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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
MEDICA HEALTH PLANS

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite
401 CARLSON PARKWAY CP 330

City or town, state or country, and ZIP + 4
MINNETONKA, MN 55305

D Employer identification number
41-1242261

E Telephone number
(952) 992-2058

G Gross receipts $ 1,938,554,978

F Name and address of principal officer
DAVID TILFORD
401 CARLSON PARKWAY CP 330
MINNETONKA, MN 55305

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) (4) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW MEDICA COM

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

L Year of formation 1973

M State of legal domicile MN

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
MEDICA'S MISSION IS TO MEET OUR CUSTOMERS' NEED FOR HEALTH PLAN PRODUCTS AND SERVICES IN DOING SO, WE WORK WITH OUR MEMBERS AND PROVIDERS TO MAKE HEALTH CARE ACCESSIBLE, AFFORDABLE AND A MEANS BY WHICH OUR MEMBERS IMPROVE THEIR HEALTH

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	5
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	4
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	1,367
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,324,169
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	0	0
	9	Program service revenue (Part VIII, line 2g)	1,721,786,050	1,739,770,823
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	20,476,422	17,703,859
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	488,499	837,299
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,742,750,971	1,758,311,981
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	10,913,725	11,218,300
	14	Benefits paid to or for members (Part IX, column (A), line 4)	1,473,196,095	1,448,611,093
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	98,919,793	107,801,496
	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)	145,457,268	146,196,590
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,728,486,881	1,713,827,479
	19	Revenue less expenses Subtract line 18 from line 12	14,264,090	44,484,502

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	718,887,557	681,817,662
	21	Total liabilities (Part X, line 26)	302,567,425	239,757,907
	22	Net assets or fund balances Subtract line 21 from line 20	416,320,132	442,059,755

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

****** 2015-01-14
Signature of officer Date

MARK L BAIRD CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
TODD A JACKSON				P00092672

Firm's name ▶ MCGLADREY LLP — Firm's EIN ▶ 42-0714325

Firm's address ▶ 801 NICOLLET MALL SUITE 1100
MINNEAPOLIS, MN 55402 — Phone no (612) 332-4300

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

MEDICA'S MISSION IS TO MEET OUR CUSTOMERS' NEEDS FOR HEALTH PLAN PRODUCTS AND SERVICES IN DOING SO, WE WORK WITH MEMBERS AND PROVIDERS TO MAKE HEALTH CARE ACCESSIBLE, AFFORDABLE AND A MEANS BY WHICH OUR MEMBERS IMPROVE THEIR HEALTH

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 $ 1,044,387,198 including grants of $) (Revenue $ 1,125,825,497)

MEDICA HEALTH PLANS (MHP) IN 2012 PROVIDED NONPROFIT HMO COVERAGE TO ENROLLEES IN THE STATE OF MINNESOTA'S PREPAID MEDICAL ASSISTANCE (MEDICAID) AND MINNESOTACARE PROGRAMS IT ALSO PROVIDED A SPECIAL NEEDS BASIC CARE (SBNBC) PRODUCT FOR INDIVIDUALS WITH PHYSICAL, DEVELOPMENTAL OR MENTAL DISABILITIES A TOTAL OF 127,304 MEDICA MEMBERS OR 91 5% OF MHP'S TOTAL ENROLLMENT WERE IN STATE PROGRAMS AS OF 12/31/2012 THERE WERE 88,963 PREPAID MEDICAL ASSISTANCE PROGRAM MEMBERS, 22,749 MINNESOTACARE MEMBERS, AND 15,592 SPECIAL NEEDS BASIC CARE MEMBERS IN 2012 MEDICA HEALTH PLANS ACHIEVED THE HIGHEST RANKINGS IN MINNESOTA FROM THE NATIONAL COMMITTEE FOR QUALITY ASSURANCE (NCQA) THAT RANKING PLACED MHP AMONG THE TOP 14 MEDICAID HMO PLANS IN THE UNITED STATES ALONG WITH THE RANKING, MHP ACHIEVED EXCELLENT ACCREDITATION STATUS, THE HIGHEST STATUS AWARDED BY NCQA

4b (Code) (Expenses $ 12,455,833 including grants of $) (Revenue $ 11,579,728)

IN 2012 MHP PROVIDED FULLY INSURED COMMERCIAL HMO HEALTH INSURANCE COVERAGE IN MINNESOTA AS OF 12/31/2012, THE ENROLLMENT IN MHP FULLY INSURED MINNESOTA GROUP PLANS WAS 1,228 MHP IN 2012 ALSO INSURED 71 PERSONS WHOSE COVERAGE WAS CONVERTED FROM GROUP INSURANCE TO INDIVIDUAL INSURANCE THE 1,299 PERSONS WITH FULLY INSURED COVERAGE REPRESENTED 0 9% OF MHP'S TOTAL ENROLLMENT AS OF 12/31/2012 2012 IN 2012, MHP ASSUMED RISK FROM A RELATED ENTITY, MEDICA INSURANCE COMPANY (MIC), THROUGH A QUOTA SHARE REINSURANCE ARRANGEMENT IN 2012, MHP ASSUMED $461,252,000 GROSS PREMIUMS AND $389,830,000 OF CLAIMS

4c (Code) (Expenses $ 391,768,062 including grants of $) (Revenue $ 602,458,804)

IN 2012 MHP PROVIDED MEDICARE-RELATED PRODUCTS IN THREE STATES MINNESOTA, NORTH DAKOTA AND SOUTH DAKOTA THE COMBINED MEDICARE-RELATED MHP MEMBERSHIP IN THOSE STATES WAS 10,581 OR 7 6% OF MHP'S TOTAL ENROLLMENT IN 2012 MHP'S TOTAL MEDICARE-RELATED MEMBERSHIP IN MINNESOTA WAS 10,267 THIS INCLUDED 297 MEMBERS WITH MEDICARE ADVANTAGE SPECIAL NEEDS PLAN COVERAGE FOR SENIORS WITH CHRONIC CONDITIONS, 9,773 MEMBERS WITH MINNESOTA SENIOR HEALTH OPTIONS (MSHO) COVERAGE, 197 MEMBERS WITH MEDICARE SUPPLEMENTAL AND PRIVATE FEE FOR SERVICE (PFFS) COVERAGE IN 2012 MHP PROVIDED MEDICARE PRIVATE FEE FOR SERVICE (PFFS) COVERAGE TO 126 MEMBERS IN NORTH DAKOTA AND TO 188 MEMBERS IN SOUTH DAKOTA THE PRIVATE FEE-FOR-SERVICE (PFFS) PRODUCTS UNDER CMS CONTRACT HAVE PLAN DESIGNS THAT INCLUDE A VARIETY OF CO-PAY PLANS, PLANS WHICH COVER MEDICAL ONLY, AND PLANS THAT INCLUDE PRESCRIPTION DRUG COVERAGE THESE PLANS DO NOT LIMIT BENEFICIARIES TO A CONTRACTED MEDICAL PROVIDER NETWORK, BUT RATHER UTILIZE A DEEMED NETWORK WHERE ALL MEDICARE CERTIFIED PROVIDERS MAY BE UTILIZED, AS LONG AS THEY AGREE TO MEDICARE PAYMENT ASSIGNMENT

(Code) (Expenses $ 11,218,300 including grants of $ 11,218,300) (Revenue $)

MEDICA HEALTH PLANS (MHP) AND COMMUNITY BENEFITMHPTHE STATE OF MINNESOTA SETS RATES WHEN IT CONTRACTS WITH THE STATE'S NONPROFIT HMOS, PAYING A FIXED SUM PER ENROLLEE MHP BEARS THE RISK FOR COSTS ABOVE THE PREDETERMINED RATE MHP'S PERFORMANCE ON BEHALF OF THE STATE OF MINNESOTA IS EFFICIENT IN 2012 APPROXIMATELY 93 CENTS OF EACH STATE PROGRAM DOLLAR WENT TO PROVIDE CARE, THE ADMINISTRATIVE COST RATIO WAS APPROXIMATELY 6 0% INCLUDING PREMIUM TAXES AND CONTRIBUTIONS TO THE MEDICA FOUNDATION CONTRIBUTIONS BY MEDICA ON BEHALF OF MEMBERS BEYOND CONTRACTED SERVICES IN 2012 MHP COVERED, ON BEHALF OF PMAP, MINNESOTACARE AND OTHER MINNESOTA HEALTH CARE PROGRAM MEMBERS, A NUMBER OF EXPENSES THAT WENT BEYOND ITS CONTRACTED SERVICES THESE INCLUDED THE WAY TO BETTER HEALTH (TWTBH), $391,488, ESTIMATED ADMINISTRATIVE EXPENSES FOR TWTBH, $66,028, VALUE OF WAIVED FAMILY DEDUCTIBLES, $63,661, MSC+ ELDERLY WAIVER COVERAGE FOR NON-ELIGIBLE MEMBERS, $212,744, AND ADDITIONAL SERVICES, $101,209 IN 2012 MHP PAID FOR, ON BEHALF OF MEDICARE-ONLY CHRONIC CARE SPECIAL NEEDS PLAN MEMBERS, A NUMBER OF EXPENSES THAT WENT BEYOND ITS CONTRACTED SERVICES IN 2012 THESE EXPENSES INCLUDED MEDICARE-ONLY CHRONIC CARE SNP, $3,705,579, MSHO ELDERLY WAIVER FOR NON-ELIGIBLE MEMBERS, $858,064, WAIVED MSHO NON-MEDICARE PART D PHARMACY COPAYMENTS, $223,864, AND MSHO ADDITIONAL SERVICES, $236,267 IN 2012 MHP PAID FOR, ON BEHALF OF SPECIAL NEEDS BASIC CARE PLAN MEMBERS, A NUMBER OF EXPENSES BEYOND ITS CONTRACTED SERVICES THESE INCLUDED SNBC NON-MEDICARE PART D PHARMACY COPAYMENTS, $508,740, SNBC NON0MEDICARE VALUE OF COST-SHARING WAIVED (DEDUCTIBLES, COPAYS), $265,234, AND SNBC ADDITIONAL SERVICES, $205,581 OTHER COMMUNITY BENEFITSMHP PROVIDED OTHER COMMUNITY BENEFITS WITH A WIDE RANGE OF PROGRAMS AND INITIATIVES TO PROMOTE PUBLIC AND INDIVIDUAL HEALTH, REDUCE DISPARITIES IN ACCESS TO CARE, IMPROVE HEALTH CARE SYSTEM PERFORMANCE, AND HELP PROVIDE FINANCIAL ASSISTANCE TO ACCESS CARE MEDICA FOUNDATIONMHP IN 2012 CONTRIBUTED $5 5 MILLION TO ENABLE GRANTS BY THE MEDICA FOUNDATION, A 501(C)(3) NONPROFIT CHARITABLE GRANT-MAKING FOUNDATION, WHICH PROVIDES FUNDING FOR NUMEROUS NONPROFIT COMMUNITY ORGANIZATIONS THAT PROVIDE HEALTH-RELATED SERVICES TO THE COMMUNITY THE MEDICA FOUNDATION IN 2012 MADE 88 GRANTS TOTALING $1 35 MILLION TO SUPPORT PROJECTS STATEWIDE AROUND BEHAVIORAL HEALTH, DISPARITIES IN HEALTH CARE, HEALTHY LIVING, WORKSITE WELLNESS AND GENERAL HEALTH IMPROVEMENT FROM 2003-2012 MEDICA FOUNDATION GRANTS TOTALED NEARLY $14 4 MILLION MEDICA RESEARCH INSTITUTEIN 2012 MHP GAVE $4 5 MILLION TO SUPPORT THE MISSION OF THE MEDICA RESEARCH INSTITUTE THE MEDICA RESEARCH INSTITUTE, ESTABLISHED IN JANUARY 2010, IS A NONPROFIT 501(C)(3) FOUNDATION AND A SISTER ORGANIZATION TO MEDICA HEALTH PLANS ITS MISSION IS TO CONDUCT RESEARCH THAT GENERATES INFORMATION FOR TIMELY TRANSLATION INTO ACTIVITIES WHICH PROTECT HEALTH AND IMPROVE LIVES COLLABORATIVE EFFORTSIN ADDITION, MHP DONATED FUNDING, EMPLOYEE TIME AND OTHER RESOURCES IN SUPPORT OF MORE THAN TWO DOZEN COLLABORATIVE EFFORTS WITH LOCAL, STATE, REGIONAL AND NATIONAL COLLABORATIVE EFFORTS AND CHARITIES EXAMPLES INCLUDE MINNESOTA COMMUNITY MEASUREMENT, WHICH PROMOTES COMMUNITY-BASED, EVIDENCE-BASED CARE AND PROVIDES THE PUBLIC WITH QUALITY COMPARISONS OF PROVIDER GROUPS AND CLINICS, INSTITUTE FOR CLINICAL SYSTEMS IMPROVEMENT, WHICH PROVIDES EVIDENCE-GRADED PRACTICAL GUIDELINES AND TECHNOLOGY ASSESSMENT REPORTS, MINNESOTA HEALTH INFORMATION EXCHANGE, WHICH CONNECTS DOCTORS, HOSPITALS AND CLINICS STATEWIDE SO THEY CAN QUICKLY ACCESS MEDICAL RECORDS, IMPROVING SAFETY AND QUALITY MEDICA ALSO FUNDED CONFERENCES AND EVENTS SUCH AS THE AGE AND DISABILITIES ODYSSEY CONFERENCE, WORLD REFUGEE DAY, HMONG HEALTH CARE PROFESSIONALS COALITION HEALTH FAIR AND LA OPPORTUNIDAD PEACE CONFERENCE

4d Other program services (Describe in Schedule O)

(Expenses $ 11,218,300 including grants of $ 11,218,300) (Revenue $)

4e **Total program service expenses ▶** 1,459,829,393

Part IV Checklist of Required Schedules

		Line	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		No
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		
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	Yes	
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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		No
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	Yes	
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)*

			Yes	No
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		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, 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		
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	258			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,367			
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	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See 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		
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		
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		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		
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** 5			
	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** 4			
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**	Yes	
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**	Yes	
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
▶MARY QUIST PO BOX 9310 CP 330 MINNEAPOLIS, MN (952) 992-2058

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): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
(1) JOHN BUCK CHAIR	15 00	X		X				103,000	0	0
(2) ESTHER TOMLJANOVICH VICE CHAIR	10 00	X		X				71,000	0	0
(3) KRIS SANDA SECRETARY	10 00	X		X				71,000	0	0
(4) DAVID TILFORD PRESIDENT/CEO	40 00	X		X				2,341,634	0	33,615
(5) PETER KELLY MD DIRECTOR	10 00	X						67,000	0	0
(6) AARON L REYNOLDS TREASURER/EVP	40 00			X				1,163,231	0	35,591
(7) JAMES P JACOBSON SVP	40 00			X				562,531	0	29,681
(8) JANA L JOHNSON SVP	40 00				X			609,821	0	32,221
(9) GLENN E ANDIS SVP	40 00				X			658,316	0	41,337
(10) ROBERT LONGENDYKE SVP	40 00				X			565,843	0	39,660
(11) DEBBY S KNUTSON SVP	40 00				X			537,782	0	21,775
(12) SIMEON A SCHINDELMAN SVP	40 00				X			972,434	0	28,261
(13) TIMOTHY D THULL SVP	40 00				X			439,157	0	45,344
(14) JOHN W NAYLOR SVP	40 00				X			597,557	0	68,911
(15) THEODORE J LOFTNESS VP	40 00					X		537,639	0	41,529
(16) MARK L BAIRD SVP	40 00					X		570,073	0	35,250
(17) RICHARD H SYKORA GM/VP	40 00					X		494,428	0	31,675

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: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
(18) DANNETTE M COLEMAN GM/VP	40 00					X		416,891	0	30,382
(19) SCOTT REID VP	40 00					X		410,426	0	32,035
(20) DARYL DURUM (FORMER DIRECTOR)	0 00						X	11,000	0	0

		(D)	(E)	(F)
1b	**Sub-Total** ►			
c	**Total from continuation sheets to Part VII, Section A** ►			
d	**Total (add lines 1b and 1c)** ►	11,200,763	0	547,267

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 ►180

			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	Yes	
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
UNITED HEALTHCARE SERVICES INC 9900 BREN DR E MN008-T380 MINNETONKA MN 55343	CLAIMS PROCESSING	88,571,810
CDW DIRECT LLC 7145 BOONE AVE N BROOKLYN PARK MN 55128	TECHNOLOGY SERVICES	5,883,874
CIBER INC 4400 W 78TH ST 100 BLOOMINGTON MN 55435	TECHNOLOGY SERVICES	2,455,934
DELOITTE CONSULTING LLP 50 SOUTH SIXTH STREET MINNEAPOLIS MN 55402	CONSULTING	2,304,083
DAHL CONSULTING INC 418 COUNTY ROAD D E ST PAUL MN 55117	TEMP SERVICES	2,237,788

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 ►37

Part VIII Statement of Revenue

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

Contributions, Gifts, Grants and Other Similar Amounts

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
1a	Federated campaigns	1a				
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	(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
2a	MEDICARE REVENUE	524114	1,145,114,853	1,145,114,853		
b	SUBSCRIBER REVENUE	524114	445,050,747	443,821,858	1,228,889	
c	INTERCOMPANY ADMIN FEES	561000	145,345,405	145,345,405		
d	DENTAL REVENUE	541900	3,698,613	3,698,613		
e	OTHER REVENUE	524114	561,205	561,205		
f	All other program service revenue					
g	**Total.** Add lines 2a–2f ▶		1,739,770,823			

Other Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
3	Investment income (including dividends, interest, and other similar amounts)	▶	13,593,155			13,593,155
4	Income from investment of tax-exempt bond proceeds	▶				
5	Royalties	▶				

		(i) Real	(ii) Personal
6a	Gross rents	1,087,093	
b	Less rental expenses	343,000	
c	Rental income or (loss)	744,093	

		(A)	(B)	(C)	(D)
d	Net rental income or (loss) ▶	744,093			744,093

		(i) Securities	(ii) Other
7a	Gross amount from sales of assets other than inventory	184,010,701	
b	Less cost or other basis and sales expenses	179,899,997	
c	Gain or (loss)	4,110,704	

			(A)	(B)	(C)	(D)
d	Net gain or (loss) ▶		4,110,704			4,110,704
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	(A)	(B)	(C)	(D)
11a	MEDICA TAX PARTNERSHIP	900099	95,280		95,280	
b	MN EXCHANGE PARTNERSHIP	561499	-2,074	-2,074		
c						
d	All other revenue					
e	**Total.** Add lines 11a–11d ▶		93,206			
12	**Total revenue.** See Instructions ▶		1,758,311,981	1,738,539,860	1,324,169	18,447,952

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	11,218,300	11,218,300		
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	1,448,611,093	1,448,611,093		
5 Compensation of current officers, directors, trustees, and key employees	9,034,156		9,034,156	
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	74,048,552		74,048,552	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	7,328,172		7,328,172	
9 Other employee benefits	11,270,955		11,270,955	
10 Payroll taxes	6,119,661		6,119,661	
11 Fees for services (non-employees)				
a Management				
b Legal	1,775,412		1,775,412	
c Accounting	600,150		600,150	
d Lobbying	486,385		486,385	
e Professional fundraising services See Part IV, line 17				
f Investment management fees	1,514,146		1,514,146	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)				
12 Advertising and promotion	8,596,206		8,596,206	
13 Office expenses	3,438,624		3,438,624	
14 Information technology	8,855,759		8,855,759	
15 Royalties . .				
16 Occupancy	1,910,503		1,910,503	
17 Travel	507,174		507,174	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	735,594		735,594	
20 Interest	134,010		134,010	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	9,383,470		9,383,470	
23 Insurance	1,257,900		1,257,900	
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 REINSURANCE	43,818,894		43,818,894	
b OUTSOURCED SERVICES	35,213,335		35,213,335	
c PREMIUM TAXES	16,434,051		16,434,051	
d PRINTING AND PUBLICATIO	7,150,342		7,150,342	
e All other expenses	4,384,635		4,384,635	
25 **Total functional expenses.** Add lines 1 through 24e	1,713,827,479	1,459,829,393	253,998,086	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			307,823,502	1	125,085,764
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			83,746,555	4	84,326,924
	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				9	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	110,471,125			
	b	Less accumulated depreciation	10b	16,790,906	7,719,297	10c	93,680,219
	11	Investments—publicly traded securities				11	
	12	Investments—other securities See Part IV, line 11			278,618,283	12	326,705,482
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			40,979,920	15	52,019,273
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)			718,887,557	16	681,817,662
Liabilities	17	Accounts payable and accrued expenses			302,307,602	17	239,605,872
	18	Grants payable				18	
	19	Deferred revenue			259,823	19	152,035
	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				25	
	26	**Total liabilities.** Add lines 17 through 25			302,567,425	26	239,757,907
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			416,320,132	27	442,059,755
	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			416,320,132	33	442,059,755
	34	Total liabilities and net assets/fund balances			718,887,557	34	681,817,662

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	1,758,311,981
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,713,827,479
3	Revenue less expenses Subtract line 2 from line 1	3	44,484,502
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	416,320,132
5	Net unrealized gains (losses) on investments	5	122,799
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	-18,867,678
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	442,059,755

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		

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.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MEDICA HEALTH PLANS

Employer identification number
41-1242261

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		20,449,010		20,449,010
b Buildings		66,050,990	6,900,365	59,150,625
c Leasehold improvements		12,573,182	340,781	12,232,401
d Equipment		11,397,943	9,549,760	1,848,183
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				93,680,219

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		
(3) Other (A) BONDS	326,032,643	C
(B) PREFERRED STOCK	672,839	C
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	326,705,482	

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
(1) INVESTMENT RELATED RECEIVABLES	1,922,161
(2) HEALTH CARE RECEIVABLES	4,716,151
(3) DUE FROM AFFILIATES	2,917,901
(4) FUNDS HELD BY REINSURED COMPANIES	41,588,333
(5) ACCOUNTS RECEIVABLE RELATING TO UNINSURED PLANS	874,727
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	52,019,273

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
See Additional Data Table	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	

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	1,610,576,401
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	-1,648,156		
e	Add lines **2a** through **2d**			2e	-1,648,156
3	Subtract line **2e** from line **1**			3	1,612,224,557
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	146,087,424		
c	Add lines **4a** and **4b**			4c	146,087,424
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	1,758,311,981

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

1	Total expenses and losses per audited financial statements			1	1,566,089,825
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	-146,089,498		
e	Add lines **2a** through **2d**			2e	-146,089,498
3	Subtract line **2e** from line **1**			3	1,712,179,323
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	1,648,156		
c	Add lines **4a** and **4b**			4c	1,648,156
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	1,713,827,479

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	AS OF DECEMBER 31, 2012, THE COMPANY'S TAX YEARS 2008 THROUGH 2012 REMAIN OPEN TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) AND VARIOUS STATE AUTHORITIES TAX YEARS 2008, 2009 AND 2010 ARE CURRENTLY UNDER EXAMINATION BY THE IRS MANAGEMENT HAS NOT RECORDED AN AMOUNT FOR UNCERTAIN TAX POSITIONS FOR ANY MATTERS, INCLUDING THOSE CURRENTLY UNDER EXAMINATION HOWEVER, THE ULTIMATE RESOLUTION OF THESE ITEMS IS DEPENDENT ON A NUMBER OF FACTORS
PART XI, LINE 2D - OTHER ADJUSTMENTS		INVESTMENT EXPENSE RECLASSED AS EXPENSE -1,514,146 INTEREST EXPENSE RECLASSED AS EXPENSE -134,010
PART XI, LINE 4B - OTHER ADJUSTMENTS		MN HEALTH INFO EXCHANGE K-1 -2,074 INTERCOMPANY ADMIN FEES RECLASSED FROM EXPENSE 145,345,405 NET RENTAL INCOME RECLASSED FROM EXPENSE 744,093
PART XII, LINE 2D - OTHER ADJUSTMENTS		INTERCOMPANY ADMIN FEES RECLASSED AS REVENUE -145,345,405 NET RENTAL INCOME RECLASSED AS REVENUE -744,093
PART XII, LINE 4B - OTHER ADJUSTMENTS		INVESTMENT EXPENSE RECLASSED AS REVENUE 1,514,146 INTEREST EXPENSE RECLASSED AS REVENUE 134,010

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
MEDICA HEALTH PLANS

Employer identification number
41-1242261

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
(1) MEDICA FOUNDATION 401 CARLSON PARKWAY MINNETONKA, MN 55305	41-1812461	501(C)(3)	5,500,000				SUPPORT OF THE MANY PROGRAMS CONDUCTED BY THE FOUNDATION
(2) MEDICA RESEARCH INSTITUTE 401 CARLSON PARKWAY MINNETONKA, MN 55305	27-0600894	501(C)(3)	4,500,000				SUPPORT OF THE MANY PROGRAMS CONDUCTED BY THE INSTITUTE
(3) INSTITUTE FOR CLINICAL SYSTEMS IMPROVEMENT 8009 34TH AVE SO STE 1200 BLOOMINGTON, MN 55425	41-1782168	501(C)(3)	1,218,300				SUPPORT THE BEST PRACTICES IN THE MEDICAL WORLD

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

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

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 MEDICA HEALTH PLANS DONATES FUNDS PERIODICALLY TO ITS RELATED ORGANIZATIONS, MEDICA FOUNDATION AND MEDICA RESEARCH INSTITUTE, AS WELL AS OTHER 501(C)(3) ORGANIZATIONS THE FOUNDATIONS RETAIN RECORDS TO SUBSTANTIATE THE USE OF THESE FUNDS

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
MEDICA HEALTH PLANS

Employer identification number
41-1242261

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**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	**4c**		No
	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? If "Yes," to line 5a or 5b, describe in Part III	**5b**		No
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**	Yes	
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III	**6b**		No
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

990 Schedule J, Supplemental Information

Identifier	Return Reference	Explanation
	PART I, LINE 4B	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 41-1242261
Name: MEDICA HEALTH PLANS

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				
DAVID TILFORD	(i)	765,069	679,359	897,206	18,840	14,775	2,375,249	0
	(ii)	0	0	0	0	0	0	0
AARON L REYNOLDS	(i)	436,332	282,291	444,608	19,003	16,588	1,198,822	0
	(ii)	0	0	0	0	0	0	0
JAMES P JACOBSON	(i)	262,079	121,279	179,173	14,900	14,781	592,212	0
	(ii)	0	0	0	0	0	0	0
JANA L JOHNSON	(i)	265,235	139,854	204,732	17,963	14,258	642,042	0
	(ii)	0	0	0	0	0	0	0
GLENN E ANDIS	(i)	289,319	153,743	215,254	19,187	22,150	699,653	0
	(ii)	0	0	0	0	0	0	0
ROBERT LONGENDYKE	(i)	258,567	122,217	185,059	17,963	21,697	605,503	0
	(ii)	0	0	0	0	0	0	0
DEBBY S KNUTSON	(i)	250,456	115,758	171,568	14,900	6,875	559,557	0
	(ii)	0	0	0	0	0	0	0
SIMEON A SCHINDELMAN	(i)	607,572	237,287	127,575	13,063	15,198	1,000,695	0
	(ii)	0	0	0	0	0	0	0
TIMOTHY D THULL	(i)	247,650	95,936	95,571	28,342	17,002	484,501	0
	(ii)	0	0	0	0	0	0	0
JOHN W NAYLOR	(i)	297,722	243,064	56,771	51,809	17,102	666,468	0
	(ii)	0	0	0	0	0	0	0
THEODORE J LOFTNESS	(i)	248,987	100,794	187,858	19,188	22,341	579,168	0
	(ii)	0	0	0	0	0	0	0
MARK L BAIRD	(i)	256,576	132,693	180,804	17,963	17,287	605,323	0
	(ii)	0	0	0	0	0	0	0
RICHARD H SYKORA	(i)	226,128	110,057	158,243	17,963	13,712	526,103	0
	(ii)	0	0	0	0	0	0	0
DANNETTE M COLEMAN	(i)	219,450	100,250	97,191	19,188	11,194	447,273	0
	(ii)	0	0	0	0	0	0	0
SCOTT REID	(i)	207,138	101,870	101,418	17,963	14,072	442,461	0
	(ii)	0	0	0	0	0	0	0
DARYL DURUM	(i)	0	0	11,000	0	0	11,000	0
	(ii)	0	0	0	0	0	0	0

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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
MEDICA HEALTH PLANS

Employer identification number
41-1242261

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	MEMBERS EXIST WITHIN MEDICA HEALTH PLANS AS MEMBERS COVERED UNDER REGULATED INSURANCE PLANS
	FORM 990, PART VI, SECTION A, LINE 7A	THE MEMBERSHIP OF MEDICA HEALTH PLANS ELECTS THE CONSUMER BOARD MEMBERS
	FORM 990, PART VI, SECTION B, LINE 11	MEDICA'S TAX ADVISORS COMPLETE THE RETURN, MEDICA'S CONTROLLER AND TAX MANAGER REVIEW THE RETURN BEFORE IT IS SIGNED BY THE CFO A COPY WILL BE PROVIDED TO THE BOARD OF DIRECTORS P RIOR TO FILING FORM 990 WITH THE IRS
	FORM 990, PART VI, SECTION B, LINE 12C	ANNUALLY ALL EMPLOYEES OF MEDICA HEALTH PLANS AND DIRECTORS OF ALL MEDICA ENTITIES COMPLET E A CONFLICT OF INTEREST DISCLOSURE AND ARE REQUIRED TO REVIEW THE CURRENT POLICY ALL POT ENTIAL CONFLICTS ARE REVIEWED BY LEGAL/COMPLIANCE
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD'S PERSONNEL AND COMPENSATION COMMITTEE REVIEWS AND OBTAINS THE BOARD'S APPROVAL OF THE TOTAL COMPENSATION FOR THE PRESIDENT/CEO AND REVIEWS AND APPROVES THE TOTAL COMPENS ATION RECOMMENDATIONS MADE BY THE CEO FOR THE EXECUTIVE AND SENIOR VICE PRESIDENTS, REVIEW S ALL OFFICER COMPENSATION AND PERFORMANCE GOALS APPROVED BY THE CEO ANNUALLY THE PERSONN EL AND COMPENSATION COMMITTEE ALSO REVIEWS AND RECOMMENDS TO THE BOARD, OFFICER AND NON-OF FICER COMPENSATION GUIDELINES FOR THE COMPANY AND ITS SUBSIDIARIES PERIODICALLY REVIEWING MARKET DATA TO ASSESS THE COMPANY'S COMPETITIVE POSITION PROCESS OUTSIDE THE CHARTER THE PERSONNEL AND COMPENSATION COMMITTEE WORKS WITH AN OUTSIDE CONSULTANT IN REVIEWING MARKET COMPETITIVE DATA THAT AIDS IN SETTING THE COMPENSATION FOR THE OFFICERS AND KEY EMPLOYEES
	FORM 990, PART VI, SECTION C, LINE 19	MEDICA DOES NOT CONSIDER ITS CONFLICT OF INTEREST POLICY TO BE A CONFIDENTIAL OR PROPRIETA RY DOCUMENT THEREFORE, MEDICA WOULD MAKE THIS POLICY AVAILABLE TO ANYONE WHO REQUESTS IT CERTAIN OF THE MEDICA ENTITIES ARE REQUIRED TO FILE ANNUAL FINANCIAL STATEMENTS WITH THE REGULATORS MEDICA CONSIDERS FINANCIAL STATEMENTS THAT ARE FILED WITH THE REGULATORS TO BE PUBLIC DOCUMENTS ARTICLES AND BYLAWS, CONFLICT OF INTEREST POLICY, AND FORM 990S ARE AVA ILABLE UPON REQUEST
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	CHANGE IN VALUE OF NONADMITTED ASSETS -18,869,752 MN HEALTH INFO EXCHANGE K-1 2,074
AVERAGE HOURS PER WEEK	FORM 990, PART VII, COLUMN B	CERTAIN INDIVIDUALS REPORTED ON FORM 990, PART VII SPLIT THEIR TIME BETWEEN SEVERAL OF THE MEDICA ENTITIES (MEDICA HEALTH PLANS, MEDICA HEALTH PLANS WI, MEDICA FOUNDATION, AND MEDI CA RESEARCH INSTITUTE) THE AVERAGE HOURS PER WEEK REPORTED IN PART VII ARE THE TOTAL HOUR S PER WEEK FOR ALL MEDICA ORGANIZATIONS
	FORM 990, BOX B, AMENDED RETURN	FORM 990 IS BEING AMENDED TO CORRECLTY REPORT DEFERRED COMPENSATION THAT WAS DOUBLE REPORT ED ON THE ORIGINALLY FILED RETURN DEFERRED COMPENSATION REPORTED IN PART VII, COLUMN (F) AND SCHEDULE J, PART II, COLUMN (C) HAS BEEN REDUCED TO ACCOUNT FOR THE PORTION OF DEFERRE D COMPENSATION THAT WAS INCLUDED IN REPORTABLE W-2 COMPENSATION

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
MEDICA HEALTH PLANS

Employer identification number

41-1242261

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	No
(1) MEDICA FOUNDATION 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1812461	FOUNDATION	MN	501(C)(3)	509(A)(3) II	MEDICA HOLDING COMPANY	Yes	
(2) MEDICA HEALTH PLANS OF WISCONSIN 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1843804	HEALTH COVERAGE	MN	501(C)(4)		MEDICA HOLDING COMPANY	Yes	
(3) MEDICA HOLDING COMPANY 401 CARLSON PARKWAY MINNETONKA, MN 55305 01-0571840	HOLDING COMPANY/NO ACTIVITY	MN	501(C)(4)		N/A		No
(4) MEDICA RESEARCH INSTITUTE 401 CARLSON PARKWAY MINNETONKA, MN 55305 27-0600894	RESEARCH FOUNDATION	MN	501(C)(3)	509(A)(3) I	MEDICA HOLDING COMPANY	Yes	

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? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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	(i) No
(1) MEDICA INSURANCE COMPANY 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1490988	HEALTH INSURANCE	MN	MEDICA AFFILIATED SERVICES	C					No
(2) MEDICA SELF-INSURED 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1479417	THIRD PARTY ADMINISTRATOR	MN	MEDICA AFFILIATED SERVICES	C					No
(3) MEDICA AFFILIATED SERVICES 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1716415	HOLDING COMPANY	MN	MEDICA HOLDING COMPANY	C					No
(4) MEDICA HEALTH MANAGEMENT 401 CARLSON PARKWAY MINNETONKA, MN 55305 20-8005519	HEALTH MANAGEMENT	MN	MEDICA AFFILIATED SERVICES	C					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	Yes	
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		No
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		No
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		No
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
See Additional Data Table			

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	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 41-1242261
Name: MEDICA HEALTH PLANS

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

--> **Form 990, Schedule R, Part V - Transactions With Related Organizations**

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
MEDICA FOUNDATION	B	5,500,000	ACTUAL AMOUNT
MEDICA FOUNDATION	N	125,062	ACTUAL AMOUNT
MEDICA FOUNDATION	O	237,174	ACTUAL AMOUNT
MEDICA RESEARCH INSTITUTE	B	4,500,000	ACTUAL AMOUNT
MEDICA RESEARCH INSTITUTE	N	714,976	ACTUAL AMOUNT
MEDICA RESEARCH INSTITUTE	O	153,785	ACTUAL AMOUNT
MEDICA HEALTH PLANS OF WISCONSIN	A	105,964	ACTUAL AMOUNT