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Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

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

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

OMB No 1545-0047

2008**Open to Public Inspection****A For the 2008 calendar year, or tax year beginning** 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	Please use IRS label or print or type. See Specific Instructions.	C Name of organization UNIVERSITY PHYSICIANS HEALTHCARE, INC		D Employer identification number
		Doing Business As		94-2958258
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite		E Telephone number
		2701 EAST ELVIRA ROAD		(520) 874-7205
		City or town, state or country, and ZIP + 4		
		TUCSON, AZ 85756		
		F Name and address of principal officer LAWRENCE ALDRICH		G Gross receipts \$ 501,996,187.
		2701 EAST ELVIRA ROAD TUCSON, AZ 85756		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No
				If "No," attach a list (see instructions)
				H(c) Group exemption number ▶
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website ▶ WWW.UPH.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 1985 M State of legal domicile AZ		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities	SEE SCHEDULE O	
	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	11
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	3
	5 Total number of employees (Part V, line 2a)	5	2,855
	6 Total number of volunteers (estimate if necessary)	6	50
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	200,016.
b Net unrelated business taxable income from Form 990-T, line 34	7b	12,237.	
Revenue	8 Contribution and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	2,899.	8,953.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	324,710,475.	504,046,729.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,716,591.	1,278,183.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	-5,751,177.	-3,398,781.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	320,678,788.	501,935,084.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	2,801,900.	2,696,871.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		NONE
	16a Professional fundraising fees (Part IX, column (A), line 11e)	157,337,609.	180,254,535.
	b Total fundraising expenses, Part IX, column (D), line 25 ▶		NONE
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	171,819,311.	317,093,903.	
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	331,958,820.	500,045,309.	
19 Revenue less expenses Subtract line 18 from line 12	-11,280,032.	1,889,775.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year	End of Year
	21 Total liabilities (Part X, line 26)	177,195,552.	194,201,501.
	22 Net assets or fund balances Subtract line 21 from line 20	106,593,096.	121,135,016.
		70,602,456.	73,066,485.

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	Date
	<i>[Signature]</i>	5/14/2010
	Type or print name and title	
	CFO	
Preparer's Use Only	Preparer's signature	Date
	<i>[Signature]</i>	5/14/2010
	Firm's name (or yours if self-employed), address, and ZIP + 4	Check if self-employed <input type="checkbox"/>
	ERNST & YOUNG U.S. LLP	Preparer's identifying number (see instructions)
	TWO NORTH CENTRAL AVENUE, STE 2300 PHOENIX, AZ 85004	EIN ▶
		Phone no ▶ 602/322-3000

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)

JSA
8E1065 1 000

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18 6/16

Part III Statement of Program Service Accomplishments (see instructions)**1** Briefly describe the organization's mission:

SEE SCHEDULE O

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 \$ 208,934,690 including grants of \$ _____) (Revenue \$ 384,274.)

SEE SCHEDULE O

4b (Code _____) (Expenses \$ 110,580,682 including grants of \$ _____) (Revenue \$ 216,574,856.)

SEE SCHEDULE O

4c (Code _____) (Expenses \$ 142,833,380. including grants of \$ _____) (Revenue \$ 287,087,599.)

SEE SCHEDULE O

4d Other program services (Describe in Schedule O)

(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses **▶** \$ 462,348,752. (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	1a	2,032
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	NONE
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	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	2,855
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	X
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a	Did the organization solicit any contributions that were not tax deductible?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75? .	7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . .	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? . . .	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

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

	Yes	No
<i>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.</i>		
1a Enter the number of voting members of the governing body	1a	11
b Enter the number of voting members that are independent	1b	3
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6 Does the organization have members or stockholders?	6	X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8 Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9a Does the organization have local chapters, branches, or affiliates?	9a	X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b	
10 Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990.	10	X
11 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.	11	X

Section B. Policies

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization JEAN TKACHYK, CFO 2701 EAST ELVIRA ROAD TUCSON, AZ 85706
520-874-7205

Part VIII Statement of Revenue

94-2958258

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d			
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	8,953.		
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		8,953.		
Program Service Revenue			Business Code			
	2a	NET PATIENT REVENUE	900099	221,425,588.	221,425,588.	
	b	CAPITATION & CONTRACT REVENUE	900099	282,036,851.	282,036,851.	
	c	RENTAL INCOME - MOB	532000	384,274.	384,274.	
	d	REFERENCE LAB	621500	200,016.	200,016.	
	e				
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		504,046,729.		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,313,079.		1,313,079.
	4	Income from investment of tax-exempt bond proceeds		NONE		
	5	Royalties		NONE		
		(i) Real	(ii) Personal			
	6a	Gross Rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)		NONE		
		(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		26,207.		
	b	Less cost or other basis and sales expenses		61,103.		
	c	Gain or (loss)		-34,896.		
	d	Net gain or (loss)		-34,896.		-34,896.
	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	NSF FEE	900099	23,098.		23,098.	
b	JOINT VENTURES	900099	-537,802.	-537,802.		
c	MISC INCOME OTHER	900099	-2,884,077.		-2,884,077.	
d	All other revenue					
e	Total. Add lines 11a-11d		-3,398,781.			
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		501,935,084.	503,308,911.	200,016.	-1,582,796.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	2,696,871.	2,696,871.		
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	3,915,833.	3,915,833.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	4,525,357.	4,159,429.	365,928.	
7 Other salaries and wages	119,119,674.	107,793,921.	11,325,753.	
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions). .	3,041,556.	2,732,245.	309,311.	
9 Other employee benefits	35,739,734.	32,032,120.	3,707,614.	
10 Payroll taxes	13,912,381.	12,603,085.	1,309,296.	
11 Fees for services (non-employees)				
a Management	4,083,215.	2,523,727.	1,559,488.	
b Legal	995,543.	659,644.	335,899.	
c Accounting	768,245.	402,389.	365,856.	
d Lobbying	33,000.		33,000.	
e Professional fundraising services See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	1,362,086.	1,292,446.	69,640.	
12 Advertising and promotion	966,181.	759,605.	206,576.	
13 Office expenses	33,188,156.	30,689,968.	2,498,188.	
14 Information technology	6,497,438.		6,497,438.	
15 Royalties	NONE			
16 Occupancy	15,218,072.	9,726,792.	5,491,280.	
17 Travel	1,760,738.	1,624,956.	135,782.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	151,582.	135,238.	16,344.	
20 Interest	1,874,342.	1,360,214.	514,128.	
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	9,450,482.	6,681,140.	2,769,342.	
23 Insurance	9,820,918.	9,689,336.	131,582.	
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 BAD DEBT-----	35,796,174.	35,796,174.		
b IBNR-----	32,360,677.	32,360,677.		
c HOME HEALTH/HOSPITAL-----	48,121,284.	48,121,284.		
d PRIMARY CARE/REFERRAL-----	37,767,603.	37,767,603.		
e PHARMACY-----	25,333,300.	25,333,300.		
f All other expenses-----	51,544,867.	51,490,755.	54,112.	
25 Total functional expenses Add lines 1 through 24f	500,045,309.	462,348,752.	37,696,557.	
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	18,145,832.	1	34,586,777.
	2 Savings and temporary cash investments	1,139,743.	2	NONE
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	35,379,178.	4	68,945,798.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sales or use	2,638,360.	8	2,790,371.
	9 Prepaid expenses and deferred charges	1,037,939.	9	1,311,634.
	10a Land, buildings, and equipment - cost basis	10a 95,282,848.		
	b Less accumulated depreciation. Complete Part VI of Schedule D.	10b 46,573,251.		
		49,515,487.	10c	48,709,597.
	11 Investments - publicly traded securities	13,989,272.	11	7,439,163.
	12 Investments - other securities. See Part IV, line 11	32,294,309.	12	25,353,032.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	23,055,432.	15	5,065,129.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	177,195,552.	16	194,201,501.	
Liabilities	17 Accounts payable and accrued expenses	19,291,205.	17	20,479,128.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	28,382,722.	20	21,172,618.
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable	26,994,290.	24	10,500,000.
	25 Other liabilities. Complete Part X of Schedule D	31,924,879.	25	68,983,270.
	26 Total liabilities. Add lines 17 through 25	106,593,096.	26	121,135,016.
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	70,602,456.	27	73,066,485.
	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	70,602,456.	33	73,066,485.
	34 Total liabilities and net assets/fund balances.	177,195,552.	34	194,201,501.

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.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

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

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
 - 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
 - 3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)
 - 4 ☐ 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 ☐ 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 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
 - 7 ☐ 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 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II)
 - 9 ☐ 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 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).** (see instructions)
 - 11 ☐ 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.
 - a ☐ Type I b ☐ Type II c ☐ Type III - Functionally Integrated d ☐ Type III - Other
 - e ☐ 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. _____ ☐
 - g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(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?	11g(i)	X
(ii) A family member of a person described in (i) above?	11g(ii)	X
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	X
 - h Provide the following information about the organizations the organization supports.

[illegible]

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 10c, 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. ☐

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. ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ☐

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)

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities
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.

OMB No 1545-0047

2008

Open to Public Inspection

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 UNIVERSITY PHYSICIANS HEALTHCARE, INC.	Employer identification number 94-2958258
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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

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

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												
1 a	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"> <tr> <td>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
2 a 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					

Schedule C (Form 990 or 990-EZ) 2008

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	
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	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		X	
i Other activities? If "Yes," describe in Part IV	X		39,000.
j Total lines 1c through 1i			39,000.
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?		X	

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 I-B, line 1i

Also, complete this part for any additional information

SEE PAGE 4

Part IV Supplemental Information (continued)

PART II-B, LINE 11

OTHER LOBBYING ACTIVITIES

WREN & ASSOCIATES REPRESENTS UPH IN MEETINGS WITH OTHER ORGANIZATIONS

THAT HAVE SAME OR OPPOSITE VIEWS ON THE LEGISLATIVE AND ADMINISTRATIVE

GOALS WHICH UPH DESIRES TO ACHIEVE. THEY ASSIST IN DEVELOPING NECESSARY

COLLATERAL MATERIAL, INCLUDING LETTERS AND POSITION PAPERS, FOR

DISTRIBUTION TO APPROPRIATE ELECTED OR APPOINTED GOVERNMENTAL OFFICIALS.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Financial Statements

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

OMB No 1545-0047

2008

Open to Public
Inspection

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

Employer identification number

94-2958258

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a ☐ Public exhibition d ☐ Loan or exchange programs
 b ☐ Scholarly research e ☐ Other _____
 c ☐ 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
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

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

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

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

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

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

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

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

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

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		1,287,690.		1,287,690.
b Buildings		22,813,768.	5,604,871.	17,208,897.
c Leasehold improvements		8,305,939.	2,239,796.	6,066,143.
d Equipment		59,304,742.	38,663,872.	20,640,869.
e Other		3,570,710.	64,711.	3,505,998.
Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c))				48,709,597.

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 <u>INVESTMENT IN CADUCEUS</u> -----	25,412,942.	FMV
<u>INVESTMENT IN UPH FDN</u> -----	25,995.	FMV
<u>INVESTMENT IN SNP AND UMI</u> -----	-85,905.	FMV

Total. (Column (b) should equal Form 990, Part X, col (B) line 12) ►	25,353,032.	

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

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

Part IX **Other Assets.** See Form 990, Part X, line 15.[illegible]

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

(a) Description of liability	(b) Amount
Federal income taxes	
CURRENT MATURITIES CAPITAL LEASE	1,803,410.
DUE TO COLLEGE OF MEDICINE	539,055.
LT MATURITIES CAPITAL LEASE	2,697,378.
ACCRUED EMPLOYEE COMPENSATION	26,137,846.
ACCRUED MEDICAL CLAIMS	37,805,581.
Total. (Column (b) should equal Form 990, Part X, col (B) line 25) ▶	68,983,270.

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

Part XIV Supplemental Information (continued)

Lined area for supplemental information.

SCHEDULE H
(Form 990)

Hospitals

OMB No 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service
Name of the organization

► To be completed by organizations that answer "Yes" to Form 990,
Part IV, line 20.
► Attach to Form 990.

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

Part I Charity Care and Certain Other Community Benefits at Cost (Optional for 2008)

	Yes	No
1 a Does the organization have a charity care policy? If "No," skip to question 6a	1 a	
b If "Yes," is it a written policy?	1 b	
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <input type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients		
a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3 a	
b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3 b	
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care		
4 Does the organization's policy provide free or discounted care to the "medically indigent"?	4	
5 a Does the organization budget amounts for free or discounted care provided under its charity care policy?	5 a	
b If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5 b	
c If "Yes" to 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5 c	
6 a Does the organization prepare an annual community benefit report?	6 a	
b If "Yes," does the organization make it available to the public?	6 b	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)						
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total Other Benefits						
k Total (line 7d and 7j)						

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

Schedule H (Form 990) 2008

Part II Community Building Activities Complete this table if the organization conducted any community building activities. (Optional for 2008)

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III Bad Debt, Medicare, & Collection Practices (Optional for 2008)**Section A. Bad Debt Expense**

- 1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? **1**
- 2 Enter the amount of the organization's bad debt expense (at cost) **2**
- 3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy **3**
- 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME) **5**
- 6 Enter Medicare allowable costs of care relating to payments on line 5 **6**
- 7 Enter line 5 less line 6 - surplus or (shortfall) **7**
- 8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6, and indicate which of the following methods was used
- ☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

- 9a Does the organization have a written debt collection policy? **9a**
- b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI. **9b**

Part IV Management Companies and Joint Ventures (Optional for 2008)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

Part VI Supplemental Information (Optional for 2008)

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves
- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

This image shows a full page of handwriting practice paper. It features multiple sets of three horizontal dashed lines, each set consisting of a top solid line, a middle dashed line, and a bottom solid line. These lines are evenly spaced across the entire page to guide letter height and placement. The background is plain white, and there are no other markings or text present.

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

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

Employer identification number

94-2958258

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

Part I	General Information on Grants and Assistance
---------------	---

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☒ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" on

Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000.

Use Part IV and Schedule I-1 (Form 990) if additional space is needed

[illegible]

- | | | | |
|---|--|---|---|
| 2 | Enter total number of section 501(c)(3) and government organizations | 1 | ▲ |
| 3 | Enter total number of other organizations | | ▲ |

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

Schedule 1 (Form 990) 2008

**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

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

Employer identification number

94-2958258

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.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

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.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

- a** Receive a severance payment or change of control payment?
- 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.

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.

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.

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

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

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

X

X

X

X

X

X

X

X

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 VII.

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
SEE SCHEDULE J-1	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
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	(i)						
	(ii)						
	(i)						
	(ii)						

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.

SUPPLEMENTAL COMPENSATION INFORMATION

SCHEDULE J, PART I, LINE 4A

SEPARATION AGREEMENT FOR VIRGINIA CRAWFORD-CAMPBELL FOR A GROSS AMOUNT OF

\$225,000.00

COMPENSATION PAID BY UNRELATED ORGANIZATIONS

FORM 990, PART VII, LINE 5

NO DIRECTORS ARE COMPENSATED FOR THEIR SERVICES DIRECTORS OF UPHI. ANY

COMPENSATION RECEIVED IS FOR MEDICAL AND/OR ADMINISTRATIVE SERVICES

PROVIDED TO UPHI.

THE FOLLOWING INDIVIDUALS ARE PHYSICIANS WHO ARE DUAL EMPLOYEES AND WHO

ARE COMPENSATED BY THE UNIVERSITY OF ARIZONA, AN UNRELATED TAX-EXEMPT

ORGANIZATION. UPHI REIMBURSES THE UNIVERSITY OF ARIZONA FOR MEDICAL

SERVICES RENDERED TO UPHI BY THESE PHYSICIANS. THE COMPENSATION AMOUNTS

REPORTED IN SCHEDULE J-2 REFLECT THOSE REIMBURSEMENT AMOUNTS.

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

STEVE GOLDSCHMID, MD

KATHY REED, MD

MARC BERG, MD

ANA MARIA LOPEZ, MD

RAINER GRUENNER, MD

JOHN KETTELE, MD

INTERIM HOSPITAL CEO COMPENSATION PAID BY UNRELATED ORGANIZATION:

FORM 990, PART VII, LINE 5

PETER BRYAN SERVED DURING THE YEAR AS INTERIM CEO OF THE HOSPITAL, ONE OF

THE DIVISIONS OF UPHI. PAYMENTS IN THE AMOUNT OF \$163,811 WERE MADE BY

UPHI TO HEALTH FINANCE SOLUTIONS, AN UNRELATED ORGANIZATION, FOR THOSE

SERVICES RENDERED.

**SCHEDULE J-1
(Form 990)**

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

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

OMB No 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

UNI UNIVERSITY PHYSICIANS HEALTHCARE, INC.

Employer identification number

94-2958258

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
LAWRENCE ALDRICH	(i) 269,166. (ii) NONE	60,000. NONE	21,726. NONE	7,018. NONE	1,841. NONE	359,751. NONE	131,727. NONE
KATHY REED, M.D.	(i) 118,954. (ii) NONE	121,870. NONE	15,853. NONE	NONE NONE	NONE NONE	256,677. NONE	118,888. NONE
MARC BERG M.D.	(i) 120,037. (ii) NONE	38,927. NONE	16,276. NONE	NONE NONE	NONE NONE	175,240. NONE	71,954. NONE
JOHN KETTELLE, M.D.	(i) 193,506. (ii) NONE	NONE NONE	13,788. NONE	NONE NONE	NONE NONE	207,294. NONE	NONE NONE
JEAN M. TKACHYK	(i) 268,056. (ii) NONE	60,000. NONE	16,385. NONE	6,889. NONE	2,647. NONE	353,977. NONE	161,587. NONE
NORMAN BOTSFORD	(i) 382,048. (ii) NONE	NONE NONE	22,989. NONE	8,101. NONE	2,647. NONE	415,785. NONE	201,189. NONE
JODY L. BUTERA	(i) 127,613. (ii) NONE	55,318. NONE	15,611. NONE	3,971. NONE	300. NONE	202,813. NONE	NONE NONE
JOHN R. COLLINS	(i) 160,919. (ii) NONE	5,000. NONE	13,249. NONE	3,583. NONE	1,841. NONE	184,592. NONE	NONE NONE
JAMES G. BANDS	(i) 153,880. (ii) NONE	NONE NONE	14,240. NONE	3,362. NONE	4,485. NONE	175,967. NONE	NONE NONE
KEVIN J. CHRISTIANSEN	(i) 129,517. (ii) NONE	NONE NONE	21,031. NONE	3,011. NONE	2,230. NONE	155,789. NONE	NONE NONE
KATHLEEN OESTREICH	(i) 183,860. (ii) NONE	75,000. NONE	20,908. NONE	5,595. NONE	4,060. NONE	289,423. NONE	105,390. NONE
TERE LEBARRON	(i) 151,557. (ii) NONE	45,000. NONE	15,566. NONE	4,242. NONE	2,796. NONE	219,161. NONE	99,352. NONE
REBECCA M. DRAKE	(i) 191,554. (ii) NONE	NONE NONE	6,766. NONE	4,958. NONE	2,971. NONE	206,249. NONE	NONE NONE
CHRISTEN A. CASTELLANO	(i) 130,311. (ii) NONE	40,000. NONE	15,664. NONE	3,720. NONE	4,617. NONE	194,312. NONE	NONE NONE
JUANITA M. SIMMONS	(i) 136,385. (ii) NONE	28,399. NONE	5,975. NONE	3,415. NONE	3,438. NONE	177,612. NONE	NONE NONE
SUSAN A. WONG-BEAN	(i) 140,032. (ii) NONE	NONE NONE	15,696. NONE	3,115. NONE	2,699. NONE	161,542. NONE	NONE NONE

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

Schedule J-1 (Form 990) 2008

Department of the Treasury
Internal Revenue Service

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

Name of the organization

Employer identification number

UNI VERSITY PHYSICIANS HEALTHCARE, INC.

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

[illegible]

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

Schedule J-1 (Form 990) 2008

SCHEDULE J-2
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

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

OMB No 1545-0047

2008

**Open to Public
Inspection**

Name of the Organization

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

Employer Identification number

94-2958258

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
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
LAWRENCE ALDRICH PRESIDENT/CEO (AS OF 5/28/08)	40.	X		X				350,892.	NONE	8,859.
STEVE GOLDSCHMID, M.D. CHAIRPERSON - DEAN, UACOM	5.	X		X				124,702.	NONE	NONE
KATHY REED, M.D. VICE CHAIRPERSON	5.	X		X				256,677.	NONE	NONE
ANA MARIA LOPEZ, M.D. TREASURER	5.	X		X				57,420.	NONE	NONE
MARC BERG, M.D. DIRECTOR	5.	X						175,240.	NONE	NONE
RAINER GRUESSNER, M.D. CHAIRMAN	5.	X						18,240.	NONE	NONE
JOHN KETTELLE, M.D. CHIEF OF STAFF UPH	5.	X						207,294.	NONE	NONE
LAURA EBERLY DIRECTOR - COMMUNITY	5.	X						NONE	NONE	NONE
ED PARKER DIRECTOR - COMMUNITY	5.	X						NONE	NONE	NONE
BARB PECK DIRECTOR - COMMUNITY	5.	X						NONE	NONE	NONE
GRANGER VINALL DIRECTOR - COMMUNITY	5.	X						NONE	NONE	NONE
NORMAN BOTSFORD PRESIDENT/CEO (THRU 4/23/08)	40.	X		X				405,037.	NONE	10,748.
JEAN M. TKACHYK SVP FINANCE & CFO	40.			X				344,441.	NONE	9,536.
JODY L. BUTERA CFO - HEALTH PLANS	40.				X			198,542.	NONE	4,271.
JOHN R. COLLINS CFO - UPH HOSPITAL	40.				X			179,168.	NONE	5,424.
JAMES G. BANDS CORP STRATEGIC INITIATIVES OFF	40.				X			168,120.	NONE	7,847.
KEVIN J. CHRISTIANSEN DIRECTOR, INFORMATION SYSTEMS	40.				X			150,548.	NONE	5,241.
KATHLEEN OESTREICH MC & PLAN ADMINISTRATOR DIR.	40.				X			279,768.	NONE	9,655.
TERE LEBARRON DIRECTOR, HUMAN RESOURCES	40.				X			212,123.	NONE	7,038.
PETER BRYAN INTERIM CEO - HOSPITAL	40.				X			NONE	NONE	NONE
REBECCA M. DRAKE DEPT ADMINISTRATOR, OB/GYN	40.					X		198,320.	NONE	7,929.

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

Schedule J-2 (Form 990) 2008

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

Employer Identification number	
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UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

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

[illegible]

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

Schedule J-2 (Form 990) 2008

JSA

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Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

OMB No. 1545-0047

2008

Open to Public
Inspection

▶ 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

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

Employer identification number

94-2958258

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	
						Yes	No	Yes	No
A INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTH TUCSON	86-6000267		12/15/2004	9,900,000	2004-EQUIPMENT LEASE BONDS; ACQ ME		X		X
B INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTH TUCSON	86-6000267		12/21/2005	6,750,000	2005A-HEALTHCARE FACILITIES REV BO		X		X
C INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTH TUCSON	86-6000267		09/20/2006	10,000,000	2006-HEALTHCARE FACILITIES REV BON		X		X
D INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTH TUCSON	86-6000267		12/15/2004	3,250,000	2005B-HEALTHCARE FACILITIES REV BO		X		X
E									

Part II Proceeds (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
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?										
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	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
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	Yes	No	Yes	No	Yes	No	Yes	No
3a 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 post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	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?										
3a 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										
4a 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?										

Schedule K (Form 990) 2008

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V, lines 38b or 40b.

OMB No 1545-0047

2008

**Open To Public
Inspection**

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year
under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No

Total ▶ \$

Part III Grants or Assistance Benefitting Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 28a, 28b, or 28c

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
HEALTH FINANCE SOLUTIONS	PETER BRYAN, INTERIM CEO	163,811	COMPENSATION PAID		X
LP&G	BARBARA PECK, DIRECTOR	591,385	MARKETING SERVICES		X
CHRISTIAN BOTSFORD	NORMAN BOTSFORD, FATHER	30,209	COMPENSATION PAID		X

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

Schedule L (Form 990 or 990-EZ) 2008

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

ORGANIZATION'S MISSION AND SIGNIFICANT ACTIVITIES

FORM 990, PART I LINE 1 AND PART III LINE 1

PART I, LINE 1 - SIGNIFICANT ACTIVITIES

TOGETHER WITH UNIVERSITY PHYSICIANS HOSPITAL, THE UNIVERSITY OF ARIZONA,

AND UNIVERSITY MEDICAL CENTER, WE CARE FOR PATIENTS, EDUCATE MEDICAL

STUDENTS, AND CONDUCT CLINICAL RESEARCH.

PART III, LINE 1 - MISSION

--TO SUPPORT THE EDUCATIONAL AND RESEARCH MISSIONS OF THE UNIVERSITY OF

ARIZONA HEALTH SCIENCES CENTER.

--TO ACHIEVE EXCELLENCE IN QUALITY AND COST EFFECTIVENESS IN PROVIDING

CARE FOR EACH PATIENT.

--TO TREAT EACH PATIENT WITH DIGNITY, RESPECT, COURTESY AND HONOR THE

CONFIDENTIALITY OF PATIENT INFORMATION.

--TO SUPPORT INNOVATIVE HEALTH-RELATED RESEARCH.

--TO FOSTER AN ENVIRONMENT IN WHICH PHYSICIANS AND STAFF ARE VALUED,

RECOGNIZED AND REWARDED FOR THEIR CONTRIBUTIONS.

--TO PROVIDE SERVICES TO THE SOUTHERN ARIZONA COMMUNITIES AND THE STATE

THROUGH EDUCATIONAL, CLINICAL AND OUTREACH ACTIVITIES.

--TO ENCOURAGE TEAMWORK, COMMUNICATION, COOPERATION AND MUTUAL RESPECT

AMONG ALL HEALTH CARE PROVIDERS, STAFF, ADMINISTRATION AND STUDENTS AT

THE HOSPITAL AND WITHIN THE ARIZONA HEALTH SCIENCES CENTER.

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

PROGRAM SERVICE ACCOMPLISHMENTS #1

FORM 990, PART III, LINE 4A

UNIVERSITY PHYSICIANS HEALTH PLANS COORDINATES THE DELIVERY OF HEALTH
CARE TO ENROLLEES OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
(ARIZONA'S MEDICAID PROGRAM), THE MEDICARE ADVANTAGE SPECIAL NEEDS
PROGRAM (CENTERS FOR MEDICARE AND MEDICAID DUAL ELIGIBLE MEDICARE
PROGRAM) AND HEALTH CARE GROUP (ARIZONA'S SMALL BUSINESS HEALTH CARE
PROGRAM).

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

PROGRAM SERVICE ACCOMPLISHMENTS #2

FORM 990, PART III, LINE 4B

UNIVERSITY PHYSICIANS HOSPITAL (UPH HOSPITAL) PROVIDES VITAL MEDICAL SERVICES TO THE CITIZENS OF SOUTHERN ARIZONA. UNIVERSITY PHYSICIANS HOSPITAL IS A 197-BED, FULL SERVICES HOSPITAL. ALSO, SOUTHERN ARIZONA'S NEWEST ACADEMIC MEDICAL FACILITY, UPH HOSPITAL PROVIDES PATIENTS WITH DIRECT ACCESS TO THE EXPERTISE, GROUNDBREAKING RESEARCH AND THE LATEST TREATMENTS OF THE UNIVERSITY OF ARIZONA COLLEGE OF MEDICINE. THE HOSPITAL IS LOCATED IN A PRIMARILY UNDERSERVED AREA AND GIVES CITIZENS EASY ACCESS TO EMERGENCY AND SPECIALTY MEDICAL CARE.

THE COMPREHENSIVE MEDICAL FACILITY FEATURES NATIONALLY AND INTERNATIONALLY RECOGNIZED CLINICS, PROGRAMS AND UA FACULTY PHYSICIANS. PATIENTS HAVE ACCESS TO A 24 HOUR/ 7 DAY A WEEK EMERGENCY ROOM, AN URGENT CARE FACILITY, INPATIENT BEHAVIORAL HEALTH, MEDICAL/SURGICAL AND ICU BEDS, AND NUMEROUS OUTPATIENT PRIMARY AND SPECIALTY CARE CLINICS.

CURRENTLY, TWO NEW BEHAVIORAL HEALTH FACILITIES ARE BEING BUILT ON THE CAMPUS. THESE FACILITIES WILL PROVIDE 96 NEW BEHAVIORAL HEALTH INPATIENT BEDS, OUTPATIENT SERVICES, TEACHING FACILITIES AND A NEW EMERGENCY DEPARTMENT OPENING IN SUMMER OF 2011.

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

PROGRAM SERVICE ACCOMPLISHMENTS #3

FORM 990, PART III, LINE 4C

UNIVERSITY PHYSICIANS CLINICAL PRACTICE PROVIDES INPATIENT AND AMBULATORY
CARE TO PATIENTS REGARDLESS OF THEIR ABILITY TO PAY. IN FY 2009, THE
PRACTICE TREATED 182,128 PATIENTS, OF WHICH 40.8% HAVE NO ABILITY OR
LIMITED ABILITY TO PAY. THESE PATIENTS ARE CORE TO SUPPORTING THE
EDUCATIONAL AND RESEARCH MISSIONS OF THE UNIVERSITY OF ARIZONA MEDICAL
SCHOOL. IN FY 2009, THE PRACTICE HAD 19 RESIDENTS IN TRAINING.

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

FAMILY/BUSINESS RELATIONSHIPS

FORM 990, PART VI, LINE 2

DR GOLDSCHMID HAS A BUSINESS RELATIONSHIP WITH DRS REED, LOPEZ, BERG,

GRUESSNER, AND KETTELLE AS A RESULT OF EMPLOYMENT.

SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS

FORM 990, PART VI, LINE 4

BYLAWS WERE AMENDED ON 1/28/09.

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

ORGANIZATION'S MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, LINE 6

UPH HAS ONE CLASS OF MEMBERS WHO SHALL BE THOSE PERSONS ELIGIBLE AND

APPROVED BY THE CREDENTIALS COMMITTEE.

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS

FORM 990, PART VI, LINE 7A

MEMBERS ELECT AT-LARGE DIRECTORS FROM THE UPH MEMBERSHIP. EACH UPH

MEMBER IS ELIGIBLE TO VOTE ON EACH MATTER SUBMITTED TO A VOTE OF THE

MEMBERS.

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

PROCESS USED BY MANAGEMENT AND/OR GOVERNING BODY TO REVIEW 990

FORM 990, PART VI, LINE 10

THE FORM 990 IS PREPARED BY AN ACCOUNTING FIRM BASED ON DATA GATHERED BY

THE CONTROLLER AND OTHER MEMBERS OF THE ORGANIZATION'S FINANCE TEAM. THE

CFO REVIEWS THE DRAFT FORM 990 AND PROVIDES ADDITIONAL COMMENTS. THE

FINAL DRAFT VERSION OF THE FORM 990 IS PROVIDED TO THE BOARD OF DIRECTORS

AT A BOARD MEETING HELD PRIOR TO THE MAY 15 DUE DATE FOR THE FORM 990. A

REPRESENTATIVE FROM THE ACCOUNTING FIRM ATTENDS THE MEETING AND EXPLAINS

SOME OF THE SIGNIFICANT DISCLOSURES IN THE FORM 990. ANY ADDITIONAL

COMMENTS SUGGESTED BY THE GOVERNING BODY ARE THEN CONSIDERED FOR

INCORPORATION INTO THE FINAL VERSION OF THE FORM 990 TO BE FILED WITH THE

IRS BY THE FINAL DUE DATE.

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST

FORM 990, PART VI, LINES 12C

A CONFLICT OF INTEREST DISCLOSURE FORM IS REQUIRED TO BE COMPLETED BY ALL

UPH OFFICERS, DIRECTORS, MEMBERS OF BOARD COMMITTEES AND UPPER MANAGEMENT

EMPLOYEES ON AN ANNUAL BASIS. DISCLOSURE FORMS ARE THEN REVIEWED BY THE

BOARD. COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY IS ENFORCED BY THE

BOARD.

DOCUMENT RETENTION AND DESTRUCTION POLICY

FORM 990, PART VI, LINE 14

A FORMAL POLICY HAS BEEN DRAFTED AND IS EXPECTED TO BE APPROVED NEXT

FISCAL YEAR.

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

PROCESS FOR DETERMINING COMPENSATION

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

DETERMINATION OF COMPENSATION MEETS THE REBUTTABLE PRESUMPTION TEST IN

THAT IT IS APPROVED IN ADVANCE BY THE BOARD ESTABLISHED COMPENSATION

COMMITTEE COMPRISED OF INDEPENDENT, DISINTERESTED COMMUNITY DIRECTORS.

COMPARABILITY DATA IS OBTAINED BY AN OUTSIDE CONSULTING COMPANY.

DOCUMENTATION IS MADE OF THE TERMS AND DATE APPROVED, MEMBERS OF THE

COMPENSATION COMMITTEE PRESENT AND VOTES, COMPARABILITY DATA AND HOW IT

WAS OBTAINED AND ACTIONS BY ANYONE WHO MIGHT HAVE A CONFLICT OF INTEREST.

Name of the organization

Employer identification number

UNIVERSITY PHYSICIANS HEALTHCARE, INC.

94-2958258

AVAILABILITY OF CERTAIN DOCUMENTS TO THE GENERAL PUBLIC

FORM 990, PART VI, LINE 19

ARTICLES OF INCORPORATION AND AMENDMENTS ARE AVAILABLE ON THE ARIZONA

CORPORATION COMMISSION WEBSITE. THE CONFLICT OF INTEREST POLICY IS MADE

AVAILABLE TO THE PUBLIC UPON WRITTEN REQUEST. FINANCIAL STATEMENTS ARE

MADE AVAILABLE TO THE STATE OF ARIZONA THROUGH AHCCCS. WE ALSO MAKE

AVAILABLE FOR PUBLIC INSPECTION THE 501C(3) DETERMINATION LETTER,

APPLICATION FOR EXEMPTION, AND THE MOST RECENT FORMS 990.

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

► See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization

Name of the organization
UNIVERSITY PHYSICIANS HEALTHCARE, INC.

Employer identification number

Part I Identification of Disregarded Entities

[illegible]

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
CADUCEUS INDEMNITY INSURANCE CORPORATION 99-0343363 745 FORT STREET HONOLULU, HI 96813	CAPTIVE INS	HI	501(C)(3)	11A	N/A
UNIVERSITY PHYSICIANS HEALTHCARE FDN 20-2826747 2701 E ELVIRA ROAD TUCSON, AZ 85706	FUNDRAISING	AZ	501(C)(3)	11E	N/A
UPH COMMUNITY HEALTH CENTERS, INC. 26-4586679 2701 E ELVIRA ROAD TUCSON, AZ 85756	FQHC	AZ	APPLIED FOR	APPLIED FOR	N/A

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

Schedule R (Form 990) 2008

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?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity		1a X
b Gift, grant, or capital contribution to other organization(s)		1b X
c Gift, grant, or capital contribution from other organization(s)		1c X
d Loans or loan guarantees to or for other organization(s)		1d X
e Loans or loan guarantees by other organization(s)		1e X
f Sale of assets to other organization(s)		1f X
g Purchase of assets from other organization(s)		1g X
h Exchange of assets		1h X
i Lease of facilities, equipment, or other assets to other organization(s)		1i X
j Lease of facilities, equipment, or other assets from other organization(s)		1j X
k Performance of services or membership or fundraising solicitations for other organization(s)		1k X
l Performance of services or membership or fundraising solicitations by other organization(s)		1l X
m Sharing of facilities, equipment, mailing lists, or other assets		1m X
n Sharing of paid employees		1n X
o Reimbursement paid to other organization for expenses		1o X
p Reimbursement paid by other organization for expenses		1p X
q Other transfer of cash or property to other organization(s)		1q X
r Other transfer of cash or property from other organization(s)		1r X

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

	(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1)	CADUCEUS INDEMNITY INSURANCE CORPORATION	Q	6,616,000.
(2)	CADUCEUS INDEMNITY INSURANCE CORPORATION	Q	40,713.
(3)	CADUCEUS INDEMNITY INSURANCE CORPORATION	R	8,518,925.
(4)			
(5)			
(6)			

Schedule R (Form 990) 2008

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

NAME AND ADDRESS -----	DESCRIPTION OF SERVICES -----	COMPENSATION -----
LP & G INC. 400 N. TOOLE AVENUE, #280 TUCSON, AZ 85701	MARKETING	591,385.
GOLDBERG & OSBORNE 2323 N. CAMPBELL TUCSON, AZ 85719	ATTORNEYS	560,000.
INGENIX CONSULTING OPT PO BOX 27116 SALT LAKE CITY, UT 84127	EDP	505,534.
ALL TYPE MEDICAL TRANS. SVC 2202 ROUTE 130 NORTH BRUNSWICK, NJ 08902	TRANSCRIPTION SVC	457,839.
ROPES & GRAY PO BOX 414265 BOSTON, MA 02241-4265	ATTORNEYS	431,153.
TOTAL COMPENSATION		----- 2,545,911. =====