FACILITIES AND ENTITIES WITHIN THE SYSTEM.
MERGERS AND DISSOLUTION. SUBJECT TO THE APPROVAL OF THE BENEDICTINE
SISTERS OF ST. SCHOLASTICA MONASTERY OF DULUTH, AUTHORITY TO APPROVE A
PROPOSED MERGER, CONSOLIDATION, LIQUIDATION, OR DISSOLUTION OF ST. MARY'S
MEDICAL CENTER OR ST. JOSEPH'S MEDICAL CENTER, OR THE DISPOSITION OF ALL
OR SUBSTANTIALLY ALL THE ASSETS OF ST. MARY'S MEDICAL CENTER OR ST.
JOSEPH'S MEDICAL CENTER.

Name of the organization

ESSENTIA HEALTH

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FORM 990, PART VI, LINE 10THE 2008 FORM 990 AND 990-T INCLUDING ALL SCHEDULES WERE REVIEWED BYESSENTIA HEALTH'S MANAGEMENT AND GOVERNING BODY ON WEDNESDAY, APRIL 28TH,2010 PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE. EACH CURRENTDIRECTOR OF THE GOVERNING BODY, AS LISTED IN PART VII SECTION A LINE 1A,RECEIVED A COPY OF THE 2008 FORM 990 AND 990-T. ESSENTIA HEALTH'S CFOLED THE REVIEW OF THE FORMS AND SCHEDULES AND ANY QUESTIONS WEREDISCUSSED.

Name of the organization

ESSENTIA HEALTH

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FORM 990, PART VI, LINE12C

INTERESTED PERSONS SHALL ANNUALLY DISCLOSE RELATIONSHIPS WHICH MIGHT LEAD TO A CONFLICT OF INTEREST BY COMPLETING A "CONFLICT OF INTEREST DISCLOSURE FORM." INTERESTED PERSONS INCLUDE ANY PERSON IN A POSITION TO EXERCISE SUBSTANTIAL INFLUENCE OVER THE ORGANIZATION. IT INCLUDES BUT IS NOT LIMITED TO ANY DIRECTOR, OFFICER, MANAGEMENT, EMPLOYEE, OR COMMITTEE MEMBER OF ESSENTIA HEALTH OR ANY OF ITS AFFILIATES.

ESSENTIA SHALL BE RESPONSIBLE FOR THE ANNUAL DISTRIBUTION OF CONFLICT OF INTEREST FORMS & REVIEW OF DISCLOSURES FOR THE GOVERNING BODIES OF ESSENTIA AND ESSENTIA OPERATING MEMBERS AND FOR SENIOR MANAGEMENT EMPLOYEES OF ESSENTIA.

TRANSACTIONS WITH PARTIES WITH WHOM A CONFLICT OF INTEREST EXISTS MAY BE UNDERTAKEN ONLY IF ALL OF THE FOLLOWING ARE OBSERVED: THE CONFLICT OF INTEREST IS FULLY DISCLOSED; THE INTERESTED PERSON WITH THE CONFLICT OF INTEREST DOESN'T PARTICIPATE IN THE APPROVAL OF SUCH TRANSACTIONS; IF PRACTICAL OR APPROPRIATE, A COMPETITIVE BID OR COMPARABLE VALUATION IS OBTAINED; & THE BOARD OR COMMITTEE OF THE BOARD HAS DETERMINED THAT THE TRANSACTION IS IN THE BEST INTEREST OF THE ORGANIZATION.

DISCLOSURE BY ANY INTERESTED PERSON OTHER THAN A BOARD OR COMMITTEE MEMBER SHOULD BE MADE TO THE CHIEF EXECUTIVE OFFICER (OR IF SHE/HE IS THE ONE WITH THE CONFLICT, THEN TO THE BOARD CHAIR), WHO SHALL BRING THE MATTER TO THE ATTENTION OF THE BOARD OR AN APPROPRIATE COMMITTEE OF THE BOARD. DISCLOSURE INVOLVING BOARD OR COMMITTEE MEMBERS SHALL BE MADE TO THE BOARD CHAIR (OR IF SHE/HE IS THE ONE WITH THE CONFLICT, THEN TO THE BOARD VICE CHAIR), WHO SHALL BRING THESE MATTERS TO THE BOARD OR AN APPROPRIATE COMMITTEE OF THE BOARD.

Name of the organization

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ESSENTIA HEALTH

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THE BOARD OR COMMITTEE OF THE BOARD SHALL DETERMINE WHETHER A CONFLICT EXISTS & IF SO, WHETHER THE CONTEMPLATED TRANSACTION MAY BE AUTHORIZED AS JUST, FAIR, & REASONABLE TO ESSENTIA OR ITS AFFILIATE(S). THE DECISION OF THE BOARD OR A DULY CONSTITUTED COMMITTEE OF THE BOARD ON THESE MATTERS WILL BE AT ITS SOLE DISCRETION, & ITS CONCERN MUST BE THE WELFARE OF ESSENTIA & ITS AFFILIATE(S) & THE ADVANCEMENT OF ITS PURPOSES. THE DECISION OF THE BOARD IS FINAL. IF THE BOARD DETERMINES A CONFLICT DOES NOT EXIST, THE INTERESTED PERSON MAY PROCEED WITH THE TRANSACTION; HOWEVER, HE/SHE WILL NOT BE ELIGIBLE TO VOTE ON RELATED ISSUES SHOULD THEY ARISE. IF THE BOARD DETERMINES A CONFLICT DOES EXIST, THE INTERESTED PERSON WILL BE NOTIFIED OF THE DECISION REGARDING WHETHER THE CONTEMPLATED TRANSACTION WILL BE AUTHORIZED AS JUST, FAIR, & REASONABLE.

Name of the organization

ESSENTIA HEALTH

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FORM 990, PART VI, LINE 15

THE EXECUTIVE COMPENSATION COMMITTEE OF ESSENTIA HEALTH'S BOARD OF DIRECTORS IS AUTHORIZED TO FULFILL THE BOARD'S RESPONSIBILITIES REGARDING EXECUTIVE COMPENSATION CONSISTENT WITH ESSENTIA'S MISSION, VALUES & TAX-EXEMPT STATUS, & THE EXECUTIVE COMPENSATION COMMITTEE'S CHARTER. THE EXECUTIVE COMPENSATION COMMITTEE MEETS AT LEAST TWICE ANNUALLY TO CARRY OUT ITS RESPONSIBILITIES, WHICH INCLUDE, BUT ARE NOT LIMITED TO, ESTABLISHING, REVIEWING & MODIFYING, AS APPROPRIATE, REASONABLE COMPENSATION & BENEFITS FOR ESSENTIA'S CHIEF EXECUTIVE OFFICER. THE EXECUTIVE COMPENSATION COMMITTEE ENGAGES QUALIFIED INDEPENDENT COMPENSATION ADVISORS TO PROVIDE OBJECTIVE & IMPARTIAL COMPARATIVE DATA & TO EXPRESS OPINIONS ON TOTAL COMPENSATION REASONABLENESS. THE EXECUTIVE COMPENSATION COMMITTEE MAY REQUEST ITS INDEPENDENT ADVISORS TO: MONITOR COMPARABILITY DATA & MARKETPLACE TRENDS; MAKE APPROPRIATE RECOMMENDATIONS REGARDING SALARY RANGES; & PERIODICALLY REVIEW THE MARKET COMPETITIVENESS OF ESSENTIA EXECUTIVE COMPENSATION PACKAGES. PRIOR TO ESTABLISHING OR ADJUSTING EXECUTIVE COMPENSATION, THE EXECUTIVE COMPENSATION COMMITTEE WILL OBTAIN & RELY UPON APPROPRIATE DATA AS TO COMPARABILITY OF THE PROPOSED COMPENSATION OR ADJUSTMENTS. THE EXECUTIVE COMPENSATION COMMITTEE WILL ADEQUATELY DOCUMENT THE BASIS FOR ITS DETERMINATION CONCURRENTLY WITH MAKING THOSE DETERMINATIONS. THE EXECUTIVE COMPENSATION COMMITTEE MINUTES SHALL INCLUDE: THE TERMS OF THE APPROVED COMPENSATION & THE DATE APPROVED; THE EXECUTIVE COMPENSATION COMMITTEE MEMBERS PRESENT DURING THE REVIEW, DISCUSSION & APPROVAL OF THE PROPOSED COMPENSATION & THOSE WHO VOTED ON THE PROPOSED COMPENSATION; IDENTIFICATION OF THE COMPARABILITY DATA OBTAINED & RELIED UPON BY THE EXECUTIVE COMPENSATION

Name of the organization

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COMMITTEE & HOW THE DATA WAS OBTAINED; ANY ACTIONS BY A MEMBER OF THE
EXECUTIVE COMPENSATION COMMITTEE HAVING A CONFLICT OF INTEREST; &
DOCUMENTATION OF THE BASIS FOR THE DETERMINATION.

THE YEAR THIS PROCESS WAS LAST UNDERTAKEN FOR ESSENTIA'S CEO WAS 2008.

THE YEAR THIS PROCESS WAS LAST UNDERTAKEN FOR ESSENTIA'S CFO WAS 2008.

THE YEAR THIS PROCESS WAS LAST UNDERTAKEN FOR ALL ESSENTIA'S EXECUTIVE
VICE PRESIDENTS AND VICE PRESIDENTS WAS 2008.

Name of the organization

ESSENTIA HEALTH

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FORM 990, PART VI, LINE 19COPIES OF ESSENTIA'S GOVERNING DOCUMENTS & CONFLICT OF INTEREST POLICYARE AVAILABLE TO THE PUBLIC UPON REQUEST. ESSENTIA'S CONSOLIDATEDFINANCIAL STATEMENTS ARE INCLUDED IN ESSENTIA'S ANNUAL REPORT WHICH ISPOSTED ON ESSENTIA'S WEB SITE.

Name of the organization

ESSENTIA HEALTH

Employer identification number

20-0360007

FORM 990, PART IX, LINE 24AAFFILIATE EXPENSES ALLOCATION OF \$7,479,193 REPRESENTS THE PORTION OFECHC, INNOVIS HEALTH, & ST. MARY'S DULUTH CLINIC HEALTH SYSTEM'SCOMPENSATION (\$6,158,472), INTEREST (\$762,504), SUPPLIES (\$148,392),DEPRECIATION & AMORTIZATION (\$141,559), OTHER PURCHASED SERVICES(\$119,364), RENT (\$94,500), MISCELLANEOUS OPERATING EXPENSES (\$46,266),REPAIRS & MAINTENANCE (\$8,136) RELATED TO ESSENTIA HEALTH, A SUPPORTINGORGANIZATION OF ECHC, INNOVIS HEALTH, & ST. MARY'S DULUTH CLINIC HEALTHSYSTEM, & ALLOCATED DIRECTLY TO ESSENTIA.

Name of the organization

ESSENTIA HEALTH

Employer identification number

20-0360007

FORM 990, PART XI, LINE 2ESSENTIA HEALTH'S FINANCIAL STATEMENTS WERE AUDITED BY AN INDEPENDENTACCOUNTANT AS PART OF A CONSOLIDATED FINANCIAL STATEMENT ONLY. THECONSOLIDATED AUDIT IS REVIEWED BY THE ESSENTIA HEALTH FINANCE PLANNING &AUDIT COMMITTEES.

Name of the organization

ESSENTIA HEALTH

Employer identification number

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FORM 990, PART XI, LINE 3ESSENTIA HEALTH WAS REQUIRED & UNDERWENT A CONSOLIDATED AUDIT SET FORTHIN THE SINGLE AUDIT ACT & OMB CIRCULAR A-133. THE CONSOLIDATED AUDIT ISREVIEWED BY THE ESSENTIA HEALTH AUDIT COMMITTEE.

Name of the organization

ESSENTIA HEALTH

Employer identification number

20-0360007

SCHEDULE K, PART I

ESSENTIA HEALTH HAS AN OBLIGATED GROUP CREATED UNDER THE MASTER INDENTURE WHICH IS COMPOSED OF THE FOLLOWING MEMBERS: ESSENTIA HEALTH, ECHC, ST. MARY'S DULUTH CLINIC HEALTH SYSTEM, ST. JOSEPH'S MEDICAL CENTER, ST. MARY'S REGIONAL HEALTH CENTER, ST. MARY'S MEDICAL CENTER, INC., SMDC MEDICAL CENTER, FORMERLY KNOWN AS MILLER-DWAN MEDICAL CENTER, INC., NAT G. POLINSKY MEMORIAL REHABILITATION CENTER, INC., ST. MARY'S HOSPITAL OF SUPERIOR, BRAINERD MEDICAL CENTER, INC., BRAINERD LAKES INTEGRATED HEALTH SYSTEM AND ST. MARY'S INNOVIS HEALTH, THE DULUTH CLINIC, LTD. AND INNOVIS HEALTH, LLC (THE "OBLIGATED GROUP MEMBERS" OR THE "MEMBERS OF THE OBLIGATED GROUP"). THE MEMBERS OF THE OBLIGATED GROUP ARE JOINTLY AND SEVERALLY OBLIGATED ON ALL INDEBTEDNESS EVIDENCED OR SECURED BY NOTES ISSUED UNDER THE MASTER INDENTURE.

THE SERIES 2008A BONDS ARE SECURED BY NOTES ISSUED UNDER THE MASTER INDENTURE. THE DULUTH CLINIC, LTD. AND ESSENTIA HEALTH ARE THE CONDUIT BORROWERS OF THE SERIES 2008A BONDS. INNOVIS HEALTH, LLC IS AN INDIRECT BENEFICIARY OF THE SERIES 2008A BORROWING AND HAS RECORDED THE BOND LIABILITY ON ITS BALANCE SHEET WHICH IS CONSOLIDATED WITH ESSENTIA HEALTH.

THE SERIES 2008B BONDS ARE SECURED BY NOTES ISSUED UNDER THE MASTER INDENTURE. THE OBLIGATED GROUP MEMBERS: THE DULUTH CLINIC, LTD., ESSENTIA HEALTH AND ST. MARY'S HOSPITAL OF SUPERIOR ARE THE CONDUIT BORROWERS OF THE SERIES 2008B BONDS.

THE OBLIGATED GROUP MEMBER, INNOVIS HEALTH, LLC, IS AN INDIRECT BENEFICIARY OF A PORTION OF THE SERIES 2008B BORROWING AND HAS RECORDED A PORTION OF THE BOND LIABILITY ON ITS BALANCE SHEET WHICH IS CONSOLIDATED

Name of the organization

ESSENTIA HEALTH

Employer identification number

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WITH ESSENTIA HEALTH.

THE SERIES 2008C BONDS ARE SECURED BY NOTES ISSUED UNDER THE MASTER

INDENTURE. THE OBLIGATED GROUP MEMBERS: ST. MARY'S DULUTH CLINIC HEALTH

SYSTEM, ST. JOSEPH'S MEDICAL CENTER, ST. MARY'S REGIONAL HEALTH CENTER,

THE DULUTH CLINIC, LTD., ESSENTIA HEALTH, ST. MARY'S HOSPITAL OF SUPERIOR

AND ST. MARY'S MEDICAL CENTER, INC. ARE THE CONDUIT BORROWERS OF THE

SERIES 2008C BONDS. THE OBLIGATED GROUP MEMBER, ECHC, IS AN INDIRECT

BENEFICIARY OF A PORTION OF THE SERIES 2008C BORROWING AND HAS RECORDED A

PORTION OF THE BOND LIABILITY ON ITS BALANCE SHEET WHICH IS CONSOLIDATED

WITH ESSENTIA HEALTH.

THE SERIES 2008D BONDS ARE SECURED BY NOTES ISSUED UNDER THE MASTER

INDENTURE. THE OBLIGATED GROUP MEMBERS: THE DULUTH CLINIC, LTD. AND

ESSENTIA HEALTH ARE THE CONDUIT BORROWERS OF THE SERIES 2008D BONDS. THE

OBLIGATED GROUP MEMBER, INNOVIS HEALTH, LLC, IS AN INDIRECT BENEFICIARY

OF THE SERIES 2008D BORROWING AND HAS RECORDED THE BOND LIABILITY ON ITS

BALANCE SHEET WHICH IS CONSOLIDATED WITH ESSENTIA HEALTH.

THE SERIES 2008E BONDS ARE SECURED BY NOTES ISSUED UNDER THE MASTER

INDENTURE. THE OBLIGATED GROUP MEMBERS: ST. MARY'S DULUTH CLINIC HEALTH

SYSTEM, THE DULUTH CLINIC, LTD., ESSENTIA HEALTH, ST. MARY'S MEDICAL

CENTER, INC. AND SMDC MEDICAL CENTER ARE THE CONDUIT BORROWERS OF THE

SERIES 2008E BONDS. THE OBLIGATED GROUP MEMBER, INNOVIS HEALTH, LLC, IS

AN INDIRECT BENEFICIARY OF A PORTION OF THE SERIES 2008E BORROWING AND

HAS RECORDED A PORTION OF THE BOND LIABILITY ON ITS BALANCE SHEET WHICH

IS CONSOLIDATED WITH ESSENTIA HEALTH.

Name of the organization

ESSENTIA HEALTH

Employer identification number

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SCHEDULE K, PART I, COLUMN (F)

SERIES 2008 A-1 & A-2 BONDS: REFINANCE A PORTION OF THE ACQUISITION OF CERTAIN ASSETS OF INNOVIS HEALTH IN CONNECTION WITH THE AFFILIATION OF ESSENTIA HEALTH WITH INNOVIS HEALTH.

SERIES 2008 B-1 BONDS: REFUND SERIES 1999B BONDS ISSUED MAY 18, 1999 FOR CONSTRUCTION PROJECTS AND EQUIPMENT PURCHASES IN SUPERIOR, WI AND VARIOUS DULUTH CLINIC LOCATIONS IN NORTHWESTERN WISCONSIN.

SERIES 2008 C BONDS: REFUND SERIES 2004 BONDS ISSUED MARCH 19, 2004 FOR VARIOUS ACQUISITIONS, CONSTRUCTION PROJECTS, CAPITAL IMPROVEMENTS AND EQUIPMENT PURCHASES IN DULUTH, BRAINERD, AND DETROIT LAKES, MN. REFUND SERIES 1999A BONDS ISSUED MAY 18, 1999 FOR VARIOUS ACQUISITIONS, CONSTRUCTION PROJECTS, CAPITAL IMPROVEMENTS AND EQUIPMENT PURCHASES IN BRAINERD, DETROIT LAKES AND DULUTH, MN AND VARIOUS DULUTH CLINIC SITES IN NORTHERN MINNESOTA.

SERIES 2008 D BONDS: REFINANCE A PORTION OF THE ACQUISITION OF CERTAIN ASSETS OF INNOVIS HEALTH IN CONNECTION WITH THE AFFILIATION OF ESSENTIA HEALTH WITH INNOVIS HEALTH.

SERIES 2008 E BONDS: REFINANCE SERIES 1997 BONDS ISSUED DECEMBER 18, 1997 TO FINANCE EQUIPMENT PURCHASES IN DULUTH, MN.

Part III Identification of Related Organizations Taxable as a Partnership

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
ESSENTIA HEALTH INSURANCE SERVICES SPC	N/A	BUCKINGHAM SQ 720 W BAY RD PO 69 KY1-110 GRAND CAYMAN, CA	INSURANCE	CJ	N/A	FOREIGN CORP	NONE
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Part V Transactions With Related Organizations**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
- b Gift, grant, or capital contribution to other organization(s)
- c Gift, grant, or capital contribution from other organization(s)
- d Loans or loan guarantees to or for other organization(s)
- e Loans or loan guarantees by other organization(s)

- f Sale of assets to other organization(s)
- g Purchase of assets from other organization(s)
- h Exchange of assets
- i Lease of facilities, equipment, or other assets to other organization(s)
- j Lease of facilities, equipment, or other assets from other organization(s)
- k Performance of services or membership or fundraising solicitations for other organization(s)
- l Performance of services or membership or fundraising solicitations by other organization(s)
- m Sharing of facilities, equipment, mailing lists, or other assets
- n Sharing of paid employees
- o Reimbursement paid to other organization for expenses
- p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s).

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-f)	(C) Amount involved
(1)	SEE SCHEDULE R-1		
(2)			
(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.

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
BRAINERD_LAKES_INTEGRATED_HEALTH_SYSTEM_37-1532145	SUPPORTING	MN	501(C) (3)	11 TYPE II	ECHC
2024 S 6TH ST BRAINERD, MN 56401	CLINIC	MN	501(C) (3)	3	BLIHS
BRAINERD_MEDICAL_CENTER,_INC_37-1532148	CLINIC/HOSP	MN	501(C) (3)	3	ECHC
2024 S 6TH ST BRIDGES_MEDICAL_CENTER_20-0479568	CLINIC/HOSP	MN	501(C) (3)	3	ECHC
201 9TH ST W ADA, MN 56510	CLINIC/HOSP	MN	501(C) (3)	3	ECHC
CLEARWATER_VALLEY_HOSPITAL_AND_CLINICS_82-0497771	CLINIC/HOSP	ID	501(C) (3)	3	ECHC
301 CEDAR OROFINO, ID 83544	EMERGENCY SR	ID	501(C) (3)	3	SBFMC
DIVINE_MEDICAL_SERVICES_20-2773717	EMERGENCY SR	ID	501(C) (3)	3	ECHC
709 N LINCOLN JEROME, ID 83338	ASC	MN	501(C) (3)	3	ECHC
DL SURGERY CENTER 26-3837203	FOUNDATION	MN	501(C) (3)	3	ECHC
1027 WASHINGTON AVE DETROIT LAKES, MN 56501	CLINIC/HOSP	MN	501(C) (3)	3	ECHC
ECHC_FOUNDATION_26-3359418	HOSPITAL	MN	501(C) (3)	3	ECHC
502 E 2ND ST DULUTH, MN 55805	EMERGENCY SR	ID	501(C) (3)	3	ECHC
ECHC 26-1219624	FOUNDATION	MN	501(C) (3)	3	ECHC
503 E 3RD ST STE 400 DULUTH, MN 55805	SUPPORTING	MN	501(C) (3)	3	ESSENTIA
ST. BENEDICT'S_FAMILY_MEDICAL_CENTER_82-0227163	CLINIC/HOSP	MN	501(C) (3)	3	ECHC
709 N LINCOLN JEROME, ID 83338	HOSPITAL	MN	501(C) (3)	3	BLIHS
ST. JOSEPH'S_MEDICAL_CENTER_41-0965602	EMERGENCY SR	MN	501(C) (3)	9	SMRHC
523 N 3RD ST BRAINERD, MN 56401	CLINIC/HOSP	ID	501(C) (3)	3	ECHC
ST. MARY'S EMS 41-1805811	HOSPITAL	MN	501(C) (3)	3	BLIHS
1027 WASHINGTON AVE DETROIT LAKES, MN 56501	EMERGENCY SR	MN	501(C) (3)	3	ECHC
ST. MARY'S_HOSPITAL_& CLINICS,_INC_82-0226453	COTTONWOOD, ID 83522	CLINIC/HOSP	501(C) (3)	3	ECHC
PO BOX 137 26-2861321	CLINIC	MN	501(C) (3)	3	ECHC
ST. MARY'S_INNOVIS_HEALTH_1027 WASHINGTON AVE	CLINIC/HOSP	MN	501(C) (3)	3	ECHC
ST. MARY'S REGIONAL_HEALTH_CENTER_41-1620386	CLINIC/HOSP	MN	501(C) (3)	3	ECHC
1027 WASHINGTON AVE DETROIT LAKES, MN 56501	CLINIC/HOSP	MN	501(C) (3)	3	ECHC
INNOVIS_HEALTH,_LLC_(11/1/08-6/30/09)_26-1175213	FARGO, ND 58103	DE	501(C) (3)	3	ESSENTIA

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
MIDWEST MEDICAL EQUIPMENT & SUPPLY, INC. 4418 HAINES RD DULUTH, MN 55811	MEDICAL EQUIPMENT	MEDICAL EQUIPMENT	501(C)(3)	9	SMDC
SMDC MEDICAL CENTER 502 E 2ND ST DULUTH, MN 55805	CLINIC/HOSP	MN	501(C)(3)	3	SMDC
PINE MEDICAL CENTER 109 COURT AVE S SANDSTONE, MN 55072	CLINIC/HOSP	MN	501(C)(3)	3	SMDC
POLINSKY MEDICAL REHABILITATION CENTER 530 E 2ND ST DULUTH, MN 55805	CLINIC/HOSP	MN	501(C)(3)	3	SMMC
ST. MARY'S DULUTH CLINIC FOUNDATION 400 E 3RD ST DULUTH, MN 55805	FOUNDATION	MN	501(C)(3)	7	SMDC
ST. MARY'S DULUTH CLINIC HEALTH SYSTEM 407 E 3RD ST DULUTH, MN 55805	CLINIC/HOSP	MN	501(C)(3)	3	ESSENTIA
ST. MARY'S HOSPITAL OF SUPERIOR 3500 TOWER AVE SUPERIOR, WI 54880	CLINIC/HOSP	WI	501(C)(3)	3	SMMC
ST. MARY'S MEDICAL CENTER 407 E 3RD ST DULUTH, MN 55805	CLINIC/HOSP	MN	501(C)(3)	3	SMDC
THE DULUTH CLINIC, LTD. 400 E 3RD ST DULUTH, MN 55805	CLINIC/HOSP	MN	501(C)(3)	3	SMDC

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

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

Part IV Continuation of Ideas

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-f)	(C) Amount involved
(7) ECHC	K	2,841,156.
(8) ECHC	N	1,141,164.
(9) ECHC	O	781,274.
(10) ECHC	O	611,000.
(11) ST. JOSEPH'S MEDICAL CENTER	P	80,053.
(12) ST. MARY'S REGIONAL HEALTH CENTER	P	60,310.
(13) INNOVIS HEALTH, LLC (11/1/08-6/30/09)	K	1,730,000.
(14) INNOVIS HEALTH, LLC (11/1/08-6/30/09)	N	130,008.
(15) INNOVIS HEALTH, LLC (11/1/08-6/30/09)	P	182,689.
(16) SMDC MEDICAL CENTER	K	3,380,532.
(17) SMDC MEDICAL CENTER	N	4,822,296.
(18) SMDC MEDICAL CENTER	O	666,598.
(19) SMDC MEDICAL CENTER	O	94,500.
(20) THE DULUTH CLINIC, LTD	K	865,000.
(21) THE DULUTH CLINIC, LTD	N	65,004.
(22) THE DULUTH CLINIC, LTD	P	375,455.
(23) ESSENTIA HEALTH INSURANCE SERVICES SPC, LTD	P	775,072.
(24)		

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES NO	(V) YES NO	(VI) YES NO	(VII) AMOUNT OF SUPPORT
BRAINERD LAKES INTEGRATED HEALTH SYSTEM	37-1532145	11 TYPE II	X	X	X	NONE
BRAINERD MEDICAL CENTER	37-1532148	03	X	X	X	279,758.
BRIDGES MEDICAL CENTER	20-0479568	03	X	X	X	49,369.
CLEARWATER VALLEY HOSPITAL & CLINICS, INC	82-0497771	03	X	X	X	119,309.
ECHC	26-1219624	11 TYPE II	X	X	X	226,275.
ST BENEDICT'S FAMILY MEDICAL CENTER	82-0227163	03	X	X	X	148,107.
ST JOSEPH'S MEDICAL CENTER	41-0695602	03	X	X	X	714,823.
ST MARY'S EMS	41-1805811	09	X	X	X	9,257.
ST MARY'S HOSPITAL & CLINICS, INC	82-0226453	03	X	X	X	120,337.
ST MARY'S REGIONAL HEALTH CENTER	41-1620386	03	X	X	X	376,439.
INNOVIS HEALTH, LLC	26-1175213	03	X	X	X	1,634,321.
MIDWEST MEDICAL EQUIPMENT & SUPPLY INC	41-1674021	09	X	X	X	60,683.
SMDC MEDICAL CENTER	41-1878730	03	X	X	X	1,513,984.
PINE MEDICAL CENTER	41-1884597	03	X	X	X	129,594.
POLINSKY MEDICAL REHABILITATION CENTER	41-0691275	03	X	X	X	58,626.
ST MARY'S DULUTH CLINIC FOUNDATION	41-2016979	07	X	X	X	NONE
ST MARY'S DULUTH CLINIC HEALTH SYSTEM	41-1836633	03	X	X	X	NONE
ST MARY'S HOSPITAL OF SUPERIOR	41-1811073	03	X	X	X	280,786.
ST MARY'S MEDICAL CENTER	41-0695604	03	X	X	X	2,473,592.
THE DULUTH CLINIC, LTD	41-0883623	03	X	X	X	2,005,617.
DIVINE MEDICAL SERVICES	20-2773717	03	X	X	X	NONE
DL SURGERY CENTER	26-3837203	03	X	X	X	NONE
ECHC FOUNDATION	26-3359418	11 TYPE I	X	X	X	2,057.
ST MARY'S INNOVIS HEALTH	26-2861321	03	X	X	X	82,282.
TOTAL AMOUNT OF SUPPORT						10,285,216.

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
ERNST & YOUNG 220 S 6TH ST STE 1400 MINNEAPOLIS, MN 55402	AUDITING/CONSULTING	438,170.
JAMES BRUEGEMANN, MD 48675 CLEARWATER RD GORDON, WI 54838	CONSULTING	158,354.
HOSPITAL-PHYSICIAN STRATEGIES, LLC 7101 WILLOW LN MINNEAPOLIS, MN 55430	CONSULTING	428,299.
LINDQUIST & VENNUM P.L.L.P. 4200 IDS CENTER 80 S 8TH ST MINNEAPOLIS, MN 55402	LEGAL	156,212.
DANIEL ZISMER 11009 CAVELL CIRCLE S BLOOMINGTON, MN 55438	CONSULTING	178,980.
	TOTAL COMPENSATION	1,360,015.
