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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

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 01-01-2012 , 2012, and ending 12-31-2012

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

C Name of organization
UCare Minnesota

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
500 Stinson Blvd NE

City or town, state or country, and ZIP + 4
Minneapolis, MN 554132615

D Employer identification number
36-3573805

E Telephone number
(612)676-6500

G Gross receipts $ 2,525,808,238

F Name and address of principal officer
Nancy Feldman
500 Stinson Blvd NE
Minneapolis, MN 554132615

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) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www ucare org

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

L Year of formation 1987

M State of legal domicile MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
To operate a health maintenance organization dedicated to promoting the health of the community served by making quality health care available on an economically advantageous prepaid basis

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	6
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	709
6	Total number of volunteers (estimate if necessary)	**6**	2,100
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	1,745,718,082	2,233,356,809
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10,260,886	8,745,490
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	45,746	83,308
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,756,024,714	2,242,185,607
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	37,634,500	11,925,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	41,915,930	51,787,891
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	1,649,937,733	2,107,615,927
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,729,488,163	2,171,328,818
19	Revenue less expenses Subtract line 18 from line 12	26,536,551	70,856,789

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	631,667,208	805,615,054
21	Total liabilities (Part X, line 26)	295,707,219	392,874,715
22	Net assets or fund balances Subtract line 21 from line 20	335,959,989	412,740,339

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

****** | 2013-08-15
Signature of officer | Date

Beth Monsrud SVP & CFO/Treasurer
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . . ☑

1 Briefly describe the organization's mission

UCare will improve the health of our members through innovative services and partnerships across communities

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 organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 $ 2,125,694,241 including grants of $ 11,925,000) (Revenue $ 2,233,356,809)

Operates a HMO providing coordinated health care and coverage for 302,885 individuals from the community enrolled in state and federal public health care programs, including Medicaid and Medicare UCare's programs provide services to seniors, low-income families, the physically disabled and other individuals who may have challenges accessing health care UCare does not offer any traditional commercial HMO or insurance products UCare's mission is to improve the health of our members through innovative services and partnerships across communities In 2012, UCare's quality monitoring and program initiatives demonstrated many significant activities and outcomes The highlights are outlined below Statistically significant (p< 0 05) clinical improvements for our members were identified in the following Healthcare Effectiveness Data and Information Set("HEDIS")measurements for Medicare & Medicaid Breast Cancer Screening, Controlling High-Blood Pressure, Managing Diabetes and Hypertension by Controlling LDL-C, and HbA1c, Child and Teen Checkups and Childhood & Adolescent Immunizations and Lead Screenings, Prenatal Care, Chlamydia Screening, Harmful Drug Interactions, Follow-up after hospitalization for Mental Illness, Spirometry Testing for COPD, Colorectal Cancer Screening, Adult BMI Assessment, Glaucoma Screening, and Reducing Non-Urgent Emergency Department Utilization UCare offers a telemonitoring program for qualifying members with heart failure Ninety percent of participants agree that they have learned to make changes in the way they take care of their heart failure Program participants were also 41% less likely to have an inpatient event for heart failure than their non-program counterparts Additional significant clinical improvements included exceeding the goals for improving the rates of pneumococcal vaccine in a Medicare special needs plan community population and Chlamydia screening in Medicaid enrollees The Aspirin Therapy in Ischemic Heart Disease and Diabetes Mellitus Performance Improvement Project aimed at increasing aspirin utilization among members, 65 to 84 years of age-realized significant gains UCare's health improvement efforts also were reflected in 2012 by earning 4 5 stars out of 5 in the CMS Medicare Performance Assessment report for its UCare for Seniors product and 3 5 for the Minnesota Senior Health Options product In the CMS Medicare CAHPS survey, UCare performed significantly higher than the national average on the following measures overall rating of health plan, overall rating of care received, and overall rating of prescription drug coverage It also performed at a high level on other Medicare measures designed to identify member health and satisfaction, and on the Medicaid CAHPS survey UCare's Community Benefit Program In addition to UCare's core business of providing public health care program plans that seek to improve the health of our communities, UCare's community benefit program reaches out to address social determinants of heath, strengthen providers that serve populations with challenges accessing care, encourage the wellness of families and seniors, and support research, programs, and organizations that benefit health care quality and delivery During 2012, UCare helped fund many community organizations and providers delivering services, research, and programs that reach beyond UCare's membership, including efforts to strengthen the social safety net for at-risk families and seniors Examples include funding for HIV specific housing and supportive services through Clare Housing, Minneapolis Urban League Scholarship Program that provides opportunities for African descendants and other people of color, National Alliance of the Mentally Ill, a grassroots organization dedicated to building better lives for those affected by mental illness, Lutheran Social Services Senior Companion Program as they impact and enhance the lives of many older adults who are attempting to remain in their own homes, and the Minnesota Academy of Family Physicians Research Forum which provides opportunities for family medicine researchers to share innovations in family medicine In addition to funding quality improvement and public health efforts in the community, UCare employees devoted time to participate in collaborations working to improve health care quality and advance public health and health care access, including projects aimed at reducing language and cultural barriers Examples include Community Health Worker Project, Institute for Clinical Systems Improvement, Minnesota Community Measurement, Health Literacy Partnership, Interpreter Stakeholders Group, Metro and Minnesota Public Health Association/Health Plan Collaboration, Multilingual Health Resource Exchange, and Metro Refugee Health Task Force UCare provides many health promotion, disease management, care management and wellness programs These efforts not only benefit the health of its enrollees, but positively affect their families and larger communities Examples include disease management programs for asthma, diabetes, chronic kidney disease and congestive heart failure, falls prevention programs to improve safety of seniors, Management of Maternity Services (M O M S) programs that provide resources to enrollees and providers to improve pregnancy and post-partum health, car seat distribution and education to pregnant women, and distribution of free materials on health education and proper use of urgent and emergency facilities at community forums UCare's Mobile Dental Clinic, operated with the University of Minnesota School of Dentistry, offers quality oral health care to UCare members with dental access issues In 2012, the MDC staff performed 5,000 preventive and restorative procedures for more than 1,100 members UCare encourages employees and their families to volunteer time and financial resources in the community UCare provides organizational support for volunteer services to education, social services, and health organizations that build capacity in local communities to improve the welfare of at-risk families and seniors Examples include support for the following Adopt-a-Family Gift Drive, Food/School Supply Drives, Jeremiah House "Cook for Kids", Northeast Dinner Bell, Keystone Community Services, Pratt Community School Reading Program and Little Brothers Friends of the Elderly UCare also provides support for the UCare Fund of the Minnesota Medical Foundation, a community-directed initiative Funding focuses on programs and projects that improve the health of underserved populations through innovative services, education, community outreach, and research Priority was given in 2012 to projects focusing on obesity reduction, reducing health disparities, enhancing medical homes, and supporting preventive health care Examples include support for the following programs and projects -Portico Healthnet This project, developed in partnership with Children's Hospitals and Clinics of MN, seeks to improve the health status of Children's patients by providing personalized navigation services to ensure patient families access appropriate and timely care -Knute Nelson Foundation Introduced a new wellness program focused on biking for aging adults 60 and older -Neighborhood HealthSource Worked in Hennepin and Anoka Counties to educate and assist the community in accessing care, establishing a medical home -Human Services of Faribault & Martin Counties Increased the number of worksites and schools wellness projects through the Statewide Health Improvement Program in Southern Minnesota -Na-way-ee Center School Healthy Choices Project is a collaborative partnership with the Native American community Clinic organizations that provide screening for diabetes and other abnormalities, follow-up treatment, healthy meals and snacks, health and nutrition education and exercise UCare's financial contributions to the University of Minnesota Medical School, Department of Family Medicine & Community Health supported activities in 2012 to enhance and strengthen family medicine education, research, and innovative health service delivery that improves the health of people and communities of Minnesota In addition to providing critical funding to support family medicine education, efforts include the Rural Physician Associate Program, development of global health educational experience for residents and medical students, volunteering to provide preventive health services to underserved populations at homeless and free clinics, curriculum development for delivering team-based care to chronically ill patients, diabetes prevention/management program with the Native American Community, outreach services in perinatal/newborn care, conducting childhood obesity prevention programs, and research in health disparities, post-partum, depression and smoking cessation programs

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

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

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

4e **Total program service expenses** ▶ 2,125,694,241

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* (see instructions)?	2		No
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, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which 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 for escrow or custodial account liability, 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 temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	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*	11b		No
c	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*	11c		No
d	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*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	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 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
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, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	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 United States? *If "Yes," complete Schedule F, Parts II and IV*	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 United States? *If "Yes," complete Schedule F, Parts III and IV*	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 (see instructions)*	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
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
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, line 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 lines 24b through 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, highest 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *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 (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
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, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
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**	Yes	
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 11b 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

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	5,782		
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			
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	709		
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 (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
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 instructions for 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?	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 as charitable contributions? . . .	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 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	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	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			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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.*

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year **1a** 15			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who 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 governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**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	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did 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 15a or 15b, 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," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take 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 made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☑ Other (explain in Schedule O)

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

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

▶ Greg Marshall 500 Stinson Blvd NE Minneapolis, MN (612) 676-6500

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

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any 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 neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(1) Macaran Baird MD Board Chair	20 40 00	X		X				1,400	338,311	51,194
(2) William Brombach Director	20	X						2,510	0	0
(3) Catherine Godlewski Director	20 40 00	X						1,200	155,396	40,827
(4) P Jay Kiedrowski Director	20	X						3,400	0	0
(5) Teresa McCarthy MD Director	20 40 00	X						2,200	161,248	47,064
(6) Bert McKasy Director	20	X						3,455	0	0
(7) Peter Mitsch Director	20 40 00	X						3,400	202,347	49,494
(8) William Roberts MD Director	20 40 00	X						2,000	191,458	44,556
(9) Mary Jeanne Schneeman Director	20	X						2,420	0	0
(10) Sharon Shonka Director	20	X						2,400	0	0
(11) James Van Vooren MD Vice Chair	20 40 00	X		X				2,800	168,483	45,742
(12) Kimberly Carter Director	20	X						3,365	0	0
(13) James Miller Director	20	X						2,620	0	0
(14) Patricia Adam MD Director	20 40 00	X						2,000	169,791	44,065
(15) Michael Wootten MD Director	20 40 00	X						1,600	186,319	47,595
(16) Nancy Feldman President & Chief Executive Officer	40 00			X				786,060	0	119,762
(17) Mark Traynor Secretary/SVP & General Counsel	40 00			X				297,879	0	52,198

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(18) Beth Monsrud Treasurer/SVP & CFO	40 00			X				370,884	0	65,131
(19) Laurie Heyer SVP Operations	40 00				X			293,544	0	50,068
(20) Russel Kuzel MD SVP & Chief Medical Officer	40 00				X			421,049	0	63,600
(21) Hilary Marden-Resnik SVP & Chief Administrative Officer	40 00				X			283,422	0	41,589
(22) Thomas Mahowald SVP & Strategy & Product Development	40 00				X			298,543	0	57,947
(23) Ghitann Worcester SVP Public Affairs & Development	40 00				X			309,039	0	52,483
(24) Robert Beauchamp Chief Information Officer	40 00					X		199,477	0	24,265
(25) Jamie Carsello Chief Informatics Officer	40 00					X		190,248	0	19,220
(26) Craig Christianson Associate Medical Director	20 00					X		242,386	0	24,119
(27) Alan Heaton Pharmacy Director	40 00					X		191,040	0	26,341
(28) Michael Lynch Medical Director	40 00					X		244,475	0	27,491
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								4,164,816	1,573,353	994,751

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 71

			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 or individual 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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
OptumInsight 2771 MOMENTUM PL CHICAGO IL 606895327	Chart Review, Actuarial & Consulting	5,582,180
AVT Consulting LLC 4915 S 35TH ST 103 ST LOUIS PARK MN 55416	Contract Programming & Consulting	2,522,245
Health Integrated Inc 10008 N DALE MABRY HWY 214 TAMPA FL 33618	Synergy Targeted Population Mgmt	1,566,000
IKASystems Corporation 135 TURNPIKE RD SOUTHBOROUGH MA 01772	Billing & Enrollment Services	1,338,039
RJM Consulting 7003 W LAKE ST 400 ST LOUIS PARK MN 55426	Construction Services	1,189,968

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 59

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . . ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations . . . 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total.** Add lines 1a-1f . . . . . ▶				
Program Service Revenue		Business Code				
	2a	Medicare/Medicaid Paym	524114	2,102,144,915	2,102,144,915	
	b	Medicare Member Premiu	524114	131,211,894	131,211,894	
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶		2,233,356,809		
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		6,339,240			6,339,240
	4	Income from investment of tax-exempt bond proceeds . . ▶				
	5	Royalties . . . . . ▶				
		(i) Real / (ii) Personal				
	6a	Gross rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss) . . . . . ▶				
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory: 286,028,881				
	b	Less cost or other basis and sales expenses: 283,622,270 / 361				
	c	Gain or (loss): 2,406,611 / -361				
	d	Net gain or (loss) . . . . . ▶		2,406,250			2,406,250
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	Misc Revenue 524114		83,308			83,308
	b					
	c					
	d	All other revenue				
	e	**Total.** Add lines 11a–11d . . . . . ▶		83,308		
	12	**Total revenue.** See Instructions . . . . . ▶		2,242,185,607	2,233,356,809	0	8,828,798

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)

Check if Schedule O contains a response to any question in this Part IX . . . . . ☑

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 United States See Part IV, line 21	11,925,000	11,925,000		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,599,968		3,599,968	
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	36,959,610	31,905,784	5,053,826	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,780,026	1,190,541	589,485	
9 Other employee benefits	6,286,323	4,778,740	1,507,583	
10 Payroll taxes	3,161,964	2,567,583	594,381	
11 Fees for services (non-employees)				
a Management				
b Legal	339,493		339,493	
c Accounting	272,865	72,087	200,778	
d Lobbying	104,022	104,022		
e Professional fundraising services See Part IV, line 17				
f Investment management fees	413,460		413,460	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	2,052,536,472	2,048,459,024	4,077,448	
12 Advertising and promotion	8,065,377	8,065,377		
13 Office expenses	3,521,855	2,597,418	924,437	
14 Information technology	11,709,233	8,124,497	3,584,736	
15 Royalties . .				
16 Occupancy	3,154,357	2,105,823	1,048,534	
17 Travel	360,638	282,772	77,866	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	592,866	312,726	280,140	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,382,182	2,371,884	1,010,298	
23 Insurance	215,720	151,282	64,438	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Taxes & Assessments	21,169,795		21,169,795	
b Licenses, Fees & Prof A	1,007,349	668,573	338,776	
c Employment Recruitment	447,018		447,018	
d Bad DebtExpense	210,188		210,188	
e All other expenses	113,037	11,108	101,929	
25 **Total functional expenses.** Add lines 1 through 24e	2,171,328,818	2,125,694,241	45,634,577	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X . . . . . ☑

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	-14,930,210	1	-8,150,703
	2	Savings and temporary cash investments	151,472,135	2	208,551,586
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	62,419,175	4	110,522,489
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	2,191,418	9	1,356,791
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a: 22,990,202			
	b	Less accumulated depreciation — 10b: 14,277,475	8,186,981	10c	8,712,727
	11	Investments—publicly traded securities	415,661,396	11	467,996,471
	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	6,666,313	15	16,625,693
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	631,667,208	16	805,615,054
Liabilities	17	Accounts payable and accrued expenses	288,092,599	17	383,290,460
	18	Grants payable		18	
	19	Deferred revenue	4,310,922	19	5,579,481
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	3,303,698	25	4,004,774
	26	**Total liabilities.** Add lines 17 through 25	295,707,219	26	392,874,715
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	335,959,989	27	412,740,339
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	335,959,989	33	412,740,339
	34	Total liabilities and net assets/fund balances	631,667,208	34	805,615,054

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,242,185,607
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,171,328,818
3	Revenue less expenses Subtract line 2 from line 1	3	70,856,789
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	335,959,989
5	Net unrealized gains (losses) on investments	5	5,923,561
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	412,740,339

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			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
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
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

2012

Open to Public Inspection

Name of the organization
UCare Minnesota

Employer identification number
36-3573805

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 described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

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 - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** 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—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** 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—2011.** 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 Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	7,143	7,143	10,220			24,506
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	1,153,860,214	1,463,563,213	1,607,219,887	1,745,718,082	2,233,356,809	8,203,718,205
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	1,153,867,357	1,463,570,356	1,607,230,107	1,745,718,082	2,233,356,809	8,203,742,711
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)						8,203,742,711

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6	1,153,867,357	1,463,570,356	1,607,230,107	1,745,718,082	2,233,356,809	8,203,742,711
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	6,730,149	21,057,525	16,435,290	10,260,886	6,339,240	60,823,090
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	6,730,149	21,057,525	16,435,290	10,260,886	6,339,240	60,823,090
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)	250,456	6,717	19,860	45,746	83,308	406,087
13 **Total support.** (Add lines 9, 10c, 11, and 12)	1,160,847,962	1,484,634,598	1,623,685,257	1,756,024,714	2,239,779,357	8,264,971,888

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 2012 (line 8, column (f) divided by line 13, column (f))	15	99 260 %
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	99 520 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	0 740 %
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	0 470 %

19a **33 1/3% support tests—2012.** 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—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

Schedule A, Part II, Line 12, Explanation of Other Income Proceeds from class action lawsuits and other misc

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

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

Name of the organization	Employer identification number
UCare Minnesota	36-3573805

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

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

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

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

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

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

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

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?	Yes		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		227,185
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			227,185
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

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

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation
Explanation of Lobbying Activities	Part II-B, Line 1	Track legislation, attend legislative hearings and meet with legislators to either support or oppose legislation that affect UCare's public program business on both the state and federal level

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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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

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2012

Open to Public Inspection

Name of the organization
UCare Minnesota

Employer identification number
36-3573805

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 can 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 education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 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, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) 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 acquisition, 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 XIII

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 XIII 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 XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

		(a) Current year	(b) Prior year	(b) (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance					
b	Contributions					
c	Net investment earnings, gains, and 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 current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

The percentages in lines 2a, 2b, and 2c should equal 100%

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 XIII the intended uses of the organization's endowment funds

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		2,621,539	872,002	1,749,537
d Equipment		14,943,475	10,294,642	4,648,833
e Other		5,425,188	3,110,831	2,314,357
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				8,712,727

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
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must 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) must 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) must 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) Book value
Federal income taxes	
Accumulated Post Retirement Benefit Option	3,946,878
Payable to Subsidiary	57,896
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	4,004,774

2. Fin 48 (ASC 740) Footnote In Part XIII, 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 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

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

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Description of Uncertain Tax Positions Under FIN 48	Part X, Line 2	UCare has elected to adopt guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions UCare follows the accounting standard for contingencies for evaluating uncertain tax positions The adoption of this standard has no effect on UCare's financial statements UCare's tax returns are subject to review and examination by federal, state and local authorities The tax returns for the years 2008 to 2011 are open to review and examination

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
UCare Minnesota

Employer identification number
36-3573805

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

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

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 19

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 2

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

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

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 UCare Minnesota does not have a formal grant program Amounts disclosed in Schedule I, Part II, 1a represent one-time cash contributions provided to these organizations based on the parameters outlined in UCare's Board- approved Community Benefit Policy In addition to UCare's ongoing community benefit efforts, the Board annually determines whether special year-end community benefit contributions are appropriate under the provisions of the Policy The Policy outlines three categories of contributions and the amounts distributed by category are reviewed and approved by the Board of Directors, and the Board receives an annual report on the use of the funds

Additional Data Return to Form

Software ID:
Software Version:
EIN: 36-3573805
Name: UCare Minnesota

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
REACH OUT AND READ INC 701 Park Ave Minneapolis, MN 55415	04-3481253	501(c)(3)	10,000				Book purchase for metro clinic based reading program for children
EASTSIDE MEALS ON WHEELS INC817 Main St NE Minneapolis, MN 55413	41-1228367	501(c)(3)	10,000				NE Community Meals on Wheels programming
STORE TO DOOR1935 W County Rd B2 250 Roseville, MN 55113	41-1433859	501(c)(3)	50,000				Nutrition support for homebound seniors
UNIVERSITY OF MINNESOTA717 Deleware St SE 166 Minneapolis, MN 55414	41-6007513	115	25,000				Hennepin County health plan/provider project for wellness education
SOUTHSIDE COMMUNITY HEALTH SERVICES4243 4th ave s Minneapolis, MN 55409	23-7113799	501(c)(3)	25,000				African American basic health screening community resources
PORTICO HEALTHNET2610 University Ave W550 St Paul, MN 55114	41-1814659	501(c)(3)	150,000				Uninsured outreach support including Community Health Workers
WAY TO GROW125 W Broadway Ave 110 Minneapolis, MN 55411	71-0956749	501(c)(3)	9,000				Children's support services in metropolitan area
WILDERNESS INQUIRY808 14th Ave Se Minneapolis, MN 554141516	93-0708637	501(c)(3)	20,000				Outdoor adventures for low income, disabled and diverse populations
OLMSTED COUNTY151 4th St SE Rochester, MN 559043710	41-6005859	County Government	25,000				In-Reach Social Worker
UNIVERSITY OF MINNESOTA420 Delaware St SE Minneapolis, MN 55455	41-6007513	115	25,000				State-wide Diabetes Collaborative
WEST SUBURBAN TEEN CLINIC15 8th Ave S Hopkins, MN 55343	23-7152735	501(c)(3)	20,000				General grant support for the non-Federally Qualified Health Clinics
METROPOLITAN AREA AGENCY ON AGING INC 2365 McKnitht Rd North St Paul, MN 55109	41-1774247	501(c)(3)	75,000				Group bringing greater energy/resources to people living with dementia
OPEN YOUR HEARTS TO THE HUNGRY AND HOMELESS121 7th Pl E 110 St Paul, MN 551012114	36-3488089	501(c)(3)	8,000				Hunger and homeless aid to Minnesotans
UNIVERSITY OF MINNESOTA DEPT OF FAMILY MEDICINE & COMMUNITY Health516 Delaware St SE Minneapolis, MN 55455	41-6007513	115	10,000,000				Support for Medical Education and Community Heatlh Programs
STRATIS HEALTH2901 Metro Dr400 Bloomington, MN 554251525	41-0971557	501(c)(3)	198,000				Culture Care Connection 3 -year maintenance
SOUTHERN MINNESOTA REGIONAL LEGAL SERVICES INC55 E 5th St 1000 St Paul, MN 55101	41-1316151	501(c)(3)	100,000				Support for metro-wide legal services for seniors including day program
CHILDRENS DEFENSE FUND 555 Park St 410 St Paul, MN 55103	52-0895622	501(c)(3)	50,000				Early depression screening and referral project for mothers/children
LITTLE BROTHERS - FRIENDS OF THE ELDERLY 1845 E Lake St Minneapolis, MN 55407	41-0986200	501(c)(3)	5,000				Program support for metro area isolated seniors
LUTHERAN SOCIAL SERVICES710 S 2nd St Mankato, MN 560013810	41-0872993	501(c)(3)	100,000				Increase UCare for Seniors member access to Senior Companion prog
GIVEMNORG55 5th St E600 St Paul, MN 551011797	27-0374054	501(c)(3)	20,000				Support for GIVE MN programming for non-profit state-wide funding
MINNESOTA MEDICAL FOUNDATION200 Oak St SE 300 Minneapolis, MN 55455	41-6027707	501(c)(3)	1,000,000				Support health research, medical education, and community health programs

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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

2012

Open to Public Inspection

Name of the organization
UCare Minnesota

Employer identification number
36-3573805

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 or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ 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 Regulations 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 duplicate copies if additional space is needed.

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title	**(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 as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 36-3573805
Name: UCare Minnesota

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Macaran Baird MD	(I)	0	0	1,400	0	0	1,400	0
	(II)	337,667	0	644	32,500	18,694	389,505	0
Catherine Godlewski	(I)	0	0	1,200	0	0	1,200	0
	(II)	155,000	0	396	24,505	16,322	196,223	0
Teresa McCarthy MD	(I)	0	0	2,200	0	0	2,200	0
	(II)	160,972	0	276	21,378	25,686	208,312	0
Peter Mitsch	(I)	0	0	3,400	0	0	3,400	0
	(II)	202,000	0	347	26,650	22,844	251,841	0
William Roberts MD	(I)	0	0	2,000	0	0	2,000	0
	(II)	191,000	0	458	25,830	18,726	236,014	0
James Van Vooren MD	(I)	0	0	2,800	0	0	2,800	0
	(II)	168,000	0	483	23,090	22,652	214,225	0
Patricia Adam MD	(I)	0	0	2,000	0	0	2,000	0
	(II)	169,500	0	291	22,755	21,310	213,856	0
Michael Wootten MD	(I)	0	0	1,600	0	0	1,600	0
	(II)	186,000	0	319	25,180	22,415	233,914	0
Nancy Feldman	(I)	577,153	159,905	49,002	9,908	109,854	905,822	0
	(II)	0	0	0	0	0	0	0
Mark Traynor	(I)	228,799	48,087	20,993	9,532	42,666	350,077	0
	(II)	0	0	0	0	0	0	0
Beth Monsrud	(I)	292,992	58,116	19,776	7,350	57,781	436,015	0
	(II)	0	0	0	0	0	0	0
Laurie Heyer	(I)	228,261	45,214	20,069	9,800	40,268	343,612	0
	(II)	0	0	0	0	0	0	0
Russel Kuzel MD	(I)	326,299	66,465	28,285	9,167	54,433	484,649	0
	(II)	0	0	0	0	0	0	0
Hilary Marden-Resnik	(I)	228,261	45,126	10,035	8,137	33,452	325,011	0
	(II)	0	0	0	0	0	0	0
Thomas Mahowald	(I)	229,053	45,890	23,600	9,538	48,409	356,490	0
	(II)	0	0	0	0	0	0	0
Ghitann Worcester	(I)	239,761	49,505	19,773	9,800	42,683	361,522	0
	(II)	0	0	0	0	0	0	0
Robert Beauchamp	(I)	174,280	25,197	0	5,983	18,282	223,742	0
	(II)	0	0	0	0	0	0	0
Jamie Carsello	(I)	164,280	25,968	0	7,260	11,960	209,468	0
	(II)	0	0	0	0	0	0	0
Craig Christianson	(I)	175,244	25,727	41,415	9,280	14,839	266,505	0
	(II)	0	0	0	0	0	0	0
Alan Heaton	(I)	166,636	24,404	0	7,384	18,957	217,381	0
	(II)	0	0	0	0	0	0	0
Michael Lynch	(I)	227,975	16,500	0	8,281	19,210	271,966	0
	(II)	0	0	0	0	0	0	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
UCare Minnesota

Employer identification number
36-3573805

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total			▶ $									

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Geriatric Services of Minnesota (GSM)	Family member of director, Mary Jeanne Schneeman, is an officer	3,643,144	Care Coordination and Medical Services	Yes	

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
UCare Minnesota

Employer identification number
36-3573805

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 1	Eight directors affiliated with the University of Minnesota Medical School, Department of Family Medicine are reported here as not independent The Medical School/Department is not a traditional parent organization of UCare, and does not directly appoint or elect all of these directors The Department also does not have direct removal authority for all of these directors, and removal of a director under the bylaws requires the vote of at least one director not affiliated with the Medical School/Department However, the Medical School/Department has indirect control of the appointment and election process of these eight directors One director is appointed by the Dean of the Medical School, two directors (including the chair) are on the board by virtue of their positions at the Department, and the chair appoints five physicians on faculty at the Department In addition, the family member of one board member (not affiliated with the University) is an officer of a care management provider organization that had a reportable transaction under Schedule L UCare's current board includes six independent directors five directors who are enrollees of UCare's plans, and an at-large director from the community Under Minnesota law, the board is charged to act in the best interests of the corporation See Minn Stat Sections 62D 12, subd 9 and 317A 251 UCare's bylaws describe an executive committee subject to the control of the board and with the authority to only meet between scheduled meetings of the board and to take actions on certain matters This executive committee rarely is convened and did not meet during 2012

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	Individuals enrolled in UCare's health plans have the right under the bylaws, and consistent with Minn Stat 62D 06, to elect six of the board's directors among the enrolled members There are no classes of members or other rights

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7a	UCare's board of directors consists of 15 directors Under UCare's bylaws, the chair of the board has the authority to appoint five physician directors from the University of Minnesota Medical School, Department of Family Medicine, and the Dean of the Medical School appoints one director In addition, two directors (including the chair) are directors by virtue of their positions in the Department

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	The Form 990 is prepared by the controller and reviewed by an independent accounting firm UCare provides a copy and reviews the detail of the completed 990 Form with the Finance and Audit Committee UCare also provides a copy of the completed 990 Form to all Board of Directors members via e-mail, prior to the Finance and Audit Committee's report to the Board Upon approval by the Board of Directors, the 990 Form is filed with the Internal Revenue Service

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	UCare requires completion of an annual questionnaire by its board members, officers and senior executives, which is designed to surface potential conflicts of interest In addition, UCare's policy requires disclosure to the Board Chair and/or CEO of a potential conflict involving a director, officer or management staff when a particular transaction arises If the Board or a designated Board Committee determines that a potential conflict exists related to a transaction requiring action by the board, the policy calls for the board member with the potential conflict to abstain from voting and for a majority of the disinterested directors to find that the transaction is fair and reasonable to the corporation, and that the organization could not reasonably find a more advantageous transaction from another entity without a potential conflict In practice, UCare seeks to manage certain business matters so that they are not subject to action by the board or senior executives where a potential conflict exists For example, the board includes members who are enrolled in UCare's health plans, and the benefit designs and premium amounts of such plans are not brought before the board for action The policy also requires disclosure of potential conflicts to the board or designated committee even for transactions not requiring board action

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	On an annual basis, UCare's Compensation Committee reviews and approves the President and CEO's total cash compensation, including base pay and incentive pay Benefits are reviewed, as described below, every two to three years, with the most recent review in 2012 The Compensation Committee is composed of independent members of the Board of Directors UCare engages an independent consultant organization that specializes in advising health care organizations about executive compensation issues The independent consultant organization conducts a comparability analysis that incorporates multiple industry surveys and compensation data for comparable positions at peer organizations The independent consultant organization then shares the results of this comparability analysis with the Compensation Committee After deliberation about the comparability analysis and recommendations, the Committee evaluates the annual cash compensation package for the President & CEO The Committee brings recommendations about CEO salary decisions to the Board for approval, and reports other actions taken by the Committee to the Board Minutes are recorded contemporaneously to accurately document the Committee's discussions and actions, and the independent consultant organization's report is retained for recordkeeping purposes The Compensation Committee also participates in the compensation process for other senior executives, including the Treasurer & Chief Financial Officer, the Secretary & General Counsel, the Chief Medical Officer, the Senior Vice President and Chief Administrative Officer, the Senior Vice President of Operations, the Senior Vice President of Public Affairs & Marketing, and the Senior Vice President of Strategy and Product Management The process for determining compensation for these positions follows a compensation philosophy approved by the Board of Directors Every two to three years, an independent consultant organization conducts a comparability analysis for these positions, focusing on total compensation data including base pay, incentive pay, and benefits for comparable positions at peer organizations The President and CEO's position is also included in this comparability analysis The most recent analysis occurred in 2012 The Compensation Committee receives and discusses the analysis and recommendations with the independent consultant organization, and provides input for the President & CEO in determining cash compensation for the officers and senior executives The Compensation Committee has delegated specific cash compensation approval for these leaders to the President & CEO, who is an independent person with respect to these compensation determinations, provided that the President & CEO follows the board-approved compensation philosophy, takes into account the comparability analysis, and obtains annual review by the committee All changes in the benefit structure are approved by the Committee The Committee's discussion and input are reflected in contemporaneous documentation, and a copy of the independent consultant organization's report is retained

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 18	UCare Minnesota's 990 Form is available on the Minnesota Department of Health's website at www health state mn us/divs/hpsc/mcs/financial htm and www guidestar org in additon to being made available upon request

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	UCare files its governing documents and Conflict of Interest Policy with the Minnesota Department of Health, and this public information would be available from this agency upon request

Identifier	Return Reference	Explanation
Other Fees	Form 990, Part IX, line 11g	Medical Service Expenses Program service expenses 2,016,762,389 Management and general expenses 0 Fundraising expenses 0 Total expenses 2,016,762,389 Purchased Services Program service expenses 6,299,501 Management and general expenses 2,955,388 Fundraising expenses 0 Total expenses 9,254,889 Temp/Contract Services Program service expenses 3,145,971 Management and general expenses 346,316 Fundraising expenses 0 Total expenses 3,492,287 Mayo Service Fees Program service expenses 1,821,219 Management and general expenses 775,744 Fundraising expenses 0 Total expenses 2,596,963 Broker Commissions Program service expenses 3,480,165 Management and general expenses 0 Fundraising expenses 0 Total expenses 3,480,165 Disease Management Program service expenses 790,854 Management and general expenses 0 Fundraising expenses 0 Total expenses 790,854 Health Promotions Program service expenses 462,205 Management and general expenses 0 Fundraising expenses 0 Total expenses 462,205 Outsourced Services Program service expenses 15,696,720 Management and general expenses 0 Fundraising expenses 0 Total expenses 15,696,720

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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

2012

Open to Public Inspection

Name of the organization
UCare Minnesota

Employer identification number
36-3573805

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

(a) Name, address, and EIN (if applicable) 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" to 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	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) UCare Health Inc 500 Stinson Blvd NE Minneapolis, MN 554132615 20-8295948	Non-Profit Service Insurance Corporation	WI	501(c)(4)		UCare Minnesota	Yes	
(2) U of Mn Med SchoolDept of Family MedCommunity Health 516 Delaware St Minneapolis, ME 55455 41-6007513	Medical Education	MN	115		University of Minnesota		No

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to 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	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
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 or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		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-s)	(c) Amount involved	(d) Method of determining amount involved
(1) UCare Health Inc - Surplus Note	D	10,000,000	Actual Cost
(2) UCare Health Inc - Reimburse management services	L	854,176	Actual Cost
(3) UCare Health Inc - Transfer of Rx Rebates Subrogation and Plan to Plan	P	426,140	Actual Cost
(4) UCare Health Inc - Direct expense reimbursement	Q	8,755,484	Actual Cost
(5) Univ of Minnesota Dept of Family Medicine & Community Health	B	10,000,000	Actual Cost

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 36-3573805
Name: UCare Minnesota

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