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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 private foundations)**

▶ Do not enter social security numbers on this form as it may be made public  
 ▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No 1545-0047  
2015  
**Open to Public Inspection**

**A For the 2015 calendar year, or tax year beginning 01-01-2015, and ending 12-31-2015**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> 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 province, country, and ZIP or foreign postal code MINNETONKA, MN 55305 <b>F</b> Name and address of principal officer DAVID TILFORD 401 CARLSON PARKWAY CP 330 MINNETONKA, MN 55305	<b>D</b> Employer identification number 41-1242261 <b>E</b> Telephone number (952) 992-2058 <b>G</b> Gross receipts \$ 2,108,568,644
<b>I</b> Tax-exempt status <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) ( 4 ) ◀ (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶
<b>J</b> Website: ▶ WWW MEDICA COM		
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1973 <b>M</b> State of legal domicile MN

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities MEDICA'S MISSION IS TO MEET OUR CUSTOMERS' NEEDS FOR HEALTH PLAN PRODUCTS AND SERVICES IN DOING SO, MEDICA WORKS WITH ITS MEMBERS AND PROVIDERS TO MAKE HEALTH CARE ACCESSIBLE, AFFORDABLE AND A MEANS BY WHICH ITS MEMBERS IMPROVE THEIR HEALTH	
<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	5
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	4
<b>5</b>	Total number of individuals employed in calendar year 2015 (Part V, line 2a)	1,606
<b>6</b>	Total number of volunteers (estimate if necessary)	0
<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	90,908,809
<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34	0
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	0
	<b>9</b> Program service revenue (Part VIII, line 2g)	1,882,713,161
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	14,203,362
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,006,809
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,898,923,332
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,254,800
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	1,318,132,740
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	119,494,104
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <sup>0</sup>	
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	410,913,504
<b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	1,849,795,148	
<b>19</b> Revenue less expenses Subtract line 18 from line 12	49,128,184	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	856,911,737
	<b>21</b> Total liabilities (Part X, line 26)	396,812,972
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20	460,098,765

**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

<b>Sign Here</b>	***** Signature of officer MARK L BAIRD CFO Type or print name and title	2016-11-10 Date		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name TODD A JACKSON	Preparer's signature TODD A JACKSON	Date	Check <input type="checkbox"/> if self-employed PTIN P00092672
	Firm's name ▶ RSM US 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 or note to any line 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 \$ 1,507,523,834 including grants of \$ ) (Revenue \$ 1,664,501,188 )

MEDICA HEALTH PLANS (MHP) IN 2015 PROVIDED NONPROFIT HMO COVERAGE TO ENROLLEES IN THE STATE OF MINNESOTA'S MEDICAL ASSISTANCE, MINNESOTACARE, AND SPECIAL NEEDS BASIC CARE PROGRAMS MEDICAL ASSISTANCE IS MINNESOTA'S MEDICAID PROGRAM MINNESOTACARE IS A PUBLICLY SUBSIDIZED HEALTH CARE PROGRAM FOR RESIDENTS WHO DO NOT HAVE ACCESS TO AFFORDABLE HEALTH CARE COVERAGE SPECIAL NEEDS BASIC CARE (SNBC) PROVIDES COVERAGE FOR INDIVIDUALS AGES 18-64 THAT ARE ON MEDICAL ASSISTANCE AND HAVE BEEN CERTIFIED WITH PHYSICAL, DEVELOPMENTAL OR MENTAL DISABILITIES A TOTAL OF 187,783 MEDICA MEMBERS - 92.5% OF MHP'S TOTAL ENROLLMENT - WERE IN MINNESOTA STATE PROGRAMS AS OF 12/31/2015 THERE WERE 134,998 PREPAID MEDICAL ASSISTANCE PROGRAM (MEDICAID) MEMBERS, 30,254 MINNESOTACARE MEMBERS, AND 22,531 SPECIAL NEEDS BASIC CARE MEMBERS IN THE NCQA 2015 HEALTH INSURANCE PLAN RATINGS, MEDICA'S MEDICAID HMO WAS THE HIGHEST-RATED MEDICAID PLAN IN MINNESOTA AND AMONG THE 40 HIGHEST-RATED MEDICAID PLANS IN THE UNITED STATES MEDICA HEALTH PLANS' MINNESOTA MEDICAID HMO CURRENTLY HOLDS AN ACCREDITATION STATUS OF COMMENDABLE FROM NCQA STATE OF MINNESOTA HEALTH CARE PROGRAMS MINNESOTA REQUIRES STATE-LICENSED HMOS TO BE NONPROFIT AND TO PARTICIPATE IN STATE OF MINNESOTA HEALTH CARE PROGRAMS MINNESOTA HEALTH CARE PROGRAMS COVER PEOPLE WHO CANNOT GET OR AFFORD HEALTH INSURANCE ELSEWHERE AND HELPS THEM PAY SOME OR ALL-MEDICAL BILLS ACCORDING TO THE MINNESOTA DEPARTMENT OF HUMAN SERVICES, COVERAGE IS AVAILABLE FOR QUALIFYING INDIVIDUALS WHO MEET RULES ABOUT INCOME, ASSETS AND OTHER FACTORS THESE PROGRAMS FOCUS ON PREGNANT WOMEN, FAMILIES AND CHILDREN, ADULTS WITH DISABILITIES, CHILDREN WITH DISABILITIES, PEOPLE 65 OR OLDER, ADULTS WITHOUT CHILDREN, AND LOW-INCOME ADULTS UNABLE TO FIND AFFORDABLE CARE COVERAGE IS ALSO AVAILABLE FOR PEOPLE WHO MEET ELIGIBILITY RULES FOR NURSING HOME CARE, HOME CARE, FOR CHILDREN WHO HAVE A DISABILITY AND FOR EMPLOYED PERSONS WITH DISABILITIES THE 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 MEDICA HEALTH PLAN'S 2015 PERFORMANCE ON BEHALF OF THE STATE OF MINNESOTA WAS EFFICIENT - IN 2015 MEDICA HEALTH PLANS MEDICAL LOSS RATIO FOR STATE OF MINNESOTA HEALTH PROGRAMS WAS 91.1% APPROXIMATELY 90-CENTS OF EACH STATE PROGRAM DOLLAR WENT TO PROVIDE CARE, - THE ADMINISTRATIVE COST RATIO WAS APPROXIMATELY 6.8% INCLUDING PREMIUM TAXES

**4b** (Code ) (Expenses \$ 29,500,414 including grants of \$ ) (Revenue \$ 17,255,604 )

IN 2015 MHP PROVIDED FULLY INSURED COMMERCIAL HMO HEALTH INSURANCE COVERAGE TO GROUPS AND INDIVIDUALS IN MINNESOTA AS OF 12/31/2015, THE ENROLLMENT IN MHP FULLY INSURED MINNESOTA GROUP PLANS WAS 4,910, WHICH WAS APPROXIMATELY 2.4% OF MHP'S TOTAL 2015 ENROLLMENT

**4c** (Code ) (Expenses \$ 531,743 including grants of \$ ) (Revenue \$ 257,757 )

IN 2015, MHP PARTICIPATED IN MINNESOTA SENIOR HEALTH OPTIONS (MSHO), A MEDICARE-RELATED PRODUCT, IN MINNESOTA ENROLLMENT IN THAT PRODUCT WAS 10,323 OR 5.1% OF MHP'S TOTAL ENROLLMENT MSHO IS A PRODUCT FOR PEOPLE AGE 65 AND OLDER AND ELIGIBLE FOR BOTH MEDICARE AND MEDICAID

See Additional Data

**4d** Other program services (Describe in Schedule O )

(Expenses \$ 7,900,000 including grants of \$ 7,900,000 ) (Revenue \$ 179,472,768 )

**4e Total program service expenses** 1,545,455,991

**Part IV Checklist of Required Schedules**

		Yes	No
<b>1</b>	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> . . . . .	<b>1</b>	No
<b>2</b>	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? . . . . .	<b>2</b>	No
<b>3</b>	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> . . . . .	<b>3</b>	No
<b>4</b>	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> . . . . .	<b>4</b>	
<b>5</b>	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? <i>If "Yes," complete Schedule C, Part III</i> . . . . .	<b>5</b>	No
<b>6</b>	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? <i>If "Yes," complete Schedule D, Part I</i>  . . . . .	<b>6</b>	No
<b>7</b>	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>  . . . . .	<b>7</b>	No
<b>8</b>	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>  . . . . .	<b>8</b>	No
<b>9</b>	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? <i>If "Yes," complete Schedule D, Part IV</i>  . . . . .	<b>9</b>	No
<b>10</b>	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>  . . . . .	<b>10</b>	No
<b>11</b>	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		
<b>a</b>	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>  . . . . .	<b>11a</b>	Yes
<b>b</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? <i>If "Yes," complete Schedule D, Part VII</i>  . . . . .	<b>11b</b>	Yes
<b>c</b>	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? <i>If "Yes," complete Schedule D, Part VIII</i>  . . . . .	<b>11c</b>	No
<b>d</b>	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? <i>If "Yes," complete Schedule D, Part IX</i>  . . . . .	<b>11d</b>	No
<b>e</b>	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>  . . . . .	<b>11e</b>	No
<b>f</b>	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)? <i>If "Yes," complete Schedule D, Part X</i>  . . . . .	<b>11f</b>	Yes
<b>12a</b>	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>  . . . . .	<b>12a</b>	Yes
<b>b</b>	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>  . . . . .	<b>12b</b>	Yes
<b>13</b>	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> . . . . .	<b>13</b>	No
<b>14a</b>	Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	<b>14a</b>	No
<b>b</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? <i>If "Yes," complete Schedule F, Parts I and IV</i> . . . . .	<b>14b</b>	No
<b>15</b>	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> . . . . .	<b>15</b>	No
<b>16</b>	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> . . . . .	<b>16</b>	No
<b>17</b>	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? <i>If "Yes," complete Schedule G, Part I</i> (see instructions) . . . . .	<b>17</b>	No
<b>18</b>	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> . . . . .	<b>18</b>	No
<b>19</b>	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> . . . . .	<b>19</b>	No
<b>20a</b>	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> . . . . .	<b>20a</b>	No
<b>b</b>	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<b>20b</b>	

**Part IV Checklist of Required Schedules** (continued)

<b>21</b>	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	<b>21</b>	Yes	
<b>22</b>	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	<b>22</b>		No
<b>23</b>	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? <i>If "Yes," complete Schedule J</i> . . . . .	<b>23</b>	Yes	
<b>24a</b>	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .	<b>24a</b>		No
<b>b</b>	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>		
<b>c</b>	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>		
<b>d</b>	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>		
<b>25a</b>	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	<b>25a</b>		No
<b>b</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? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	<b>25b</b>		No
<b>26</b>	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	<b>26</b>		No
<b>27</b>	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? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	<b>27</b>		No
<b>28</b>	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)			
<b>a</b>	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28a</b>		No
<b>b</b>	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28b</b>		No
<b>c</b>	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? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28c</b>		No
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>29</b>		No
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>30</b>		No
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	<b>31</b>		No
<b>32</b>	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	<b>32</b>		No
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	<b>33</b>		No
<b>34</b>	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	<b>34</b>	Yes	
<b>35a</b>	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	<b>35a</b>		No
<b>b</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)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	<b>35b</b>		
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	<b>36</b>		
<b>37</b>	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? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	<b>37</b>		No
<b>38</b>	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b>	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for question number, question text, and Yes/No response boxes. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited tax shelter transactions, deductible contributions, and health insurance issuers.

**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 or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year 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>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	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?		No
<b>3</b>	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?		No
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
<b>6</b>	Did the organization have members or stockholders?	Yes	
<b>7a</b>	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?	Yes	
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		No
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
<b>8a</b>	The governing body?	Yes	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?	Yes	
<b>9</b>	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		No

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

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?	Yes	
<b>10b</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?	Yes	
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
<b>13</b>	Did the organization have a written whistleblower policy?	Yes	
<b>14</b>	Did the organization have a written document retention and destruction policy?	Yes	
<b>15</b>	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?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official	Yes	
<b>15b</b>	Other officers or key employees of the organization	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
<b>16b</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?		

**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, address, and telephone number of the person who possesses the organization's books and records  
**MARY QUIST 401 CARLSON PARKWAY CP330 MINNETONKA, MN 55305 (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 or note to any line 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) DAVID TILFORD PRESIDENT/CEO	40 00	X		X			2,294,734	0	34,907	
(2) JOHN BUCK DIRECTOR	15 00	X		X			97,000	0	0	
(3) ESTHER TOMLIJANOVICH VICE CHAIR	10 00	X		X			68,000	0	0	
(4) EARL STRATTON DIRECTOR	10 00	X					64,500	0	0	
(5) PETER KELLY MD DIRECTOR	10 00	X					63,500	0	0	
(6) JAMES P JACOBSON SVP/SECRETARY	40 00			X			635,112	0	43,765	
(7) MARK L BAIRD CFO/SVP/TREASURER	40 00			X			1,119,992	0	43,204	
(8) GLENN E ANDIS SVP	40 00				X		743,529	0	44,541	
(9) ROBERT LONGENDYKE SVP	40 00				X		618,413	0	41,399	
(10) DEBBY S KNUTSON SVP	40 00				X		584,623	0	29,526	
(11) JANA L JOHNSON SVP	40 00				X		663,305	0	43,604	
(12) TIMOTHY D THULL SVP	40 00				X		706,984	0	42,650	
(13) JOHN W NAYLOR SVP	40 00				X		1,027,856	0	81,860	
(14) DANNETTE M COLEMAN GM/VP	40 00				X		603,174	0	28,097	

**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			
(15) MARK WERNER MD SVP	40 00				X			527,360	0	48,269
(16) RICHARD H SYKORA GM/VP	40 00					X		497,996	0	41,817
(17) BARBARA LYNCH VP	40 00					X		457,904	0	34,191
(18) ANDREW E DAVIS VP	40 00					X		476,600	0	37,703
(19) GEOFFREY J BARTSH VP	40 00					X		490,395	0	62,022
(20) MARY QUIST VP	40 00					X		448,513	0	41,881
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								12,189,490	0	699,436

**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 ▶ 312

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
<b>4</b> 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? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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	98,378,125
DAHL CONSULTING INC 418 COUNTY ROAD D E ST PAUL, MN 55117	TEMP SERVICES	14,051,582
LOFFLER COMPANIES INC 1101 EAST 78TH STREET SUITE 200 BLOOMINGTON, MN 55420	PRINTING	1,276,641
HEALTHEDGE SOFTWARE INC 30 CORPORATE DR BURLINGTON, MA 01803	TECHNOLOGY SERVICES	694,563
ATOMIC DATA LLC 250 MARQUETTE AVENUE SUITE 225 MINNEAPOLIS, MN 55401	TECHNOLOGY SERVICES	539,560

**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 ▶ 36

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . . <b>1a</b> _____					
	<b>b</b> Membership dues . . . . . <b>1b</b> _____					
	<b>c</b> Fundraising events . . . . . <b>1c</b> _____					
	<b>d</b> Related organizations . . . . . <b>1d</b> _____					
	<b>e</b> Government grants (contributions) <b>1e</b> _____					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above <b>1f</b> _____					
	<b>g</b> Noncash contributions included in lines 1a-1f \$ _____					
	<b>h Total.</b> Add lines 1a-1f . . . . . <b>▶</b>					
<b>Program Service Revenue</b>	<b>2a</b> MEDICAID REVENUE _____ Business Code 524114	1,661,462,516	1,661,462,516			
	<b>b</b> INTERCOMPANY ADMIN FEES _____ 561000	179,472,768	179,472,768			
	<b>c</b> GROUP & INDIVIDUAL PREMIUMS _____ 524114	107,680,696	17,225,604	90,455,092		
	<b>d</b> ACA VACCINE _____ 524114	3,038,672	3,038,672			
	<b>e</b> MEDICARE REVENUE _____ 524114	248,473	248,473			
	<b>f</b> All other program service revenue _____	39,285	39,285			
	<b>g Total.</b> Add lines 2a-2f . . . . . <b>▶</b>	1,951,942,410				
	<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . . <b>▶</b>	10,241,886			10,241,886
<b>4</b> Income from investment of tax-exempt bond proceeds . . . . . <b>▶</b>						
<b>5</b> Royalties . . . . . <b>▶</b>						
<b>6a</b> Gross rents		(i) Real 5,426,201				
		(ii) Personal				
		<b>b</b> Less rental expenses 4,138,100				
		<b>c</b> Rental income or (loss) 1,288,101				
<b>d</b> Net rental income or (loss) . . . . . <b>▶</b>		1,288,101			1,288,101	
<b>7a</b> Gross amount from sales of assets other than inventory		(i) Securities 140,504,430				
		(ii) Other				
		<b>b</b> Less cost or other basis and sales expenses 144,568,216				
		<b>c</b> Gain or (loss) -4,063,786				
<b>d</b> Net gain or (loss) . . . . . <b>▶</b>		-4,063,786			-4,063,786	
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . . <b>a</b>						
<b>b</b> Less direct expenses . . . . . <b>b</b>						
<b>c</b> Net income or (loss) from fundraising events . . . . . <b>▶</b>						
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . . <b>a</b>						
<b>b</b> Less direct expenses . . . . . <b>b</b>						
<b>c</b> Net income or (loss) from gaming activities . . . . . <b>▶</b>						
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . . <b>a</b>						
	<b>b</b> Less cost of goods sold . . . . . <b>b</b>					
	<b>c</b> Net income or (loss) from sales of inventory . . . . . <b>▶</b>					
Miscellaneous Revenue	Business Code					
<b>11a</b> MEDICA TAX PARTNERSHIP DENTAL REV _____ 900099	453,717		453,717			
<b>b</b> _____						
<b>c</b> _____						
<b>d</b> All other revenue . . . . .						
<b>e Total.</b> Add lines 11a-11d . . . . . <b>▶</b>	453,717					
<b>12 Total revenue.</b> See Instructions . . . . . <b>▶</b>	1,959,862,328	1,861,487,318	90,908,809	7,466,201		

**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 or note to any line in this Part IX

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>		<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b>	Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21 . . . . .	7,900,000	7,900,000		
<b>2</b>	Grants and other assistance to domestic individuals See Part IV, line 22 . . . . .				
<b>3</b>	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16 . . . . .				
<b>4</b>	Benefits paid to or for members . . . . .	1,537,555,991	1,537,555,991		
<b>5</b>	Compensation of current officers, directors, trustees, and key employees . . . . .	10,319,727		10,319,727	
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
<b>7</b>	Other salaries and wages . . . . .	102,640,141		102,640,141	
<b>8</b>	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	9,611,525		9,611,525	
<b>9</b>	Other employee benefits . . . . .	13,353,825		13,353,825	
<b>10</b>	Payroll taxes . . . . .	8,004,009		8,004,009	
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management . . . . .				
<b>b</b>	Legal . . . . .	364,950		364,950	
<b>c</b>	Accounting . . . . .	295,000		295,000	
<b>d</b>	Lobbying . . . . .	505,709		505,709	
<b>e</b>	Professional fundraising services See Part IV, line 17				
<b>f</b>	Investment management fees . . . . .	258,743		258,743	
<b>g</b>	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O) . . . . .	41,479,519		41,479,519	
<b>12</b>	Advertising and promotion . . . . .	7,941,488		7,941,488	
<b>13</b>	Office expenses . . . . .	4,762,468		4,762,468	
<b>14</b>	Information technology . . . . .	10,221,861		10,221,861	
<b>15</b>	Royalties . . . . .				
<b>16</b>	Occupancy . . . . .	4,857,161		4,857,161	
<b>17</b>	Travel . . . . .	725,874		725,874	
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
<b>19</b>	Conferences, conventions, and meetings . . . . .	511,820		511,820	
<b>20</b>	Interest . . . . .	56,113		56,113	
<b>21</b>	Payments to affiliates . . . . .				
<b>22</b>	Depreciation, depletion, and amortization . . . . .	23,621,957		23,621,957	
<b>23</b>	Insurance . . . . .	1,444,046		1,444,046	
<b>24</b>	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 )				
<b>a</b>	REINSURANCE	90,229,123		90,229,123	
<b>b</b>	PREMIUM TAXES	22,791,549		22,791,549	
<b>c</b>	PRINTING AND PUBLICATIO	8,137,885		8,137,885	
<b>d</b>					
<b>e</b>	All other expenses	4,073,197		4,073,197	
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24e	1,911,663,681	1,545,455,991	366,207,690	0
<b>26</b>	<b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	17,033,570	<b>1</b>	7,122,848
	<b>2</b> Savings and temporary cash investments . . . . .	235,131,277	<b>2</b>	294,310,693
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	91,381,387	<b>4</b>	78,911,787
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> 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 . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges . . . . .		<b>9</b>	
	<b>10a</b> Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 116,765,604		
	<b>b</b> Less accumulated depreciation . . . . .	<b>10b</b> 25,499,245	94,358,747	<b>10c</b> 91,266,359
	<b>11</b> Investments—publicly traded securities . . . . .	271,578,475	<b>11</b>	323,516,795
	<b>12</b> Investments—other securities. See Part IV, line 11 . . . . .	68,719,038	<b>12</b>	67,917,188
	<b>13</b> Investments—program-related. See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 . . . . .	78,709,243	<b>15</b>	33,719,405
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	856,911,737	<b>16</b>	896,765,075	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	280,508,823	<b>17</b>	245,217,267
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .	116,304,149	<b>19</b>	147,545,399
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> 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 . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> 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 . . . . .		<b>25</b>	
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	396,812,972	<b>26</b>	392,762,666
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	460,098,765	<b>27</b>	504,002,409
	<b>28</b> Temporarily restricted net assets . . . . .		<b>28</b>	
	<b>29</b> Permanently restricted net assets . . . . .		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	460,098,765	<b>33</b>	504,002,409	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	856,911,737	<b>34</b>	896,765,075	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	1,959,862,328
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	1,911,663,681
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	48,198,647
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	460,098,765
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	1,196,740
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	-5,491,743
<b>10</b>	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	504,002,409

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
<b>2b</b>	Were the organization's financial statements audited by an independent accountant? 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	Yes	
<b>2c</b>	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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
<b>3a</b>	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?		No
<b>3b</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		

# Additional Data

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

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

(Code ) (Expenses \$ 7,900,000 including grants of \$ 7,900,000 ) (Revenue \$ 179,472,768 )

MEDICA HEALTH PLANS INTERCOMPANY ADMINISTRATIVE AGREEMENTS MHP HAS MANAGEMENT AGREEMENTS WITH RELATED ENTITIES TO PROVIDE ADMINISTRATIVE SERVICES MHP IS REIMBURSED FOR THESE SERVICES MONTHLY IN 2015, MHP WAS REIMBURSED FOR \$179,472,768 IN INTERCOMPANY ADMINISTRATIVE EXPENSES, REPORTED AS REVENUE ON THE 990 CONTRIBUTIONS BY MEDICA ON BEHALF OF MEMBERS BEYOND CONTRACTED SERVICES IN 2015 MHP SPENT APPROXIMATELY \$4 5 MILLION TO PROVIDE ADDITIONAL, BEYOND-CONTRACT SUPPORT ON BEHALF OF THE FOLLOWING CATEGORIES OF MINNESOTA STATE HEALTH CARE PROGRAMS PMAP FAMILIES AND CHILDREN, PMAP ADULTS WITHOUT CHILDREN, MSC+, MNCARE FAMILIES AND CHILDREN, MNCARE ADULTS WITHOUT CHILDREN, MSHO , SNBC PROGRAMS INCLUDED MY HEALTH REWARDS (MHR) PROGRAM, VALUE OF WAIVED FAMILY DEDUCTIBLES, MSC+ ELDERLY WAIVER FOR NON-ELIGIBLE MEMBERS, NON-MEDICARE PART D PHARMACY COPAYMENTS, AND NON-MEDICARE VALUE OF COST-SHARING WAIVED COPAYS OTHER COMMUNITY BENEFITS MHP 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 COLLABORATIVE EFFORTS MHP DONATES FUNDING, EMPLOYEE TIME AND OTHER RESOURCES IN SUPPORT OF MORE THAN TWO DOZEN COLLABORATIVE EFFORTS WITH LOCAL, STATE, REGIONAL AND NATIONAL ORGANIZATIONS EXAMPLES INCLUDE MINNESOTA COMMUNITY MEASUREMENT, WHICH PROMOTES COMMUNITY-BASED, EVIDENCE-BASED CARE, AND QUALITY COMPARISONS OF PROVIDER GROUPS AND CLINICS, INSTITUTE FOR CLINICAL SYSTEMS IMPROVEMENT, WHICH PROVIDES EVIDENCE-GRADED GUIDELINES AND ASSESSMENTS, MINNESOTA HEALTH INFORMATION EXCHANGE, WHICH CONNECTS DOCTORS, HOSPITALS AND CLINICS STATEWIDE MEDICA ANNUALLY HELPS FUND A NUMBER OF COLLABORATIVE EDUCATION AND TRAINING SEMINARS AND CONFERENCES HEALTH AND WELLNESS PROGRAMS PROVIDING COMMUNITY BENEFIT MEDICA UNDERTAKES A VARIETY OF INITIATIVES TO MAKE HEALTH CARE MORE AFFORDABLE, AVAILABLE AND EFFECTIVE EXAMPLES INCLUDE - IMPROVEMENTS IN RATES OF ANNUAL SCREENINGS AMONG MEMBERS FOR DISEASES SUCH AS CANCERS, HEART DISEASE AND DIABETES, PRE AND POST-BIRTH MATERNITY CARE, IMMUNIZATIONS, AND CHILD AND TEEN CHECKUPS - REDUCTIONS IN MEDICALLY UNNECESSARY ER VISITS AND IN-PATIENT HOSPITAL ADMISSIONS - TYING PROVIDER REIMBURSEMENT TO IMPROVEMENTS IN CARE OUTCOMES, QUALITY AND EFFICIENCY - INCREASED PARTICIPATION IN EXERCISE AND NUTRITION PROGRAMS ASTHMA, DIABETES AND WEIGHT-LOSS CAMPS FOR CHILDREN MEDICA FUNDS MEDICALLY SUPERVISED SUMMER CAMPS SO CHILDREN CAN LEARN HOW TO BETTER MANAGE CHRONIC CONDITIONS MY HEALTH REWARDS FROM MEDICA INCLUDES AN ARRAY OF ONLINE TOOLS AND RESOURCES THAT MAKE IT EASY FOR MEDICA MEMBERS TO ASSESS THEIR HEALTH STATUS, AND TO CUSTOMIZE AND FOLLOW PERSONALIZED PROGRAMS FOR A HEALTHIER LIFESTYLE AND DIET IN 2015, THE CORE MY HEALTH REWARDS FROM MEDICA PROGRAM WAS PROVIDED AT NO ADDITIONAL CHARGE TO FULLY INSURED GROUPS FIT CHOICES BY MEDICA PROVIDED MEDICA MEMBERS WITH (A) A \$20 MONTHLY MEMBERSHIP CREDIT FOR EXERCISING AT A PARTICIPATING HEALTH CLUB TWELVE OR MORE DAYS PER MONTH AND (B) THE OPPORTUNITY FOR PERSONAL COACHING AND A PERSONALIZED NUTRITION AND FITNESS PLAN IN 2015, FIT CHOICES BY MEDICA WAS AVAILABLE AT NO COST TO MHP'S FULLY INSURED AND MINNESOTA CARE MEMBERS HEALTH AND WELLNESS COACHING MEDICA'S HEALTH AND WELLNESS COACHING PROGRAM IS A SELF-DIRECTED PROGRAM OFFERING A WIDE VARIETY OF TOOLS AND RESOURCES TO HELP MEMBERS MAKE CHANGES TO IMPROVE THEIR HEALTH HEALTH COACHING SUPPORT INCLUDES PRIVATE, CONFIDENTIAL ACCESS TO TRAINED HEALTH COACHES THERE WAS NO COST TO MEDICA MEMBERS TO PARTICIPATE IN THE HEALTH AND WELLNESS COACHING PROGRAM MEDICAL AND MENTAL HEALTH DISEASE MANAGEMENT AND PATIENT SUPPORT MEDICA IN 2015 OFFERED A PORTFOLIO OF DISEASE MANAGEMENT PROGRAMS FOR PHYSICAL AND MENTAL HEALTH, TOBACCO CESSATION, HEALTHY PREGNANCY, COMMON CHRONIC MEDICAL DISEASES, AND RARE AND COMPLEX DISEASES THESE PROGRAMS PROVIDE EDUCATION AND RESOURCES THAT HELP SUPPORT THE MEMBERS' ABILITY TO MANAGE CHRONIC CONDITIONS THE GOALS ARE TO IMPROVE HEALTH AND QUALITY OF LIFE, REDUCE COMPLICATIONS THROUGH EARLY INTERVENTION AND MONITORING, PROMOTE MEDICAL CARE AND COMPLIANCE WITH THE PATIENT'S PHYSICIAN-RECOMMENDED MEDICAL TREATMENT REGIMEN, AND TO IMPROVE SATISFACTION WITH HEALTH CARE SERVICES MEDICA'S DISEASE MANAGEMENT PROGRAMS WERE PROVIDED AT NO ADDITIONAL CHARGE TO FULLY INSURED GROUPS, AND TO MINNESOTA STATE HEALTH CARE PROGRAM ENROLLEES SERVED BY MEDICA THERE IS NO COST TO ELIGIBLE MEDICA MEMBERS

**SCHEDULE D**  
(Form 990)  
  
Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**  
**► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**  
**► Attach to Form 990.**  
Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047  
**2015**  
**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" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
<b>1</b> Total number at end of year		
<b>2</b> Aggregate value of contributions to (during year)		
<b>3</b> Aggregate value of grants from (during year)		
<b>4</b> Aggregate value at end of year		
<b>5</b> Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>6</b> 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" on 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
<b>a</b> Total number of conservation easements	<b>2a</b>
<b>b</b> Total acreage restricted by conservation easements	<b>2b</b>
<b>c</b> Number of conservation easements on a certified historic structure included in (a)	<b>2c</b>
<b>d</b> Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	<b>2d</b>

**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, handling of violations, and enforcing conservation easements during the year  
► \_\_\_\_\_

**7** Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on 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) Revenue included on 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** Revenue included on 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" on 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    |
|--|-----------|
| <b>c</b> Beginning balance             | <b>1c</b> |
| <b>d</b> Additions during the year     | <b>1d</b> |
| <b>e</b> Distributions during the year | <b>1e</b> |
| <b>f</b> Ending balance                | <b>1f</b> |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  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	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance					
<b>b</b> Contributions					
<b>c</b> Net investment earnings, gains, and losses					
<b>d</b> Grants or scholarships					
<b>e</b> Other expenditures for facilities and programs					
<b>f</b> Administrative expenses					
<b>g</b> 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 on 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 |
|--|---------------|----|
| <b>(i)</b> unrelated organizations   | <b>3a(i)</b>  |    |
| <b>(ii)</b> related organizations  | <b>3a(ii)</b> |    |
| <b>b</b> If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? | <b>3b</b>     |    |

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

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	Accumulated (c) depreciation	(d) Book value
<b>1a</b> Land		18,775,799		18,775,799
<b>b</b> Buildings		67,824,201	5,420,208	62,403,993
<b>c</b> Leasehold improvements		15,916,713	10,311,576	5,605,137
<b>d</b> Equipment		14,248,891	9,767,461	4,481,430
<b>e</b> Other				
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				91,266,359



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

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .		<b>1</b>	1,785,104,232
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
<b>a</b>	Net unrealized gains (losses) on investments . . . . .	<b>2a</b>		
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>		
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	4,714,672	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .		<b>2e</b>	4,714,672
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .		<b>3</b>	1,780,389,560
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line <b>1</b>			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	179,472,768	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .		<b>4c</b>	179,472,768
<b>5</b>	Total revenue Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12 ) . . . . .		<b>5</b>	1,959,862,328

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

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements . . . . .		<b>1</b>	1,739,659,064
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25			
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>		
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>		
<b>c</b>	Other losses . . . . .	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	-168,689,785	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .		<b>2e</b>	-168,689,785
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .		<b>3</b>	1,908,348,849
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> :			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	3,314,832	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .		<b>4c</b>	3,314,832
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . .		<b>5</b>	1,911,663,681

**Part XIII Supplemental Information**

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.

Return Reference	Explanation
PART X, LINE 2	THE COMPANY IS GENERALLY EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501 (C)(4) OF THE IRC THE COMPANY REALIZED A FEDERAL AND STATE INCOME TAX EXPENSE OF APPROXIMATELY \$431,000 AND \$211,000 IN 2015 AND 2014, RESPECTIVELY

**Part XIII Supplemental Information (continued)**

Return Reference	Explanation
PART XI, LINE 4B - OTHER ADJUSTMENTS	MN HEALTH INFO EXCHANGE K-1 INTERCOMPANY ADMIN FEES RECLASSIFIED FROM EXPENSE 179,472,768
PART XII, LINE 2D - OTHER ADJUSTMENTS	INTERCOMPANY ADMIN FEES RECLASSIFIED AS REVENUE -179,472,768 STATUTORY GROSS UP FOR DEPRECIATION EXPENSE 2,753,479 STATUTORY GROSS UP FOR RENTAL INCOME 3,924,904 DENTAL EXPENSES (MEDICA TAX PARTNERSHIP K-1), RECLASSIFIED AS REVENUE 4,104,600
PART XII, LINE 4B - OTHER ADJUSTMENTS	INVESTMENT EXPENSE RECLASSIFIED AS REVENUE 258,743 INTEREST EXPENSE RECLASSIFIED AS REVENUE 56,113 DEPRECIATION ON REAL ESTATE RECLASSIFIED AS EXPENSE 2,999,976

Schedule I (Form 990)

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

OMB No 1545-0047

2015

Open to Public Inspection

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

Attach to Form 990.

Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury Internal Revenue Service

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?
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 Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on 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.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC 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. Row 1 contains 'See Additional Data Table'.

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

**Part III Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on 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.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	MEDICA HEALTH PLANS (MHP) DONATES TO 501(C)(3) ORGANIZATIONS MHP HAS MEETINGS TO MONITOR THE WORK BEING DONE TO SUPPORT THE MISSION OF THE GRANT RECIPIENTS

**Additional Data**

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

**Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.**

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
INSTITUTE FOR CLINICAL SYSTEMS IMPROVEMENT 8009 34TH AVE SO STE 1200 BLOOMINGTON, MN 55425	41-1782168	501(C)(3)	900,000		ACTUAL AMOUNT		SUPPORT THE BEST PRACTICES IN THE MEDICAL WORLD
MEDICA FOUNDATION 401 CARLSON PARKWAY MINNETONKA, MN 55305	41-1812461	501(C)(3)	4,000,000		ACTUAL AMOUNT		SUPPORT OF THE MANY PROGRAMS CONDUCTED BY THE FOUNDATION
MEDICA RESEARCH INSTITUTE 401 CARLSON PARKWAY MINNETONKA, MN 55305	27-0600894	501(C)(3)	3,000,000		ACTUAL AMOUNT		SUPPORT OF THE MANY PROGRAMS CONDUCTED BY THE INSTITUTE

**Schedule J**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

OMB No 1545-0047

**For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**  
 ▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**  
 ▶ **Attach to Form 990.**

**2015**  
**Open to Public Inspection**

▶ **Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Name of the organization MEDICA HEALTH PLANS	Employer identification number 41-1242261
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**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<b>b</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	<b>1b</b>	
<b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	<b>2</b>	
<b>3</b> 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. <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
<b>4</b> During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: <b>a</b> Receive a severance payment or change-of-control payment? <b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? <b>c</b> 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.	<b>4a</b> <b>4b</b> <b>4c</b>	No Yes No
<b>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</b>		
<b>5</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: <b>a</b> The organization? <b>b</b> Any related organization? If "Yes," on line 5a or 5b, describe in Part III.	<b>5a</b> <b>5b</b>	No No
<b>6</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: <b>a</b> The organization? <b>b</b> Any related organization? If "Yes," on line 6a or 6b, describe in Part III.	<b>6a</b> <b>6b</b>	Yes Yes
<b>7</b> For persons listed on 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.	<b>7</b>	No
<b>8</b> Were any amounts reported on Form 990, Part VII, paid or accrued 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.	<b>8</b>	No
<b>9</b> If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	<b>9</b>	

**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 on 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 in column(B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

**Part III Supplemental Information**

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.

Return Reference	Explanation
PART I, LINE 4B	THE FOLLOWING RECEIVED PAYMENTS FROM A NON-QUALIFIED RETIREMENT PLAN DAVID TILFORD \$ 60,239 GLENN E ANDIS \$ 16,238 JANA L JOHNSON \$ 13,468 MARK L BAIRD \$119,990 ROBERT LONGENDYKE \$ 11,495 JAMES P JACOBSON \$ 12,232 DEBBY S KNUTSON \$ 10,317 RICHARD H SYKORA \$ 7,801 TIMOTHY D THULL \$ 41,166 DANNETTE M COLEMAN \$ 11,975 BARBARA LYNCH \$ 6,400 GEOFFREY J BARTSH \$ 2,745 JOHN W NAYLOR \$ 50,865 MARY QUIST \$ 14,936
PART I, LINE 6	MANAGEMENT INCENTIVE COMPENSATION INCLUDES COMPONENTS RELATED TO THE ORGANIZATIONS OPERATING EARNINGS
SCHEDULE J, PART II	SCHEDULE J, PART II, COLUMN (F), COMPENSATION IN COLUMN (B) REPORTED AS DEFERRED IN PRIOR FORM 990. COLUMN (F) INCLUDES AMOUNTS VESTED IN THE CURRENT YEAR, WHICH WERE PREVIOUSLY REPORTED IN COLUMN (C) OF PRIOR YEARS' 990'S, AS RETIREMENT AND DEFERRED COMPENSATION.



**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 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).

**2015**

**Open to Public  
Inspection**

Name of the organization  
MEDICA HEALTH PLANS

**Employer identification number**

41-1242261

**990 Schedule O, Supplemental Information**

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

## 990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	MEDICA'S TAX ADVISORS COMPLETE THE RETURN, MEDICA'S CONTROLLER AND FINANCE MANAGER REVIEW THE RETURN BEFORE IT IS SIGNED BY THE CFO A COPY WILL BE PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO FILING WITH THE IRS
FORM 990, PART VI, SECTION B, LINE 12C	ANNUALLY ALL EMPLOYEES OF MEDICA HEALTH PLANS AND DIRECTORS OF ALL MEDICA ENTITIES COMPLETE A CONFLICT OF INTEREST DISCLOSURE AND ARE REQUIRED TO REVIEW THE CONFLICT POLICY ALL POTENTIAL CONFLICTS ARE REVIEWED BY LEGAL/COMPLIANCE

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
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 COMPENSATION RECOMMENDATIONS MADE BY THE CFO FOR THE EXECUTIVE AND SENIOR VICE PRESIDENTS, REVIEWS ALL OFFICER COMPENSATION AND PERFORMANCE GOALS APPROVED BY THE CEO ANNUALLY THE PERSONNEL AND COMPENSATION COMMITTEE ALSO REVIEWS AND RECOMMENDS TO THE BOARD, OFFICER AND NON-OFFICER 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 PROPRIETARY DOCUMENT THEREFORE, MEDICA WOULD MAKE THIS POLICY AVAILABLE TO ANYONE WHO REQUESTS IT CERTAIN 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 AVAILABLE UPON REQUEST

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
FORM 990, PART XI, LINE 9	CHANGE IN VALUE OF NONADMITTED ASSETS -2,738,264 MN HEALTH INFO EXCHANGE K-1 0 STAT GROSS UP FOR DEPRECIATION -2,753,479
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, MEDICA RESEARCH INSTITUTE, MEDICA INSURANCE COMPANY, MEDICA SELF-INSURED, MEDICA AFFILIATED SERVICES, AND MEDICA HEALTH MANAGEMENT) THE AVERAGE HOURS PER WEEK REPORTED IN PART VII ARE THE TOTAL HOURS PER WEEK FOR ALL MEDICA ORGANIZATIONS

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2015**

**Open to Public Inspection**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Department of the Treasury  
Internal Revenue Service

Name of the organization  
MEDICA HEALTH PLANS

Employer identification number

41-1242261

**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on 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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
<b>(1)</b> MEDICA FOUNDATION 401 CARLSON PARKWAY  MINNETONKA, MN 55305 41-1812461	FOUNDATION	MN	501(C)(3)	509(A)(3) II	MEDICA HOLDING COMPANY		No
<b>(2)</b> MEDICA HEALTH PLANS OF WISCONSIN 401 CARLSON PARKWAY  MINNETONKA, MN 55305 41-1843804	HEALTH COVERAGE	MN	501(C)(4)	N/A	MEDICA HOLDING COMPANY		No
<b>(3)</b> MEDICA HOLDING COMPANY 401 CARLSON PARKWAY  MINNETONKA, MN 55305 01-0571840	HOLDING COMPANY/NO ACTIVITY	MN	501(C)(4)	N/A	N/A		No
<b>(4)</b> MEDICA RESEARCH INSTITUTE 401 CARLSON PARKWAY  MINNETONKA, MN 55305 27-0600894	RESEARCH FOUNDATION	MN	501(C)(3)	509(A)(3) I	MEDICA HOLDING COMPANY		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(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" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
<b>(1)</b> MEDICA INSURANCE COMPANY  401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1490988	HEALTH INSURANCE	MN	MEDICA AFFILIATED SERVICES	C					No
<b>(2)</b> MEDICA SELF-INSURED	THIRD PARTY ADMINISTRATOR	MN	MEDICA AFFILIATED SERVICES	C					No
<b>(3)</b> MEDICA AFFILIATED SERVICES  401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1716415	HOLDING COMPANY	MN	MEDICA HOLDING COMPANY	C					No
<b>(4)</b> 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" on Form 990, Part IV, line 34, 35b, or 36.

**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 organization 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 . . . . .
- b** Gift, grant, or capital contribution to related organization(s) . . . . .
- c** Gift, grant, or capital contribution from related organization(s) . . . . .
- d** Loans or loan guarantees to or for related organization(s) . . . . .
- e** Loans or loan guarantees by related organization(s) . . . . .
  
- f** Dividends from related organization(s) . . . . .
- g** Sale of assets to related organization(s) . . . . .
- h** Purchase of assets from related organization(s) . . . . .
- i** Exchange of assets with related organization(s) . . . . .
- j** Lease of facilities, equipment, or other assets to related organization(s) . . . . .
  
- k** Lease of facilities, equipment, or other assets from related organization(s) . . . . .
- l** Performance of services or membership or fundraising solicitations for related organization(s) . . . . .
- m** Performance of services or membership or fundraising solicitations by related organization(s) . . . . .
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . . .
- o** Sharing of paid employees with related organization(s) . . . . .
  
- p** Reimbursement paid to related organization(s) for expenses . . . . .
- q** Reimbursement paid by related organization(s) for expenses . . . . .
  
- r** Other transfer of cash or property to related organization(s) . . . . .
- s** Other transfer of cash or property from related organization(s) . . . . .

	Yes	No
<b>1a</b>		No
<b>1b</b>	Yes	
<b>1c</b>		No
<b>1d</b>	Yes	
<b>1e</b>		No
<b>1f</b>		No
<b>1g</b>		No
<b>1h</b>		No
<b>1i</b>		No
<b>1j</b>		No
<b>1k</b>		No
<b>1l</b>		No
<b>1m</b>		No
<b>1n</b>	Yes	
<b>1o</b>	Yes	
<b>1p</b>		No
<b>1q</b>	Yes	
<b>1r</b>		No
<b>1s</b>		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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved



**Part VII** **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

<b>Return Reference</b>	<b>Explanation</b>
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