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Form **990-PF**
Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation
Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052
2009

For calendar year 2009, or tax year beginning , 2009, and ending , 20

G Check all that apply. ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☒ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation
TENNESSEE HEALTH FOUNDATION, INC.

A Employer identification number
20-0298456

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
1 CAMERON HILL CIRCLE

B Telephone number (see page 10 of the instructions)
(423) 535-7350

City or town, state, and ZIP code
CHATTANOOGA, TN 37402

C If exemption application is pending, check here ▶ ☐
D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 103,355,931.

J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	17,500,000.			
	2 Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments	35,532.	35,635.		ATCH 1
	4 Dividends and interest from securities	1,787,880.	2,214,776.		ATCH 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-3,304,972.			
	b Gross sales price for all assets on line 6a 32,150,658.				
	7 Capital gain net income (from Part IV, line 2)		1,282,824.		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)		382,658.		ATCH 3
	12 **Total.** Add lines 1 through 11	16,018,440.	3,915,893.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) ATCH 4	9,000.	1,350.	0.	7,650.
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) **	64,829.	23,978.		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) ATCH 6	8,163.	86,642.		
	24 **Total operating and administrative expenses.** Add lines 13 through 23	81,992.	111,970.	0.	7,650.
	25 Contributions, gifts, grants paid	4,186,704.			4,186,704.
	26 **Total expenses and disbursements** Add lines 24 and 25	4,268,696.	111,970.	0.	4,194,354.
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	11,749,744.			
	b **Net investment income** (if negative, enter -0-)		3,803,923.		
	c **Adjusted net income** (if negative, enter -0-)			-0-	

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	-945.	16,914.	16,914.
	2 Savings and temporary cash investments	5,171,347.	3,549,540.	3,549,540.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) ATCH 7	71,873,265.	99,746,776.	99,746,776.
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)			
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶ ATCH 8)	57,488.	42,701.	42,701.
	16 **Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	77,101,155.	103,355,931.	103,355,931.
Liabilities	17 Accounts payable and accrued expenses	0.	45,000.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	45,000.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	77,101,155.	103,310,931.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ [ ]			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see page 17 of the instructions)	77,101,155.	103,310,931.	
	31 **Total liabilities and net assets/fund balances** (see page 17 of the instructions)	77,101,155.	103,355,931.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	77,101,155.
2	Enter amount from Part I, line 27a	2	11,749,744.
3	Other increases not included in line 2 (itemize) ▶ ATTACHMENT 9	3	14,460,032.
4	Add lines 1, 2, and 3	4	103,310,931.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	103,310,931.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	SEE PART IV SCHEDULE			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) . . . . . { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	1,282,824.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? . . . . ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part.

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	3,302,145.	88,399,801.	0.037355
2007	2,427,801.	79,614,291.	0.030495
2006	1,986,595.	56,386,305.	0.035232
2005	1,086,500.	29,999,707.	0.036217
2004	11,286.	9,028,382.	0.001250

2	**Total** of line 1, column (d)	2	0.140549
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.028110
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	87,277,228.
5	Multiply line 4 by line 3	5	2,453,363.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	38,039.
7	Add lines 5 and 6	7	2,491,402.
8	Enter qualifying distributions from Part XII, line 4	8	4,194,354.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b	1	38,039.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	38,039.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	38,039.
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009 — 6a: 44,488.		
b	Exempt foreign organizations-tax withheld at source — 6b: 0.		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 0.		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	44,488.
8	Enter any **penalty** for underpayment of estimated tax Check here [X] if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	6,449.
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 6,449. **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ 0. (2) On foundation managers ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes* ATCH. 10	3	X	
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ TN,			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ WWW.BCBST.COM/ABOUT/COMMUNITY/TN-HEALTH-FOUNDATION/

14 The books are in care of ▶ DANA HULL Telephone no ▶ (423)535-7919

Located at ▶ 1 CAMERON HILL CIRCLE, CHATTANOOGA, TN ZIP + 4 ▶ 37402

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☒ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☒ No			
	If "Yes," list the years ▶ _____, _____, _____, _____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see page 20 of the instructions)	2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ _____, _____, _____, _____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)*	3b	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No	
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No	
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes	☒ No	
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	☐ Yes	☒ No	
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes	☒ No	
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?		5b	N/A
	Organizations relying on a current notice regarding disaster assistance check here N/A ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes	☐ No	
	If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes	☒ No	
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X
	If "Yes" to 6b, file Form 8870			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes	☒ No	
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		7b	N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATTACHMENT 11		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶ NONE

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions	
3 N/A	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	83,715,303.
b	Average of monthly cash balances	1b	4,891,020.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0.
d	**Total** (add lines 1a, b, and c)	1d	88,606,323.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	88,606,323.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	1,329,095.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	87,277,228.
6	**Minimum investment return.** Enter 5% of line 5	6	4,363,861.

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	4,363,861.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	38,039.		
b	Income tax for 2009 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	38,039.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	4,325,822.
4	Recoveries of amounts treated as qualifying distributions			4	0
5	Add lines 3 and 4			5	4,325,822.
6	Deduction from distributable amount (see page 25 of the instructions)			6	0
7	**Distributable amount** as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	4,325,822.

Part XII Qualifying Distributions(see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	4,194,354.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	4,194,354.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	38,039.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	4,156,315.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				4,325,822.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			4,177,010.	
b Total for prior years 20 07 ,20 06 ,20 05				
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005 0.				
c From 2006 0.				
d From 2007 0.				
e From 2008 0.				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 4,194,354.				
a Applied to 2008, but not more than line 2a			4,177,010.	
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2009 distributable amount				17,344.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				4,308,478.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006 0.				
c Excess from 2007 0.				
d Excess from 2008 0.				
e Excess from 2009 0.				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling . . . . . ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed .					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter (1) Value of all assets . . . (2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test- enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . .					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income .					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year - see page 28 of the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

ATTACHMENT 12

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

ATTACHMENT 13

b The form in which applications should be submitted and information and materials they should include:

ATTACHMENT 16

c Any submission deadlines

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

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

ATTACHMENT 16

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
ATTACHMENT 14				
Total ▶ **3a**				4,186,704.
b *Approved for future payment*				
ATTACHMENT 15				
Total ▶ **3b**				1,180,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	35,532.	
4 Dividends and interest from securities			14	1,787,880.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-3,304,972.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				-1,481,560.	
13 Total. Add line 12, columns (b), (d), and (e)				13	-1,481,560.

(See worksheet in line 13 instructions on page 28 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)
	NOT APPLICABLE

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a nonchantable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a nonchantable exempt organization	1b(1)		X
	(2) Purchases of assets from a nonchantable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of nonchantable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
	N/A		N/A

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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 taxpayer or fiduciary) is based on all information of which preparer has any knowledge

Signature of officer or trustee — Date: 8/16/10 — Title: VP : TREASURER

Paid Preparer's Use Only

Preparer's signature — Date: 8/13/10 — Check if self-employed ☐ — Preparer's identifying number (See Signature on page 30 of the instructions)

Firm's name (or yours if self-employed), address, and ZIP code: ERNST & YOUNG U.S. LLP, 5451 LAKEVIEW PARKWAY, SOUTH DRIVE, INDIANAPOLIS, IN 46268

EIN ▶ 34-6565596

Phone no 317-280-3400

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2009

Name of the organization
TENNESSEE HEALTH FOUNDATION, INC.

Employer identification number
20-0298456

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization TENNESSEE HEALTH FOUNDATION, INC.

Employer identification number 20-0298456

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	BLUECROSS BLUESHIELD OF TENNESSEE 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402-2520	$ 12,500,434.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
2	BLUECROSS BLUESHIELD OF TENNESSEE 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	$ 4,999,566.	Person [X] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Name of organization TENNESSEE HEALTH FOUNDATION, INC. | Employer identification number 20-0298456

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	PUBLICLY TRADED SECURITIES	$ 4,999,566.	12/14/2009
		$	
		$	
		$	
		$	
		$	

TENNESSEE HEALTH FOUNDATION, INC.
EIN: 20-0298456
FOR TAX YEAR ENDED: DECEMBER 31, 2009
Information Required Pursuant to Regulation Section 1.6038B-1(c)

1) Transferor
Name: TENNESSEE HEALTH FOUNDATION, INC.
EIN: 20-0298456
Address: 1 Cameron Hill Circle
CHATTANOOGA, TN 37402

2) Transferee:
(i) Name: ABS OFFSHORE SPC GLOBAL SEGREGATED PORTFOLIO
M&C CORPORATE SERVICES LIMITED
EIN: FOREIGNUS
Address: P.O. BOX 309GT
UGLAND HOUSE, 113 SOUTH CHURCH STREET
GEORGE TOWN, GRAND CAYMAN
CAYMAN ISLANDS, KY1-1205

Country of Incorporation: Cayman Islands

(ii) General description of transfer: Tennessee Health Foundation, Inc. contributed a total of $ 14,750,000 USD to ABS Offshore SPC Global Segregated Portfolio in exchange for an investment in ABS Offshore SPC Global Segregated Portfolio.

3) Consideration Received: Investment in ABS Offshore SPC Global Segregated Portfolio

4) Property Transferred:

(i)	Active Business Property: Property: Business: Rule:	Cash of $ 14,750,000
(ii)	Stock and Securities:	NOT APPLICABLE
(iii)	Depreciated Property:	NOT APPLICABLE
(iv)	Property to be Leased:	NOT APPLICABLE
(v)	Property to be Sold:	NOT APPLICABLE
(vi)	Transfers to FSC:	NOT APPLICABLE
(vii)	Tainted Property:	NOT APPLICABLE
(viii)	Foreign Loss Branch:	NOT APPLICABLE
(ix)	Other Intangibles:	NOT APPLICABLE

5) Transfer to Foreign Branch Loss with Previously Deducted Losses: NOT APPLICABLE

(i) Branch Operation
(ii) Branch Property
(iii) Previously deducted losses
(iv) Character of gain

6) Application of Section 367(a)(5): NOT APPLICABLE

ATTACHMENT TO FORM 926

ATTACHMENT 1

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INTEREST INCOME-MONEY MARKET FUND	35,532.	35,635.
TOTAL	35,532.	35,635.

ATTACHMENT 2

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DIVIDENDS		1,787,880.	2,214,776.
	TOTAL	1,787,880.	2,214,776.

ATTACHMENT 3

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
OTHER FLOW THROUGH INVESTMENT INCOME		382,658.
TOTALS		382,658.

ATTACHMENT 4

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
ACCOUNTING FEES	9,000.	1,350.		7,650.
TOTALS	9,000.	1,350.	0.	7,650.

ATTACHMENT 5

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
EXCISE TAX	19,829.	
OTHER TAXES	45,000.	
FOREIGN TAXES		23,978.
TOTALS	64,829.	23,978.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT EXPENSES		8,163.	86,642.
	TOTALS	8,163.	86,642.

FORM 990PF, PART II - CORPORATE STOCK ATTACHMENT 7

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
PIMCO TOTAL RETURN FD-INST	30,671,135.	30,671,135.
MFB NTGI COM DAILY S&P 500	7,290,189.	7,290,189.
MFB NTGI-QM COM DAILY S&P	3,254,909.	3,254,909.
AURORA OFFSHORE FD LTD II CL A	19,632,110.	19,632,110.
SELECTINVEST MULTISTRATEGY LTD	10,258,781.	10,258,781.
ABS OFFSHORE SPC GLOBAL PORT	14,781,250.	14,781,250.
SILCHESTER EQUITY TRUST	10,458,402.	10,458,402.
INVESTMENT RECEIVABLE	3,400,000.	3,400,000.
TOTALS	99,746,776.	99,746,776.

FORM 990PF, PART II - OTHER ASSETS ATTACHMENT 8

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
INVESTMENT INCOME RECEIVABLE	13,529.	13,529.
EXCISE TAX RECEIVABLE	29,172.	29,172.
TOTALS	42,701.	42,701.

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		MARKETABLE SECURITIES PROPERTY TYPE: SECURITIES				P	VAR	VAR
22016560.		22130073.					-113,513.	
		FLOW THROUGH CAP GAIN SILCHESTER INT'L PROPERTY TYPE: OTHER				P	VAR	VAR
1,396,337.							1,396,337.	
TOTAL GAIN (LOSS)							1,282,824.	

ATTACHMENT 9

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	14,460,032.
TOTAL	14,460,032.

ATTACHMENT 10

FORM 990PF, PART VII-A, LINE 3 - CONFORMED COPY OF THE CHANGES

AT THE JANUARY 1, 2009 MEETING, THE THF CORPORATE POLICY AND PROCEDURES WAS INTRODUCED AND APPROVED BY COMMITTEE.

BlueCross BlueShield of Tennessee Health Foundation Corporate Policy

Department
Tennessee Health Foundation
Procedure Number
Effective Date
1/1/09
Approval Date
Prepared By
Kathy Bingham
Approved By
Calvin Anderson
Review Frequency
Every Year
Next Scheduled Review
1/1/10

Scope Description:
Tennessee Health Foundation, Inc. dba BlueCross BlueShield of Tennessee Health Foundation (the "Foundation")

Subject:
Foundation mission; objectives, and award eligibility criteria.

Purpose:
The purpose of this policy is to define the corporate mission of and objectives for the Foundation, to define eligibility criteria for the award of charitable contributions by the Foundation, and to provide links to other Foundation-specific policies and procedures. This policy expressly replaces and supersedes any prior policies relating to the subject matter of this policy.

Related Policies and Procedures:
BlueCross BlueShield of Tennessee Health Foundation Investment Policy (policy maintained with Director, Investments & Financial Management, BCBST)

BlueCross BlueShield of Tennessee Health Foundation Procedure for the Request and Award of Charitable Grants **[insert link]**

Foundation Mission:
The mission of the Foundation is to enhance quality of life by awarding grants that improve health, public education and economic development for Tennesseans.

Foundation Goals & Objectives:
The Foundation funds projects which develop healthy living practices resulting in better health decisions, medical care and enhanced quality of life for generations to come. The objectives of the Foundation are:

- Support effective multicultural approaches for developing health lifestyles;
- Enhancement of collaborative community partnerships for broader access to health resources;
- Exploration of innovative solutions aimed at breaking cycles of health neglect;
- Establishment of healthy initiatives aimed at prevention, intervention and education.

Foundation Review Committee:
The Foundation shall be supported by a Foundation Review Committee composed of select BCBST officers. The Committee members shall be initially established by the Board and thereafter are subject to Board notice.

Funding Priority:
The Foundation will give priority to grant requests for:

- Projects within Tennessee reflecting the mission of the Foundation and emphasizing healthy living, health care access and quality of life;
- Projects that are solution-oriented and can be closely tracked with quantitative impact; and
- Projects that are impact-focused with:
  - Strategic philanthropic approach (geographically positioned for maximum philanthropic outreach across income, race and gender lines)

- Maximized community impact (capacity for obtaining high participant results and replication)
- Quantifiable results (designed to produce measurable time-specific results)
- Broad-based collaborative support (capacity for attracting diverse community partnerships).

Award Eligibility Criteria:
The Foundation's policies on eligibility will be approved by the Foundation Review Committee, subject to notice to its Board of Directors, and delegated to the Executive Director for execution. All Foundation awards shall be made in accordance with 501(c)(3) requirements and pursuant to the Foundation's application and grant procedure **[insert link].**

The Foundation will consider requests for grant awards only to non-profit organizations that are nondiscriminatory, serve communities within Tennessee, comply with applicable laws regarding registration and financial reporting, and are eligible for tax-deductible support (i.e., 501(c)(3)), with preference given to those programs that can be closely tracked, with quantitative impact stated, and that are solution-oriented and build capacity.

The Foundation will not award charitable grants to:

- Individuals;
- Private schools;
- Private clubs;
- Organizations not eligible for tax-deductible support;
- Denominational or faith-based organizations for religious purposes;
- Political caucuses, candidates or campaigns;
- Special occasion or commemorative advertising, i.e., journals or dinner programs, unless these are part of an overall sponsorship effort;
- Hospitals or hospital building funds (exception: special projects that match our enterprise's priorities);
- Sports facilities, sports teams (exception: sports projects that match our enterprise's priorities);
- Any activities deemed inappropriate by the Board of Directors, the Foundation Review Committee or the Executive Director.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 11

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
LAMAR J. PARTRIDGE 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	CHAIRPERSON 1.00	0.	0.	0.
BETTY DE VINNEY 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	VICE CHAIRPERSON 1.00	0.	0.	0.
VICKY GREGG 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	PRESIDENT 1.00	0.	0.	0.
SHELIA CLEMONS 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	SECRETARY 1.00	0.	0.	0.
JILL OAKS 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	ASSISTANT SECRETARY 1.00	0.	0.	0.
DANNY TIMBLIN 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	TREASURER 1.00	0.	0.	0.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES ATTACHMENT 11 (CONT'D)

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
ALAINE ZACHARY 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	ASSISTANT TREASURER 1.00	0.	0.	0.
JOHN GIBLIN 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	CFO 1.00	0.	0.	0.
DEWITT EZELL, JR. 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
GUS B. DENTON 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
HULET CHANEY 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
J.D. ELLIOTT 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES ATTACHMENT 11 (CONT'D)

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
JOHN F. GERM 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
HERBERT H. HILLIARD 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
WILLIAM H. LATIMER, III 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
GLORIA S. RAY 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
PAUL E. STANTON 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
WILLIAM M. GRACEY 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES ATTACHMENT 11 (CONT'D)

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SCOTT E. WALLACE 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
EMILY J. REYNOLDS 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
JAMES M. PHILLIPS 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
CALVIN ANDERSON 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	EXECUTIVE DIRECTOR 5.00	0.	0.	0.
KATHY BINGHAM 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	MANAGER 21.00	0.	0.	0.
	GRAND TOTALS	0.	0.	0.

ATTACHMENT 12

FORM 990PF, PART XV - INFORMATION REGARDING FOUNDATION MANAGERS

THE DIRECTORS AND OFFICERS OF THE FOUNDATION ARE DIRECTORS OR OFFICERS OF BLUECROSS BLUESHIELD OF TENNESSEE, INC., WHICH IS THE PRIMARY SUPPORTER AND SUBSTANTIAL CONTRIBUTOR TO THE FOUNDATION. A LISTING OF THESE INDIVIDUALS IS CONTAINED IN ATTACHMENT 9 TO FORM 990-PF.

ATTACHMENT 13

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

KATHY BINGHAM, FOUNDATION MANAGER
1 CAMERON HILL CIRCLE
CHATTANOOGA, TN 37402

TENNESSEE HEALTH FOUNDATION, INC.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 14

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
COMMUNITY HEALTH NETWORK, INC. P O BOX 40 OAKDALE, TN 37829	NONE 509(A)(2)	REGIONAL OBSTETRICAL CONSULTANT?S (ROC) EAST TENNESSEE PERINATAL TELEMEDICINE DEMONSTRATION PROJECT	1,200,000.
CREATIVE DISCOVERY MUSEUM 321 CHESTNUT STREET CHATTANOOGA, TN 37402	NONE 509(A)(1)	"GOOD FOR YOU" PERMANENT HEALTH EXHIBIT	100,000
DISPENSARY OF HOPE LLC P O BOX 281496 NASHVILLE, TN 37228	NONE 509(A)(1)	DISPENSARY OF HOPE CLINIC PROGRAM	75,000
FAITH FAMILY MEDICAL CLINIC 326 21ST AVENUE NORTH NASHVILLE, TN 37203	NONE 509(A)(1)	HEALTHCARE FOR WORKING UNINSURED INDIVIDUALS	75,000.
GIRLS INCORPORATED OF CHATTANOOGA 1404 MCCALLIE AVENUE CHATTANOOGA, TN 37404	NONE 509(A)(1)	"INFANT MORTALITY PUBLIC AWARENESS CAMPAIGN FOR TENNESSEE (IMPACT)" SUPPORTING HAMILTON, DAVIDSON AND SHELBY COUNTIES	165,000
KNOXVILLE ACADEMY OF MEDICINE 115 SUBURBAN ROAD KNOXVILLE, TN 37923	NONE 509(A)(1)	"PROJECT ACCESS EMERGENCY DEPARTMENT UTILIZATION"	100,000

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 14 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
KNOXVILLE NEWS SENTINEL CHARITIES, INC 2332 NEWS SENTINEL DRIVE KNOXVILLE, TN 37921	NONE 509(A)(1)	"FREE FLU SHOT SATURDAY" PROGRAM	60,000.
SCHOOL ADVOCATES FOR VISION IN EDUCATION 606 MENDENHALL, SUITE 200 MEMPHIS, TN 38117	NONE 509(A)(1)	"SCHOOL ADVOCATES FOR VISION AND EDUCATION MOBILE VISION UNIT" PROGRAM	33,000.
TENNESSEE HOSPITAL ELUCATION AND RESEARCH FDN 500 INTERSTATE BOULEVARD SOUTH NASHVILLE, TN 37210-4634	NONE 509(A)(2)	"TENNESSEE CENTER FOR PATIENT SAFETY" INITIATIVE	295,700.
TENNESSEE HOSPITAL EDUCATION AND RESEARCH FDN 500 INTERSTATE BOULEVARD SOUTH NASHVILLE, TN 37210-4634	NONE 509(A)(2)	"TENNESSEE NSQIP" PROJECT	980,000.
UNIVERSITY OF TENNESSEE COLLEGE OF DENTISTRY 62 SOUTH DUNLAP, SUITE 500 MEMPHIS, TN 38163	NONE 509(A)(2)	"DUNN DENTAL BUILDING ACCREDITATION" PROJECT	500,000
UNIVERSITY OF TENNESSEE MEDICAL GROUP 66 NORTH PAULINE, SUITE 633 MEMPHIS, TN 38163	NONE 509(A)(1)	"THE BLUES PROJECT"	227,499

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 14 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
VANDERBILT UNIVERSITY MEDICAL CENTER 3319 WEST END AVENUE, STE 100 NASHVILLE, TN 37203	NONE 509(A)(1)	"REDUCING PRETERM BIRTHS THROUGH TENNESSEE CONNECTIONS FOR BETTER BIRTH OUTCOMES" PROJECT	375,505
		TOTAL CONTRIBUTIONS PAID	4,186,704

FORM 990PF, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 15

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
KNOXVILLE ACADEMY OF MEDICINE 115 SUBURBAN ROAD KNOXVILLE, TN 37923	NONE 509(A)(1)	"PROJECT ACCESS EMERGENCY DEPARTMENT UTILIZATION"	200,000.
TENNESSEE HOSPITAL EDUCATION & RESEARCH FOUNDATION 500 INTERSTATE BOULEVARD SOUTH NASHVILLE, TN 37210	NONE 509(A)(2)	"TENNESSEE NSQIP" PROJECT	980,000
		TOTAL CONTRIBUTIONS APPROVED	1,180,000

BlueCross BlueShield
of Tennessee Health Foundation

Tennessee Health Foundation

Promoting healthy lifestyle choices

Helping control health care costs for all Tennesseans

ATTACHMENT 16

Contents

BlueCross BlueShield of Tennessee Health Foundation, Inc.

The BlueCross BlueShield of Tennessee Health Foundation, Inc (THF) was established in December 2003 as a 501(c)(3) foundation organized to promote the philanthropic mission of BlueCross BlueShield of Tennessee by awarding grants focused on high-impact initiatives across the state, which promote healthy lifestyle choices and help control health care costs for all Tennessee residents THF, working with civic and economic partners, is dedicated to the support of research, innovative programs and creative approaches to improve the health and quality of life of Tennesseans for generations to come

Mission Statement

BlueCross BlueShield of Tennessee Health Foundation is dedicated to enhancing quality of life by awarding grants that improve health, public education and economic development for Tennesseans

Goals & Objectives

- Support of effective multicultural approaches for developing healthy lifestyles.
- Enhancement of collaborative community partnerships for broader access to health resources
- Exploration of innovative solutions aimed at breaking cycles of health neglect.
- Establishment of healthy initiatives aimed at prevention, intervention and education.

Foundation Charitable Guidelines

BlueCross BlueShield of Tennessee Health Foundation (THF) philanthropic contribution guidelines are written in agreement with and in support of the long-term charitable goals of BlueCross BlueShield of Tennessee

Funding Priority

- Projects within Tennessee reflecting the mission of THF and emphasizing healthy living, health care access and quality of life
- Projects that are solution-oriented and can be closely tracked with quantitative impact
- Projects that are impact-focused with:
  - **Strategic Philanthropic Approach**
    Geographically positioned for maximum philanthropic outreach across income, race and gender lines
  - **Maximized Community Impact**
    Capacity for obtaining high participant results and replication
  - **Quantifiable Results**
    Designed to produce measurable time-specific results
  - **Broad-Based Collaborative Support**
    Capacity for attracting diverse community partnerships.

Funding Focus

THF funds projects which develop healthy living practices resulting in better health decisions, medical care and enhanced quality of life for generations to come

Eligibility

To seek grant funding from THF, organizations must:

- Be nondiscriminatory
- Serve communities within Tennessee
- Be a Section 501 (c)(3) qualified public charity and not a private foundation
- Comply with applicable laws regarding registration and financial reporting

Restrictions

Tennessee Health Foundation does not fund:

- Individuals
- Private clubs
- Private schools
- Organizations not eligible for tax deductible support
- Denominational or faith-based organizations for religious purposes
- Political caucuses, candidates or campaigns
- Special occasion or commemorative advertising, i.e. journals or dinner programs, unless these are part of an overall sponsorship effort
- Hospitals or hospital building funds
  (Exception: special projects that match one of our company's priorities, i e. children's hospitals)
- Sports facilities, sports teams
  (Exception: those involved in our health collaborative initiatives)
- Any activities deemed inappropriate by the foundation

Application Process

Organizations who comply with THF guideline criteria must submit grant information in the format and timeframe requested Funding cycles are January, May and September.

Step One – Submit a Letter of Inquiry, with the enclosed Cover Sheet, using the format provided. The Foundation will review your organizational information and project description to determine if it appropriately aligns with the mission, funding scope and objectives of THF. An invitation to submit a proposal packet will be extended, should your project mirror our criteria.

Step Two – A full proposal packet must be submitted within 30 days from receipt of invitation letter. Please follow the designated format, submittal requirements and timeframe. A review of your proposal could take up to three months, due to site visits and interviews in an attempt to obtain more details about your organization and project.

Step Three – You will receive notification once the Grants Review Committee has made its funding decision. Should your proposal be designated for funding, you will receive an Awards letter and THF Grant Agreement, stipulating your project reporting requirements

If you are seeking funding for a sponsorship or community event, please view About Us / Community Relations / Community Trust at bcbst com

Letter of Inquiry Format

Letter of Inquiry must be on the applicant organization's letterhead and a maximum of two pages in length. Address each item in the order listed.

1. **Project Title**
2. **Project Description**
   Describe your project and major objectives.
3. **Problem / Opportunity/ Need**
   Describe the need, problem or opportunity your project seeks to address.
4. **Target Population**
   Describe who will benefit from your project. Highlight any relevant characteristics (i e. gender, age groups, ethnic-racial composition, disability, socioeconomic status and/or income) that further identify your target group
5. **Funding Request**
   State how the funds will be used and how your project aligns with THF's funding priority and mission
6. **Future Funding**
   Describe how your project will sustain itself after the grant period.
7. **Collaboration**
   Describe the collaborative efforts you seek to establish in the implementation of your project.
8. **Quantifiable Project Outcomes**
   Describe how you will evaluate, measure and track the project's outcomes.

Please mail your completed Letter of Inquiry and Cover Sheet to.

Kathy Bingham
Manager
BlueCross BlueShield of Tennessee Health Foundation
801 Pine Street
Chattanooga, Tennessee 37402-2555

Grant Proposal Narrative

Proposals will not be accepted unless THF has extended an affirmative response to your Letter of Inquiry.

The proposal should be submitted on the applicant organization's letterhead. It should be unbound and 6 to 12 pages in length, exclusive of attachments. Address each item of the grant proposal narrative in the order listed.

I. **Organization Information**
   History and date of establishment
   Mission and goals
   Programs and activities, including service statistics and strengths or accomplishments
II. **Purpose of Grant**
   Stated purpose
   Anticipated outcome
III. **Needs Assessment**
   Problem, opportunity or need your project addresses
   How need was determined
   Community to be served
IV. **Goals and Objectives**
   State goals and objectives
   Specific, measurable activities to accomplish objectives
V. **Project Impact**
   Impact of project's activities within the community or population (include demographics).
   Who will carry out those activities? (Include any collaborative partners)
   Timeline of activities with specific start and end date
   Feasibility of project replication
VI. **Evaluation**
   Describe your criteria for success
   How will they be measured?
   Describe your evaluation process, timeline and who will be involved
   What will you do with evaluation results?
VII. **Funding**
   Amount and purpose of funding
   How will funding be sustained after the grant period?
   List pending and committed funding sources for this project
   Describe organization's short-term and long-range funding strategies

Attachments

- Current IRS letter confirming 501(c)(3) status
- IRS Form 990 (if budget is between $25,000-$100,000)
- Recent audited financial statement (if budget is greater than $100,000)
- Detailed budget showing expected expenses and income for the project
- List of pending or committed funding sources for this project
- Staff listing showing job titles with brief statement of duties. Include one paragraph description of key staff, including qualifications relevant to the project.
- Current list of board members and their affiliations
- Three (3) letters of support or endorsement verifying organization's effectiveness and capacity for making a measurable impact on the issue to be addressed
- Organization information (i.e. newsletters, news articles, annual report or other relevant documents)

Proposal Packet Checklist

- ❑ Completed proposal cover sheet and narrative (6-12 pages)
- ❑ IRS 501(c)(3) confirmation letter
- ❑ IRS Form 990 or recent audited financial statement
- ❑ Detailed budget showing project expenses and income
- ❑ List of pending or committed project funding sources
- ❑ Staff listing with titles and job descriptions
- ❑ Current list of board members and their affiliations
- ❑ Three (3) letters of support or endorsement
- ❑ Organization information

Receipt of your proposal packet will be acknowledged within five to 10 business days by mail or e-mail

Contact Information:

BlueCross BlueShield of Tennessee Health Foundation
Kathy Bingham, Manager
801 Pine Street
Chattanooga, Tennessee 37402-2555
Phone: 423.535.7163
Fax: 423.535.7173
E-mail: kathy_bingham@bcbst.com

BlueCross BlueShield of Tennessee Health Foundation

Letter of Inquiry Cover Sheet

Cover Sheet must be submitted with Letter of Inquiry

Organization Name _____

_____

Street Address City State Zip

_____

Mailing Address City State Zip

Telephone No. ( ) _____ Fax No. ( ) _____

Contact Person _____ Official Title _____

Telephone No. ( ) _____ E-Mail _____

Web Site _____

Board President/CEO _____ Telephone No. ( ) _____

IRS 501 (c)(3) nonprofit? Please check: ❑ YES ❑ NO

Federal Tax-Exempt No. _____

Project Title _____

Project Focus Area _____

Total Grant Request _____ Period Grant Covers _____

Project Implementation Date _____

Please give a brief statement in the space provided stating organization's mission.

_____

_____

_____

_____

_____

_____ _____

Executive Director/CEO Signature Date