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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

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

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

C Name of organization
FirstSolutions

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
525 South Lake Ave Suite 222

City or town, state or country, and ZIP + 4
Duluth, MN 55802

D Employer identification number
41-0635532

E Telephone number
(218) 727-9871

G Gross receipts $ 118,325,169

F Name and address of principal officer
TERRY JACOBSON
525 S LAKE AVENUE SUITE 222
DULUTH, MN 55802

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

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

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www firstplan org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1944

M State of legal domicile MN

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
PROVIDE MEDICAL AND HEALTH CARE SERVICES TO THE COMMUNITY OF TWO HARBORS, MN AND SURROUNDING AREA

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	7
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
5	Total number of employees (Part V, line 2a)	5	271
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	11,319,809
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-390,736

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	336,527	205,892
9	Program service revenue (Part VIII, line 2g)	98,468,181	110,391,002
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	701,191	57,295
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,067,793	4,299,936
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	103,573,692	114,954,125
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,000	2,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	79,093,314	86,401,189
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	14,462,271	14,436,859
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	14,360,705	14,910,608
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	107,919,290	115,750,656
19	Revenue less expenses Subtract line 18 from line 12	-4,345,598	-796,531
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	29,122,290	29,706,036
21	Total liabilities (Part X, line 26)	19,160,026	19,888,657
22	Net assets or fund balances Subtract line 21 from line 20	9,962,264	9,817,379

Part II Signature Block

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

Sign Here

****** | 2010-11-02
Signature of officer | Date

TERRY JACOBSON PRESIDENT & CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Mary Beth Santori	Date	Check if self-empolyed ▶ ☐	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ RSM McGladrey Inc 700 Missabe Building Duluth, MN 55802			EIN ▶ Phone no ▶ (218) 727-8253

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

OPTIMIZE OUR CUSTOMERS' HEALTH AND CREATE A PERSONALIZED, EMPOWERED EXPERIENCE

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 $ 93,800,197 including grants of $) (Revenue $ 93,522,152)

FirstPlan offers comprehensive health plans for employer groups, and for individuals and families eligible for Minnesota Health Care Programs (MinnesotaCare, Medical Assistance or General Assistance Medical Care and Minnesota Senior Health Options) Employer Groups FirstPlan's commercial health plans are available to employers in Carlton, Cook, Itasca, Koochiching, Lake, Northern Pine and St Louis counties in Minnesota FirstPlan Blue is available to eligible Minnesotans who live in Carlton, Cook, Koochiching, Lake and St Louis counties FirstPlan Blue Prepaid Medical Assistance Program, General Assistance Medical Care (PMAP/GAMC) is a federally and state-funded program, PMAP provides health care services for eligible individuals and families To qualify for this Medicaid program, enrollees must be eligible for medical assistance (eligibility is determined by the county) Members choose a primary care clinic to coordinate all their care FirstPlan Blue MinnesotaCare is for those working Minnesotans who are uninsured and who meet certain eligibility guidelines Health care services can be provided through the MinnesotaCare program Enrollees pay a monthly premium based on family size, income and the number of peoplein their family who are covered FirstPlan Blue Minnesota Senior Care Plus (MSC+) is for seniors ages 65 and older who choose not to enroll in FirstPlan Blue MSHO This plan is designed for seniors who are eligible for Medical Assistance and live in FirstPlan Blue's service area Eligibility is determined by the county MSC+ members may be eligible for Elderly Waiver services which include home maker, chore, home delivered meals, and transportation services In addition, each member receives their own Care Coordinator Care Coordinators work with doctors, care providers and family members to make sure you get the care you need FirstPlan Blue MSHO is available to eligible Minnesotans age 65+ who live in Carlton, Cook, Koochiching, Lake and St Louis Counties Specially designed for eligible Seniors ages 65+, FirstPlan Blue MSHO is a voluntary program that combines Medicare, PMAP, Elderly Waiver, and Part D drug coverage into one health plan Every member is assigned a personal Care Coordinator A Care Coordinator is someone they can depend on to answer questions and help simplify the complexities of health care FirstPlan Blue Basic is for those with disabilities need and deserve personalized health care coverage A plan that delivers high-quality services and understands the unique medical and life situations FirstPlan Blue Basic is that plan for disabled people ages 18 to 64 It offers a plan specifically designed for Medicaid members, with or without Medicare The plan combines Medicaid and Medicare Part D prescription coverage into one easy program A special benefit of FirstPlan Blue Basic is every member has their own personal Care Coordinator They work with doctors, care providers, support people and family to make sure members get the care they require

4b (Code) (Expenses $ 6,560,813 including grants of $) (Revenue $ 4,475,842)

SuperiorHealth Center (SHC), an independent primary care provider with two clinics in Duluth, MN and Proctor, MN During 2009, SHC clinics served 14,646 patients SuperiorHealth Center is a participating provider with most HMO's, PPO's and commercial insurance plans In addition to family health care services SHC offers Disease Management services, participating in Minnesota Community Measurement and other state-wide quality initiatives SHC is one of the only clinics in Northern Minnesota to offer FAA flight physicals Given the significant population of older patients SHC has specialized in Geriatric Medicine, offering a comprehensive functional assessment and Successful Living Resource Center

4c (Code) (Expenses $ 7,732,106 including grants of $) (Revenue $ 1,073,199)

SuperiorHealth Pharmacy (SHP) operates three retail pharmacies in Duluth, Two Harbors and Silver Bay, Minnesota In addition to retail pharmacists SHP employs clinical pharmacists who offer Medication Therapy Management and medication adherence programs and are active members of the SuperiorHealth Center clinic disease management team

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**
(Expenses $ 3,749,406 including grants of $) (Revenue $ 3,919,657)

4e **Total program service expenses** ▶ $ 111,842,522

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		No
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	Yes	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional*	12A	No	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		No
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 U S ? *If "Yes," complete Schedule F, Part II*	15		No
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 U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		No

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
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 line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
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**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
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**	Yes	
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**		No
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**		No
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**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	923		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
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	271		
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	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	Yes	
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		No
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		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
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 receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
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		No
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		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
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	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . .	1a 7		
b	Enter the number of voting members that are independent . .	1b 6		
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		No
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		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	Yes	
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, 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	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
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?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
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	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
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	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
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 ▶ MN

18 Section 6104 requires an organization to make its Form 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 See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

terry jacobson
525 south lake avenue suite 222
duluth, MN 55802
(218) 740-2323

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

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

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
THOMAS HEINITZ MD DIRECTOR/CHIEF OF STAFF	40 00	X				X		164,441	0	29,598
KAREN ERICKSON BOARD CHAIR	1 00	X		X				5,500	0	0
GARY OLSON VICE CHAIR	1 00	X		X				4,250	0	0
MARCIA DOTY SECRETARY/TREASURER	1 00	X		X				1,750	0	0
GREGORY S KVAM DIRECTOR	1 00	X						3,750	0	0
KENT OLIVER DIRECTOR	1 00	X						4,250	0	0
SARAH CRON seCRETARY/TREASURER	1 00	X		X				2,500	0	0
BETH ELSTAD DIRECTOR	1 00	X						1,750	0	0
MARK HUDSON DIRECTOR	1 00	X						0	362,014	16,275
STEVE BJORUM DIRECTOR/PRESIDENT/CEO	40 00	X		X				0	77,773	19,443
MICHAEL MORROW DIRECTOR	1 00	X						0	1,726,500	74,462
TERRY JACOBSON COO & VP FINANCE, CEO	40 00			X				173,000	0	30,737
CRAIG E ANDERSON MD PHYSICIAN	40 00					X		157,910	0	28,730
JULIE A REICHHOFF MD PHYSICIAN	40 00					X		150,689	0	27,630
LYNN T MACLEAN MD PHYSICIAN	40 00					X		146,467	0	19,264
ROGER MCDANNOLD RPH PHARMACIST	40 00					X		137,858	0	25,950

1b Total . . . . . ▶	954,115	2,166,287	272,089

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 16

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ST LUKES HOSPITAL 915 E 1ST STREET DULUTH, MN 55805	HEALTH CARE PROVIDERS	20,881,910
ST MARYS MEDICAL CENTER 400 EAST 3RD STREET DULUTH, MN 55805	HEALTH CARE PROVIDERS	10,916,832
DULUTH CLINIC 400 EAST 3RD STREET DULUTH, MN 55805	HEALTH CARE PROVIDERS	9,207,860
MESABA CLINIC 3605 MAYFAIR AVENUE HIBBING, MN 55746	HEALTH CARE PROVIDERS	3,876,538
SMDC MEDICAL CENTER 4621 EAST SUPERIOR STREET DULUTH, MN 55804	HEALTH CARE PROVIDERS	3,273,648
2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 118		

Part VIII Statement of Revenue

				(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	205,892			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		205,892			
Program Service Revenue			Business Code				
	2a	HEALTHPLAN PREMIUMS	524,292	95,910,437	95,910,437		
	b	SUPERIORHEALTH PHARMAC	446,110	7,543,548	1,073,199	6,470,349	
	c	SUPERIORHEALTH CLINICS	621,300	4,500,320	4,500,320		
	d	HEALTHPLAN ASC SELF-IN	524,298	1,053,058	1,053,058		
	e	TAFT HARTLEY/C C SYST	541,900	929,803		929,803	
	f	All other program service revenue		453,836	453,836		
	g	**Total.** Add lines 2a–2f		110,391,002			
	3	Investment income (including dividends, interest and other similar amounts)		528,339			528,339
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross Rents	380,279				
	b	Less rental expenses					
	c	Rental income or (loss)	380,279				
	d	Net rental income or (loss)		380,279			380,279
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	600,000	2,300,000			
	b	Less cost or other basis and sales expenses	734,148	2,636,896			
	c	Gain or (loss)	-134,148	-336,896			
	d	Net gain or (loss)		-471,044			-471,044
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	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					
	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					
		Miscellaneous Revenue	Business Code				
	11a	REMOTE CLAIMS PROCESSI	561,439	3,919,657		3,919,657	
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		3,919,657			
	12	**Total revenue.** See Instructions		114,954,125	102,990,850	11,319,809	437,574

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 Grants and other assistance to individuals in the U S See Part IV, line 22	2,000	2,000		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members	86,401,189	86,401,189		
5 Compensation of current officers, directors, trustees, and key employees	421,526		421,526	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	10,162,967	9,214,727	948,240	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	585,318	539,455	45,863	
9 Other employee benefits	2,521,996	2,303,729	218,267	
10 Payroll taxes	745,052	671,592	73,460	
11 Fees for services (non-employees)				
a Management	271,694	112,506	159,188	
b Legal	202,946	42,384	160,562	
c Accounting	87,000	2,000	85,000	
d Lobbying	1,906	1,906		
e Professional fundraising *See Part IV, line 17*				
f Investment management fees	18,233	18,233		
g Other	2,128,011	1,211,265	916,746	
12 Advertising and promotion	231,690	60,972	170,718	
13 Office expenses	273,928	247,141	26,787	
14 Information technology	558,340	256,528	301,812	
15 Royalties				
16 Occupancy	1,438,164	1,256,307	181,857	
17 Travel	57,306	49,031	8,275	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	78,397	48,693	29,704	
20 Interest	48,134	48,134		
21 Payments to affiliates	724,401	724,401		
22 Depreciation, depletion, and amortization	453,483	418,200	35,283	
23 Insurance	149,373	117,448	31,925	
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 SUPPLIES - NET RX PRESC	6,002,475	6,002,475		
b MINN HMO FEES, TAXES, A	1,311,089	1,309,730	1,359	
c SUPPLIES - MEDICAL, LAB	476,467	476,467		
d MISCELLANEOUS AND OTHER	336,904	245,342	91,562	
e BANK SERVICE CHARGE	59,167	59,167		
f All other expenses	1,500	1,500		
25 **Total functional expenses.** Add lines 1 through 24f	115,750,656	111,842,522	3,908,134	0
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		2,602	1	289,911
	2	Savings and temporary cash investments		10,679,469	2	13,409,999
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		5,943,095	4	8,321,272
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees 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 sale or use		820,879	8	766,471
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 9,008,633			
	b	Less accumulated depreciation	10b 4,542,201	6,148,028	10c	4,466,432
	11	Investments—publicly traded securities		5,528,217	11	2,451,951
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11			15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		29,122,290	16	29,706,036
Liabilities	17	Accounts payable and accrued expenses		17,220,101	17	18,258,566
	18	Grants payable			18	
	19	Deferred revenue		60,122	19	46,183
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial 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		1,879,803	23	1,583,908
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		19,160,026	26	19,888,657
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets			27	
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☑ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		9,962,264	30	9,817,379
	31	Paid-in or capital surplus, or land, building or equipment fund		0	31	0
	32	Retained earnings, endowment, accumulated income, or other funds		0	32	0
	33	Total net assets or fund balances		9,962,264	33	9,817,379
	34	Total liabilities and net assets/fund balances		29,122,290	34	29,706,036

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis			
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		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
FirstSolutions

Employer identification number
41-0635532

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

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **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).**

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).**

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 the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 through 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2009.** 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 ▶☐

b **33 1/3% support test—2008.** If the organization did not check the 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 ▶☐

17a **10%-facts-and-circumstances test—2009.** 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 "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 ▶☐

b **10%-facts-and-circumstances test—2008.** 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 ▶☐

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 ▶☐

Part III Support Schedule for Organizations Described in IRC 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	234,792	243,747	234,032	336,527	205,892	1,254,990
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	61,477,209	77,318,836	87,329,307	98,468,181	110,350,733	434,944,266
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 through 5	61,712,001	77,562,583	87,563,339	98,804,708	110,556,625	436,199,256
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 **Public Support** (Subtract line 7c from line 6)						436,199,256

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	61,712,001	77,562,583	87,563,339	98,804,708	110,556,625	436,199,256
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	782,325	1,274,017	1,538,499	721,762	353,042	4,669,645
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	782,325	1,274,017	1,538,499	721,762	353,042	4,669,645
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)	101,568	-13,331	-115,773	4,062,955	3,919,657	7,955,076
13 **Total support** (Add lines 9, 10c, 11 and 12)	62,595,894	78,823,269	88,986,065	103,589,425	114,829,324	448,823,977

14 **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** ▶☐

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	97 190 %
16	Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17	1 040 %
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2009.** 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—2008.** 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.** 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

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
FirstSolutions

Employer identification number
41-0635532

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ 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, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part IV Escrow and Custodial Arrangements. Complete if the 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 the organization answered "Yes" to Form 990, Part IV, line 10.

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

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

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

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		446,580		446,580
b Buildings		4,511,062	1,040,282	3,470,780
c Leasehold improvements				
d Equipment		4,050,991	3,501,919	549,072
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				4,466,432

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		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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

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

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

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	

2. Fin 48 Footnote 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	114,954,125
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	115,750,656
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-796,531
4	Net unrealized gains (losses) on investments	4	-124,574
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	776,220
9	Total adjustments (net) Add lines 4 - 8	9	651,646
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-144,885

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	92,496,611
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-124,574		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	35,303		
e	Add lines **2a** through **2d**			2e	-89,271
3	Subtract line **2e** from line **1**			3	92,585,882
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	18,233		
b	Other (Describe in Part XIV)	4b	22,350,010		
c	Add lines **4a** and **4b**			4c	22,368,243
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	114,954,125

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

1	Total expenses and losses per audited financial statements			1	93,417,716
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	Other losses	2c	336,896		
d	Other (Describe in Part XIV)	2d	2,330		
e	Add lines **2a** through **2d**			2e	339,226
3	Subtract line **2e** from line **1**			3	93,078,490
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	18,233		
b	Other (Describe in Part XIV)	4b	22,653,933		
c	Add lines **4a** and **4b**			4c	22,672,166
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	115,750,656

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 Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Part XI, Line 8 - Other Adjustments		CHANGE IN FMV OF MUTUAL FUNDS PER STATUTORY ACCOUNTING REQUIREMENTS 891840 CHANGE IN NON-ADMITTED ASSETS PER STATUTORY REQUIREMENTS -115620
Part XII, Line 2d - Other Adjustments		OTHER OPERATING REVENUE 35303
Part XII, Line 4b - Other Adjustments		BANK CHARGES 59167 REVENUES RELATED TO SUPERIOR HEALTH MEDICAL CLINICS 4475842 TOTAL FFS EXPENSE GREATER THAN FFS REVENUE 3715901 REVENUES RELATED TO SUPERIOR HEALTH PHARMACIES 7543548 REVENUES RELATED TO SUPERIOR HEALTH COMMUNITY CARE 453836 REVENUES FOR SCH FDLS AND MEDICARE SENIOR CARE GRANTS 230370 REVENUES FOR TPU2 REMOTE CLAIMES PROCESSING CENTER 3919657 ASC PLAN ADMIN & GENERAL ADMIN REIMBURSED EXPENSE 1053058 SCHOLARSHIPS 2000 REVENUES FOR CCS TAFT HARTLEY 929802 LOSS ON SALE OF PH/PR CLINIC BUILDINGS -336896 BOOK VERSUS STATUTORY ACCOUNTING DIFFERENCES IN NET INVESTMENT INCOME 303725
Part XIII, Line 2d - Other Adjustments		OTHER 2330
Part XIII, Line 4b - Other Adjustments		SCHOLARSHIPS 2000 BANK CHARGES 59167 EXPENSES RELATED TO SUPERIOR HEALTH MEDICAL CLINICS 7105080 EXPENSES RELATED TO SUPERIOR HEALTH PHARMACIES 8377749 EXPENSES RELATED TO SUPERIOR HEALTH COMMUNITY CARE 626988 EXPENSES RELATED TO SHC FDLS & MEDICARE SENIOR CARE GRANTS 309682 EXPENSES FOR TPU2 REMOTE CLAIMS PROCESSING CENTER 4000016 ASC PLAN ADMIN & GENERAL ADMIN REIMBURSED EXPENSE 1053058 EXPENSES FOR CCS TAFT HARTLEY 818118 NET INVESTMENT INCOME-RELATED EXPENSE 266772 EXPENSE RELATED TO NET INCOME/LOSS OF OTHER OPERATING REVENUE 35303

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
FirstSolutions

Employer identification number
41-0635532

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☑ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	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 only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) Retirement and other 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				
THOMAS HEINITZ MD	(i)	164,441	0	0	15,836	13,762	194,039	0
	(ii)	0	0	0	0	0	0	0
MARK HUDSON	(i)	0	0	0	0	0	0	0
	(ii)	231,062	121,377	9,575	7,333	8,942	378,289	0
MICHAEL MORROW	(i)	0	0	0	0	0	0	0
	(ii)	297,500	582,011	846,989	56,480	17,982	1,800,962	10,869
TERRY JACOBSON	(i)	173,000	0	0	16,975	13,762	203,737	0
	(ii)	0	0	0	0	0	0	0
CRAIG E ANDERSON MD	(i)	157,910	0	0	14,968	13,762	186,640	0
	(ii)	0	0	0	0	0	0	0
JULIE A REICHHOFF MD	(i)	150,689	0	0	14,007	13,623	178,319	0
	(ii)	0	0	0	0	0	0	0
LYNN T MACLEAN MD	(i)	146,467	0	0	13,445	5,819	165,731	0
	(ii)	0	0	0	0	0	0	0
ROGER MCDANNOLD RPH	(i)	137,858	0	0	13,649	12,301	163,808	0
	(ii)	0	0	0	0	0	0	0

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

Identifier	Return Reference	Explanation

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SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
FirstSolutions

Employer identification number
41-0635532

Identifier	Return Reference	Explanation

Identifier	Return Reference	Explanation
Form 990, Part III, line 3	Changes in Program Services	FIRST SOLUTIONS IS A NOT-FOR-PROFIT CORPORATION, ORGANIZED TO PROVIDE MEDICAL AND HEALTH CARE SERVICES TO THE COMMUNITY OF TWO HARBORS, MINNESOTA, AND THE SURROUNDING AREA FIRSTSOLULTIONS OWNS AND OPERATES MEDICAL CLINICS IN PROCTOR AND DULUTH AND PHARMACIES IN DULUTH, TWO HARBORS, AND SILVER BAY COMMUNITY HEALTH CENTER, INC (FIRSTSOLUTIONS) BEGAN IN 1944, WHEN THE LOCAL DOCTOR AT THE HOSPITAL IN TWO HARBORS WANTED TO RETIRE, BUT COULDN'T FIND A BUYER FOR THE HOSPITAL MEMBERSHIPS WERE SOLD TO THE PEOPLE OF TWO HARBORS, AND THE NONPROFIT COMMUNITY HEALTH CENTER, INC (FIRSTSOLUTIONS) WAS CREATED AS THE FIRST PREPAID HMO IN MINNESOTA IN 1957, A NEW COMMUNITY HOSPITAL WAS COMPLETED AND FIRSTSOLUTIONS' HOSPITAL WAS CLOSED HALF OF THE LOCALLY CONTRIBUTED COSTS FOR THE NEW HOSPITAL WERE DONATED BY FIRSTSOLUTIONS, WHOSE MEMBERS THEN GAINED A 50% BOARD VOTING RIGHTS FOR THE NEW HOSPITAL AFTER THE NEW HOSPITAL OPENED, THE OLD ONE BECAME A NURSING HOME, RUN BY FIRSTSOLUTIONS THIS NURSING HOME WAS RUN BY FIRSTSOLUTIONS UNTIL ABOUT 1979, WHEN IT WAS TRANSFERRED TO THE HOSPITAL, WHO ADDED A NEW WING TO ACCOMODATE IT FROM 1956 UNTIL 2000, FIRSTSOLUTIONS HAD 50% OF THE BOARD VOTE AT THE HOSPITAL, WHICH IS ALSO A 501(C)(3) ORGANIZATION THIS WAS RELINQUISHED TO ST LUKE'S HOSPITAL IN 2000 IN RETURN FOR THEIR MAKING A $1 5 MILLION CONTRIBUTION TO THE HOSPITAL BUILDING PROJECT IN 1990, THE SILVER BAY CLINIC LOST ITS LAST DOCTOR AND IT SUBSEQUENTLY CLOSED DOWN FIRSTSOLUTIONS STEPPED IN AND ADDED DOCTORS, AND TOOK RESPONSIBILITY OF RUNNING IT UNTIL TURNING IT OVER TO ST LUKE'S HOSPITAL IN 1995 IN JULY OF 1994, FIRSTSOLUTIONS PURCHASED THE PIEDMONT/PROCTOR PRIVATE CLINIC PRACTICE, KNOWN AS SKYLINE MEDICAL CENTERS, AND INTEGRATED THEM INTO THEIR PROVIDERS IN THE MID-1990'S, FIRSTSOLUTIONS STARTED THE SILVER BAY AND PIEDMONT PHARMACIES TO JOIN THE TWO HARBORS PHARMACY THE SILVER BAY PHARMACY WAS OPENED TO REPLACE THE ONLY PHARMACY THAT HAD BEEN IN SILVER BAY, THAT HAD CLOSED DOWN APPROXIMATELY A YEAR EARLIER AND WAS NOT REOPENED FOR OVER 40 YEARS OR SO, FIRSTSOLUTIONS' TWO HARBORS DOCTORS WERE THE SOLE, AND LATER THE MAIN, COVERERS OF THE TWO HARBORS (LAKEVIEW) EMERGENCY ROOM, AT NO COST TO THE HOSPITAL IN THE LATE 1990'S, FIRSTSOLUTIONS COULD NO LONGER AFFORD TO PERFORM THIS SERVICE, SO LAKEVIEW HAD TO HIRE AN OUTSIDE SERVICE TO TAKE CARE OF THIS TASK FIRSTSOLUTIONS OPERATED THE TWO HARBORS AREA AMBULANCE SERVICE (LARGELY RURAL) FROM DAY ONE IN THE LATE 1940'S WHEN THE CITY OF SILVER BAY COULD NOT CONTINUE RUNNING THE SILVER BAY AMBULANCE SERVICE, FIRSTSOLUTIONS ALSO TOOK THAT OVER ALONG WITH SOME LAKE COUNTY SUBSIDIES SOME TIME AROUND 2002-2003 THESE SERVICES WERE CHANGED INTO SEPARATE 501(C)(3) CORPORATIONS THAT RECEIVED CONTRIBUTIONS (AS NEEDED) FROM LAKE COUNTY, AND SOMETIMES IN-KIND SERVICES FROM THE CITIES OF SILVER BAY AND TWO HARBORS IN 1986, FIRSTSOLUTIONS AFFILIATED WITH BLUE CROSS BLUE SHIELD OF MINNESOTA THIS AFFILIATION AGREEMENT HAD AN IRREVOCABLE PROXY THAT REQUIRED A 2/3 BOARD MAJORITY FOR THE COMPANY TO ENTER INTO CONTRACTS, MOVE THE HEADQUARTERS, CLOSE A BUSINESS LINE, AND OTHER SIMILAR THINGS THIS PROXY WAS REVOKED IN 2000 WHEN BCBSM CO-SIGNED ON FIRSTSOLUTIONS' $5 MILLION CLINIC LOAN, THUS GIVING THEIR 51% STAKE FULL COMPANY CONTROL IN 1994, THE FIRSTSOLUTIONS BOARD OF DIRECTORS APPROVED A CHANGE IN FIRSTSOLUTIONS' ARTICLES OF INCORPORATION AND BYLAWS WHERE, UPON DISSOLUTION, THE ASSETS AND LIABILITIES OF FIRSTSOLUTIONS WOULD REVERT TO THE CONTROL OF BCBSM FOR THE PURPOSE OF DISTRIBUTION TO AN ORGANIZATION THAT IS WITHIN THE INTENT OF SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND REGULATIONS THEREUNDER THIS PROVISISION WAS TERMINATED AS OF JULY 1, 2009, AFTER THE SIGNING OF A NEW TRANSITIONAL ADMINISTRATIVE SERVICES AGREEMENT BETWEEN FIRSTSOLUTIONS AND BCBSM FIRSTSOLUTIONS OWNED AND OPERATED A CLINIC IN TWO HARBORS FROM 1944 UNTIL THE PRACTICE WAS SOLD IN JULY 2008 FIRSTSOLUTIONS ALSO OPERATES A COMMUNITY NURSING SERVICE THROUGHOUT LAKE COUNTY, AND PARTS OF ST LOUIS AND COOK COUNTIES THIS SERVICE ALSO HAD A UNIQUE, MULTI-DECADE PARTNERSHIP WITH LAKE COUNTY PUBLIC HEALTH NURSING WHERE MUCH OF THEIR WORK WAS CONTRACTED OUT TO COMMUNITY SERVICE AT CHARGES THAT WERE BELOW COSTS FIRSTSOLUTIONS' MEDICAL CLINICS, PHARMACIES, AND COMMUNITY NURSING SERVICES ACCEPT AS CLIENTS BOTH ITS HEALTH PLAN MEMBERS, MEDICARE, MEDICAID, AND FEE-FOR-SERVICE PATIENTS OUT-OF-AREA MEDICAL SERVICES ARE ALSO PROVIDED TO ITS HEALTH PLAN MEMBERS AND ARE PAID FOR BY FIRSTSOLUTIONS BASED ON THE PARTICULAR MANAGED CARE PLAN THAT COVERS THOSE MEMBERS AS PART OF ITS STRATEGIC PLAN, FIRSTSOLUTIONS SOUGHT OUT AND OBTAINED REGULATORY APPROVAL FROM THE MINNESOTA DEPARTMENT OF COMMERCE TO CEASE QUOTING AND WRITING INSURED POLICIES AS A HEALTH MAINTENANCE ORGANIZATION (HMO) EFFECTIVE JUNE 30, 2009 CONSISTENT WITH THIS REGULATORY APPROVAL, FIRSTSOLUTIONS WILL BEGIN TO WIND DOWN AND CEASE HMO OPERATIONS EFFECTIVE DECEMBER 31, 2009 FIRSTSOLUTIONS ALSO ENTERED INTO A DISAFFILIATION AGREEMENT WITH BCBSM THIS AGREEMENT A) REMOVED BCBSM AS THE SOLE CORPORATE MEMBER OF FIRSTSOLUTIONS, B) DOCUMENTED MUTAL AGREEMENT OF CESSATION OF THE HMO OPERATIONS, C) CREATED A PROVISION FOR REVISED STOP-LOSS REINSURANCE ARRANGEMENTS IN CONNECTION WITH HMO CESSATION, D) TERMINATED AND/OR MODIFIED CERTAIN AGREEMENTS BETWEEN FIRSTSOLUTIONS AND BCBSM, E) DEFINED CERTAIN MUTUAL BUSINESS COVENANTS OF THE PARTIES, F) AND OTHER MISCELLANEOUS TERMS

Form 990, Part VI, Section A, line 4 SIGNIFICANT CHANGES TO ARTICLES OF INCORPORATION THE ARTICLE STATING THE PURPOSE OF THE CORPORATION WAS CHANGED TO REMOVE THE HEALTH MAINTANENCE PLAN, AS FIRSTSOLUTIONS CEASED HMO OPERATIONS EFFECTIVE DECEMBER 31,2009 THE ARTICLE STATING THE MEMBERSHIP OF THE CORPORATION WAS CHANGED TO STATE THAT THE CORPORATION SHALL HAVE NO MEMBERS THE PRIOR ARTICLES OF INCORPORATION STATED THAT THE CORPORATION SHALL CONSIST OF TWO CLASSES OF MEMBERSHIP ONE CLASS CONSISTING OF A CORPORATE MEMBER AND ONE CLASS CONSISTING OF ENROLLEES AND MEMBERS BCBSM, INC D/B/A BLUE CROSS AND BLUE SHIELD OF MINNESOTA WAS NAMED AS THE CORPORATE MEMBER FIRSTSOLUTIONS ENTERED INTO A DISQUALIFICATION AGREEMENT WITH BCBSM DURING 2009, WHICH REMOVED THEM AS THE SOLE CORPORATE MEMBER THE ARTICLE REGARDING THE EVENT OF DISSOLUTION OF THE CORPORATION WAS CHANGED TO REMOVE THE BOARD TRUSTEES OF BCBSM, INC D/B/A BLUE CROSS AND BLUE SHIELD OF MINNESOTA AS WHO WOULD DETERMINE WHICH ELIGIBLE ORGANIZATION WOULD RECEIVE PROPERTY OWNED BY THIS CORPORATION THE AMENDED ARTICLES STATE THE REMAINING PROPERTY AND ASSETS OF THE CORPORATION SHALL BE DISTRIBUTED IN SUCH MANNER AS THE BOARD OF DIRECTORS OF THE CORPORATION SHALL BY MAJORITY VOTE DETERMINE THE DISTRIBUTION SHALL BE MADE EITHER EXCLUSIVELY FOR THE PURPOSES FOR WHICH THE CORPORATION IS FORMED OR CONSISTENT WITH SUCH PURPOSES, AND SHALL BE MADE TO SUCH ORGANIZATION OR ORGANIZATIONS ORGANIZED AND OPERATED FOR SUCH PURPOSES AS SHALL AT SUCH TIME QUALIFY AS EXEMPT UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE, AS AMENDED, OR THE CORRESPONDING PROVISION OF ANY FUTURE UNITED STATES INTERNAL REVENUE CODE SIGNIFICANT CHANGES TO THE BYLAWS THE BYLAWS OF FIRSTSOLUTIONS WERE AMENDED TO REFLECT THE CHANGE IN THE ARTICLES OF INCORPORATION REGARDING THE COPORATE MEMBERS THERE ARE NO LONGER MEMBERS OF THE CORPORATION, SO THE ARTICLES PERTAINING TO THE CORPORATE MEMBERSHIP (BCBSM, INC , DBA BLUE CROSS AND BLUE SHIELD OF MINNESOTA) AND MEMBERS WERE REMOVED FROM THE BYLAWS BCBSM NO LONGER HAS 51% OF THE VOTE ON THE BOARD OF DIRECTORS Form 990, Part VI, Section B, line 11 THE FORM 990 IS REVIEWED BY THE ACCOUNTING MANAGER, THE CONTROLLER, THE CEO, AND THE BOARD OF DIRECTORS PRIOR TO ITS FILING Form 990, Part VI, Section B, line 12c EVERY YEAR AS PART OF FORMAL PROTOCOL, ALL OFFICERS AND EMPLOYEES ARE REQUIRED TO DISCLOSE PERSONAL, FINANCIAL, AND OTHER INTERESTS THIS INFORMATION IS REVIEWED BY THE COMPLIANCE OFFICER TO DETERMINE WHETHER OR NOT THOSE FINANCIAL INTERESTS POSE A REAL OR POTENTIAL CONFLICT Form 990, Part VI, Section B, line 15 DATA FROM OUTSIDE CONSULTANTS WAS USED TO ESTABLISH A SALARY GRID THE GRID IS ADJUSTED ANNUALLY BASED UPON COST OF LIVING AND THE MINNESOTA DEPARTMENT OF LABOR STATISTICS TO COMPARE SALARY RANGES THE DATA FROM THE MN DOL IS BASED UPON DATA WHICH IS UPDATED QUARTERLY IT HAS STATEWIDE, METRO, AND REGIONAL SALARY RANGES SALARIES ARE MONITORED BY THE DIRECTOR OF HUMAN RESOURCES, AND IF IT IS DETERMINED ADJUSTMENTS ARE NEEDED BASED ON THE MARKET INFORMATION, IT IS BROUGHT TO THE SENIOR LEADERSHIP TEAM AND THEN TO THE GOVERNANCE COMMITTEE FOR APPORVAL Form 990, Part VI, Section C, line 19 THESE DOCUMENTS ARE AVAILABLE UPON REQUEST THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
FirstSolutions

Employer identification number
41-0635532

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
FIRST PLAN AGENCY INC 525 SOUTH LAKE AVENUE DULUTH, MN55802 41-1600064	ADMINISTRATIVE	MN	N/A	C	80	8,492	100 000 %
BLUE CROSS & BLUE SHIELD OF MINNESOTA 41-0984460	INSURANCE PROVIDER	MN	N/A	C			

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

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

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	(b) Transaction type(a-r)	(c) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproprtionate allocations? Yes	(f) No	(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No

Additional Data

Software ID:
Software Version:
EIN: 41-0635532
Name: FirstSolutions

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code) (Expenses $ 3,749,406 including grants of $) (Revenue $ 3,919,657)

The FirstSolutions Claims Processing Center staff continued their work adjudicating claims for Blue Cross Blue Shield of Minnesota in 2009

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
HEALTHPLAN PREMIUMS	524,292	95,910,437	95,910,437		
SUPERIORHEALTH PHARMAC	446,110	7,543,548	1,073,199	6,470,349	
SUPERIORHEALTH CLINICS	621,300	4,500,320	4,500,320		
HEALTHPLAN ASC SELF-IN	524,298	1,053,058	1,053,058		
TAFT HARTLEY/C C SYST	541,900	929,803		929,803	

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
SUPPLIES - NET RX PRESC	6,002,475	6,002,475		
MINN HMO FEES, TAXES, A	1,311,089	1,309,730	1,359	
SUPPLIES - MEDICAL, LAB	476,467	476,467		
MISCELLANEOUS AND OTHER	336,904	245,342	91,562	
BANK SERVICE CHARGE	59,167	59,167		