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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*

OMB No 1545-0047

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning 01-01-2016 , and ending 12-31-2016

B Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization
Medica Health Plans
% MARY QUIST
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

D Employer identification number
41-1242261

E Telephone number
(952) 992-2058

G Gross receipts $ 16,183,857,600

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 subordinates? ☐ Yes ☑ No

H(b) Are all subordinates 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

1 Briefly describe the organization's mission or most significant activities
See Schedule O

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 2016 (Part V, line 2a)	**5**	1,773
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	100,103,106
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	726,463

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	1,951,942,410	2,520,267,901
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,178,100	16,566,033
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,741,818	1,590,393
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,959,862,328	2,538,424,327
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	7,900,000	3,220,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	1,537,555,991	2,296,968,554
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	143,929,227	150,323,269
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)	222,278,463	275,256,665
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,911,663,681	2,725,768,488
19	Revenue less expenses Subtract line 18 from line 12	48,198,647	-187,344,161

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	896,765,075	803,328,154
21	Total liabilities (Part X, line 26)	392,762,666	485,977,778
22	Net assets or fund balances Subtract line 21 from line 20	504,002,409	317,350,376

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

****** 2017-11-15
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
Monroe J Gierl	Monroe J Gierl	2017-11-15		P01413237

Firm's name ▶ KPMG LLP | Firm's EIN ▶

Firm's address ▶ 4200 Wells Fargo Ctr 90 S 7th
Minneapolis, MN 55402

Phone no (612) 305-5000

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 See Additional Data)	(Expenses $	2,256,563,275	including grants of $	) (Revenue $	2,193,032,367)
4b	(Code See Additional Data)	(Expenses $	40,228,320	including grants of $	) (Revenue $	29,734,007)
4c	(Code See Additional Data)	(Expenses $	176,959	including grants of $	) (Revenue $	382,323)
4d	Other program services (Describe in Schedule O)	(Expenses $	3,220,000	including grants of $	3,220,000) (Revenue $	197,269,832)
4e	**Total program service expenses ▶**		2,300,188,554			

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1		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 other assistance to or for any foreign organization? *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 other assistance to or for foreign individuals? *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

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

			Yes	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**		
21	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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	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? *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 25a*	**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), 501(c)(4), and 501(c)(29) 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	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? *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**		No
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**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a**	1,335		
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**	1,773		
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" to line 3b, 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 FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
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.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	**8**			
9a	Did the sponsoring organization make any taxable distributions under section 4966? . . .	**9a**			
b	Did the sponsoring 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 or note to any line 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, 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 0 0 0	X		X				2,247,460	0	37,954
(2) John Buck Chair	15 0 0 0	X		X				106,250	0	0
(3) Esther Tomljanovich Vice Chair- Through June 2016	6 0 0 0	X						66,000	0	0
(4) Peter Kelly Director	10 0 0 0	X						67,000	0	0
(5) John Stanoch Vice Chair -Start June 2016	10 0 0 0	X		X				68,250	0	0
(6) Earl Stratton Director -Through June 2016	10 0 0 0	X						70,250	0	0
(7) Mark L Baird SVP & CFO, Treasurer	40 0 0 0			X				990,763	0	45,182
(8) James P Jacobson SVP & Gen Counsel, Secretary	40 0 0 0			X				595,877	0	46,153
(9) Glenn E Andis SVP Government Programs	40 0 0 0				X			766,143	0	47,478
(10) Dannette M Coleman SVP Ind & Fam Business	40 0 0 0				X			612,659	0	42,849
(11) Jana L Johnson SVP Hlth & Prov Services	40 0 0 0				X			674,121	0	46,843
(12) Debby S Knutson SVP HR	40 0 0 0				X			574,593	0	29,180
(13) Robert Longendyke SVP & CMO	40 0 0 0				X			603,527	0	45,672
(14) John W Naylor SVP Commercial Markets	40 0 0 0				X			836,003	0	67,080
(15) Alan Spiro MD SVP & CMO	40 0 0 0				X			527,660	0	31,295
(16) Timothy D Thull SVP & CIO	40 0 0 0				X			661,794	0	45,845
(17) Geoffrey J Bartsh VP & GM SPP	40 0 0 0					X		567,551	0	67,826

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Andrew E Davis	40 0					X		581,300	0	42,862
GM & VP CHA	0 0									
(19) Mary P Quist	40 0					X		505,694	0	44,230
VP Fin & Corp Controller	0 0									
(20) Scott R Reid	40 0					X		476,274	0	45,835
VP Comm Prod & Ops	0 0									
(21) Richard H Sykora	40 0					X		508,930	0	42,967
VP/GM Com Fin & Undwrtng	0 0									
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								12,108,099	0	729,251

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 ▶ 360

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
United Health Care Services Inc, 9900 Bren Dr E MN008-T380 Minnetonka, MN 55343	Claims Processing	105,657,827
Dahl Consulting Inc, 418 County Road D E St Paul, MN 55117	Temp Services	10,502,191
Loffler Companies Inc, 1101 East 78th Street Suite 200 Bloomington, MN 55420	Printing	1,330,876
Change HealthCare Solutions LLC, 3055 Lebanon Pike Ste 1000 Nashville, TN 37214	Issues claim pymnts	697,985
Atomic Data LLC, 250 Marquette Ave Suite 225 Minneapolis, MN 55401	Technology Services	635,658

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 ▶ 30

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
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns . .	1a			
	b Membership dues . .	1b			
	c Fundraising events . .	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f			
	g Noncash contributions included in lines 1a-1f $ _____				
	h **Total.** Add lines 1a-1f . . . . . ▶	0			

Program Service Revenue	Business Code				
2a Medicaid Revenue	524114	2,193,032,367	2,193,032,367		
b Group & Individual Premiums	524114	129,583,379	29,734,007	99,849,372	
c Medicare Revenue	524114	382,323	382,323		
d Intercompany Admin Fees	561000	197,269,832	197,269,832		
e _____					
f All other program service revenue					
g **Total.** Add lines 2a-2f . . . . ▶		2,520,267,901			

Other Revenue					
3 Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		10,981,886			10,981,886
4 Income from investment of tax-exempt bond proceeds ▶		0			
5 Royalties . . . . . ▶		0			
	(i) Real / (ii) Personal				
6a Gross rents	5,435,820 /				
b Less rental expenses	4,099,161 /				
c Rental income or (loss)	1,336,659 / 0				
d Net rental income or (loss) . . . . . ▶		1,336,659			1,336,659
	(i) Securities / (ii) Other				
7a Gross amount from sales of assets other than inventory	13,646,918,259 /				
b Less cost or other basis and sales expenses	13,641,334,112 /				
c Gain or (loss)	5,584,147 /				
d Net gain or (loss) . . . . . ▶		5,584,147			5,584,147
8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . a	0				
b Less direct expenses . . . b	0				
c Net income or (loss) from fundraising events . . ▶		0			
9a Gross income from gaming activities See Part IV, line 19 . . . a	0				
b Less direct expenses . . . b	0				
c Net income or (loss) from gaming activities . . ▶		0			
10a Gross sales of inventory, less returns and allowances . . a	0				
b Less cost of goods sold . . b	0				
c Net income or (loss) from sales of inventory . . ▶		0			
Miscellaneous Revenue	Business Code				
11a Medica Tax Partnership - Dental Revenue	900099	253,734		253,734	
b _____					
c _____					
d All other revenue					
e **Total.** Add lines 11a-11d . . . . . ▶		253,734			
12 **Total revenue.** See Instructions . . . . . ▶		2,538,424,327	2,420,418,529	100,103,106	17,902,692

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 . . . . . ☐

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) Fundraisingexpenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21	3,220,000	3,220,000		
2 Grants and other assistance to domestic individuals See Part IV, line 22	0			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, line 15 and 16	0			
4 Benefits paid to or for members	2,296,968,554	2,296,968,554		
5 Compensation of current officers, directors, trustees, and key employees	9,382,848		9,382,848	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	110,539,259		110,539,259	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	10,503,394		10,503,394	
9 Other employee benefits	11,250,056		11,250,056	
10 Payroll taxes	8,647,712		8,647,712	
11 Fees for services (non-employees)				
a Management	0			
b Legal	2,097,702		2,097,702	
c Accounting	373,853		373,853	
d Lobbying	515,516		515,516	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	1,332,999		1,332,999	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	50,988,096		50,988,096	
12 Advertising and promotion	7,232,315		7,232,315	
13 Office expenses	4,506,778		4,506,778	
14 Information technology	35,163,264		35,163,264	
15 Royalties . .	0			
16 Occupancy	4,799,527		4,799,527	
17 Travel	624,619		624,619	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials .	0			
19 Conferences, conventions, and meetings	524,818		524,818	
20 Interest	186,846		186,846	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization . .	24,286,100		24,286,100	
23 Insurance . . .	1,647,963		1,647,963	
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	98,907,025		98,907,025	
b Premium Taxes	28,965,537		28,965,537	
c Printing & Publication	8,892,271		8,892,271	
d Other	4,211,436		4,211,436	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	2,725,768,488	2,300,188,554	425,579,934	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 or note to any line in this Part IX . . . . . ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing	7,122,848	1	28,395,441
	2	Savings and temporary cash investments	294,310,693	2	161,954,916
	3	Pledges and grants receivable, net	0	3	0
	4	Accounts receivable, net	78,911,787	4	141,446,432
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	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	0	6	0
	7	Notes and loans receivable, net	0	7	0
	8	Inventories for sale or use	0	8	0
	9	Prepaid expenses and deferred charges	0	9	0
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a: 119,205,748			
	b	Less accumulated depreciation — 10b: 30,939,882	91,266,359	10c	88,265,866
	11	Investments—publicly traded securities	323,516,795	11	237,463,007
	12	Investments—other securities See Part IV, line 11	67,917,188	12	67,677,405
	13	Investments—program-related See Part IV, line 11	0	13	0
	14	Intangible assets	0	14	0
	15	Other assets See Part IV, line 11	33,719,405	15	78,125,087
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	896,765,075	16	803,328,154
Liabilities	17	Accounts payable and accrued expenses	245,217,267	17	336,961,958
	18	Grants payable	0	18	0
	19	Deferred revenue	147,545,399	19	149,015,820
	20	Tax-exempt bond liabilities	0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0
	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	0	22	0
	23	Secured mortgages and notes payable to unrelated third parties	0	23	0
	24	Unsecured notes and loans payable to unrelated third parties	0	24	0
	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	0	25	0
	26	**Total liabilities.** Add lines 17 through 25	392,762,666	26	485,977,778
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	504,002,409	27	317,350,376
	28	Temporarily restricted net assets	0	28	0
	29	Permanently restricted net assets	0	29	0
		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	504,002,409	33	317,350,376
	34	Total liabilities and net assets/fund balances	896,765,075	34	803,328,154

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,538,424,327
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,725,768,488
3	Revenue less expenses Subtract line 2 from line 1	3	-187,344,161
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	504,002,409
5	Net unrealized gains (losses) on investments	5	4,959,887
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	-4,267,759
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	317,350,376

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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		

Additional Data

Software ID:

Software Version:

EIN: 41-1242261

Name: Medica Health Plans

Form 990 (2016)

Form 990, Part III, Line 4a:

See Schedule O

Form 990, Part III, Line 4b:

IN 2016 MHP PROVIDED FULLY INSURED COMMERCIAL HMO HEALTH INSURANCE COVERAGE TO GROUPS AND INDIVIDUALS IN MINNESOTA AS OF 12/31/2016, THE ENROLLMENT IN MHP FULLY INSURED MINNESOTA GROUP PLANS WAS 6,454, WHICH WAS APPROXIMATELY 1 9% OF MHP'S TOTAL 2016 ENROLLMENT

Form 990, Part III, Line 4c:

IN 2016, MHP PARTICIPATED IN MINNESOTA SENIOR HEALTH OPTIONS (MSHO), A MEDICARE-RELATED PRODUCT, IN MINNESOTA ENROLLMENT IN THAT PRODUCT WAS 11,270 OR 3 2% OF MHP'S TOTAL ENROLLMENT MSHO IS A PRODUCT FOR PEOPLE AGE 65 AND OLDER AND ELIGIBLE FOR BOTH MEDICARE AND MEDICAID

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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.

OMB No 1545-0047

2016

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
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of 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" 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
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, 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
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, 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" on Form 990, Part IV, line 10.

	(a)Current year	(b)Prior year	(c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance					
b Contributions					
c 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 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
(i) unrelated organizations . . . . . 3a(i)		
(ii) related organizations . . . . . 3a(ii)		
b If "Yes" on 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.

Complete if the organization answered 'Yes' on 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)	(c)Accumulated depreciation	(d)Book value
1a Land		18,775,799		18,775,799
b Buildings		67,842,702	7,115,813	60,726,889
c Leasehold improvements		16,752,991	11,766,025	4,986,966
d Equipment		15,834,256	12,058,044	3,776,212
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c))* ▶				88,265,866

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. 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) PRUDENTIAL INVESTMENT	67,677,405	C
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	67,677,405	

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX **Other Assets.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) INVESTMENT INCOME	1,274,892
(2) REINSURANCE RECOVERIES	1,619,865
(3) REINSURANCE RECEIVABLES	8,755,069
(4) UNINSURED PLANS RECEIVABLE	6,000,000
(5) FEDERAL INCOME TAX RECOVERABLE	82,572
(6) INTERCOMPANY RECEIVABLES	34,674,478
(7) GENERAL EXPENSE RECEIVABLE	25,718,211
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15)* ▶	78,125,087

Part X **Other Liabilities.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	0
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	0

2. Liability for uncertain tax positions 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

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

1	Total revenue, gains, and other support per audited financial statements			1	2,345,335,967
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains (losses) 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	8,851,371		
e	Add lines **2a** through **2d**			2e	8,851,371
3	Subtract line **2e** from line **1**			3	2,336,484,596
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	1,332,999		
b	Other (Describe in Part XIII)	4b	200,606,732		
c	Add lines **4a** and **4b**			4c	201,939,731
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	2,538,424,327

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.

1	Total expenses and losses per audited financial statements			1	2,535,186,887
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	11,358,130		
e	Add lines **2a** through **2d**			2e	11,358,130
3	Subtract line **2e** from line **1**			3	2,523,828,757
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	1,332,999		
b	Other (Describe in Part XIII)	4b	200,606,732		
c	Add lines **4a** and **4b**			4c	201,939,731
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	2,725,768,488

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
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 41-1242261
Name: Medica Health Plans

Supplemental Information

Return Reference	Explanation
Sch D 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 benefit on unrelated business activities of Approximately $84,000 in 2016, and the Company realized a federal and state income tax expense on Unrelated business activities of approximately $431,000 in 2015

Supplemental Information

Return Reference	Explanation
Sch D Part XI Line 2d	OTHER ADJUSTMENTS STATUTORY GROSS UP FOR RENTAL INCOME $ 4,404,538 DENTAL EXPENSES (MEDIC A TAX PARTNERSHIP K-1) $ 4,200,113 FEDERAL TAXES BENEFIT $ 246,720 TOTAL TO SCHEDULE D, PA RT XI, LINE 2D $ 8,851,371

Supplemental Information

Return Reference	Explanation
Sch D Part XI Line 4b	OTHER ADJUSTMENTS MN HEALTH INFO EXCHANGE K-1 INTERCOMPANY ADMIN FEES RECLASSED FROM EXPENSE $197,269,832 INTEREST EXPENSE RECLASSED AS EXPENSE $ 186,846 DEPRECIATION ON REAL ESTATE RECLASSED AS EXPENSE $ 3,150,054 TOTAL TO SCHEDULE D, PART XI, LINE 4B $200,606,732

Supplemental Information

Return Reference	Explanation
Sch D Part XII Line 2d	OTHER ADJUSTMENTS STATUTORY GROSS UP FOR DEPRECIATION EXPENSE $ 2,753,479 STATUTORY GROSS UP FOR RENTAL INCOME $ 4,404,538 DENTAL EXPENSES (MEDICA TAX PARTNERSHIP K-1), RECLASSED AS REVENUE $ 4,200,113 TOTAL TO SCHEDULE D, PART XII, LINE 2D $11,358,130

Supplemental Information

Return Reference	Explanation
Sch D Part XII Line 4b	OTHER ADJUSTMENTS INTEREST EXPENSE RECLASSED AS REVENUE $ 186,846 DEPRECIATION ON REAL ES TATE RECLASSED AS EXPENSE $ 3,150,054 INTERCOMPANY ADMIN FEES RECLASSED AS REVENUE $197,26 9,832 TOTAL TO SCHEDULE D, PART XII, LINE 4B $200,606,732

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

Complete if the organization answered "Yes," 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*.**

OMB No 1545-0047

2016

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 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

(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
(1) INSTITUTE FOR CLINICAL SYSTEMS IMPROVEMENT 8009 34TH AVE S SUITE 1200 BLOOMINGTON, MN 55425	41-1782168	501(C)(3)	720,000				SUPPORT BEST PRACTICES IN MEDICAL WORLD
(2) MEDICA FOUNDATION 401 CARLSON PARKWAY MINNETONKA, MN 55305	41-1812461	501(C)(3)	2,500,000				SUPPORT PROGRAMS CONDUCTED BY FOUNDATION

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

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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

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
Sch I 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

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Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**

▶ **Attach to Form 990.**

▶ **Information about Schedule J (Form 990) and its instructions is at *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 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 on 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 directors, trustees, officers, including 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 on 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?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	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			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," on line 5a or 5b, describe in Part III			
6	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			
a	The organization?	**6a**	Yes	
b	Any related organization?	**6b**	Yes	
	If "Yes," on line 6a or 6b, describe in Part III			
7	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	**7**		No
8	Were any amounts reported on 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" on 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 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
Sch J Part I Line 4b	THE FOLLOWING RECEIVED PAYMENTS FROM A NON-QUALIFIED RETIREMENT PLAN DAVID TILFORD $ 180,409 GLENN E ANDIS $ 51,983 JANA L JOHNSON $ 42,975 MARK L BAIRD $ 71,051 ROBERT LONGENDYKE $ 36,549 JAMES P JACOBSON $ 35,483 DEBBY S KNUTSON $ 31,616 RICHARD H SYKORA $ 25,719 TIMOTHY D THULL $ 41,034 DANNETTE M COLEMAN $ 37,126 GEOFFREY J BARTSH $ 3,141 JOHN W NAYLOR $ 28,259 MARY P QUIST $ 25,371 SCOTT R REID $ 22,949
Sch J Part I Line 6a & 6b	MANAGEMENT INCENTIVE COMPENSATION INCLUDES COMPONENTS RELATED TO THE ORGANIZATIONS and related organizations OPERATING EARNINGS
Sch 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

Additional Data

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 and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable 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
1Glenn E Andis SVP Government Programs	(I)	335,089	352,317	78,737	20,538	28,822	815,503	51,983
	(II)				0	0	0	0
1Mark L Baird SVP & CFO, Treasurer	(I)	408,519	484,906	97,338	20,538	26,743	1,038,044	71,051
	(II)				0	0	0	0
2Geoffrey J Bartsh VP & GM SPP	(I)	250,747	292,722	24,082	44,167	25,311	637,029	3,141
	(II)				0	0	0	0
3Dannette M Coleman SVP Ind & Fam Business	(I)	303,020	250,876	58,763	20,538	24,090	657,287	37,126
	(II)				0	0	0	0
4Andrew E Davis GM & VP CHA	(I)	314,670	246,062	20,568	42,862	1,792	625,954	0
	(II)				0	0	0	0
5James P Jacobson SVP & Gen Counsel, Secretary	(I)	288,344	248,737	58,796	19,213	28,707	643,797	35,483
	(II)				0	0	0	0
6Jana L Johnson SVP Hlth & Prov Services	(I)	293,896	312,715	67,510	20,538	28,086	722,745	42,975
	(II)				0	0	0	0
7Debby S KnutsonSVP HR	(I)	280,787	236,330	57,476	19,213	11,676	605,482	31,616
	(II)				0	0	0	0
8Robert Longendyke SVP & CMO	(I)	291,710	249,582	62,235	20,538	26,890	650,955	36,549
	(II)				0	0	0	0
9John W Naylor SVP Commercial Markets	(I)	387,172	397,370	51,461	44,159	24,955	905,117	28,259
	(II)				0	0	0	0
10Mary P Quist VP Fin & Corp Controller	(I)	256,402	201,798	47,494	20,538	25,360	551,592	25,371
	(II)				0	0	0	0
11Scott R Reid VP Comm Prod & Ops	(I)	251,615	180,335	44,324	20,538	26,940	523,752	22,949
	(II)				0	0	0	0
12Alan Spiro MDSVP & CMO	(I)	168,952	120,684	238,024	22,718	9,338	559,716	0
	(II)				0	0	0	0
13Richard H Sykora VP/GM Com Fin & Undwrtng	(I)	246,879	212,601	49,450	20,538	24,052	553,520	25,719
	(II)				0	0	0	0
14Timothy D ThullSVP & CIO	(I)	311,068	287,767	62,959	20,538	27,117	709,449	41,034
	(II)				0	0	0	0
15David TilfordPresident/CEO	(I)	803,372	1,232,635	211,453	20,538	19,635	2,287,633	180,409
	(II)				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 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.

OMB No 1545-0047

2016

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 I Line 1	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

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part III Line 4a	Medica Health Plans (MHP) in 2016 provided 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 329,474 Medica members - 94 9 % of MHP's total enrollment - were in Minnesota state programs as of 12/31/ 2016 There were 270,429 Prepaid Medical Assistance Program (Medicaid) members, 44,003 Minnesotacare members, and 15,042 Special Needs Basic Care members In the NCQA 2016 Health Insurance Plan Ratings, Medica's Medicaid HMO was one of the Highest-rated Medicaid plan in Minnesota and among the 45 highest-rated Medicaid plans in the United States Medica Health Plans' Minnesota Medicaid HMO currently holds an accreditation Status of Accredited 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 or negotiates 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 -In 2016 Medica Health Plans medical loss ratio for State of Minnesota health programs was 100 6% -The administrative cost ratio was approximately 6 4% including premium taxes

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part III Line 4d	Medica Health Plans Intercompany Administrative Agreements MHP has management agreements w ith related entities to provide administrative services MHP is reimbursed for these servi ces monthly In 2016, MHP was reimbursed for $ $197,269,832 in intercompany administrative expenses, reported as revenue on the 990 Contributions by Medica On Behalf of Members Be yond Contracted Services In 2016 MHP spent approximately $3 5 million to provide additiona l, 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 Fam ilies and Children, MNCare Adults without Children, MSHO, SNBC Programs included My Heal th 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 fi nancial assistance to access care Collaborative Efforts MHP donates funding, employee tim e and other resources in support of more than two dozen collaborative efforts with local, state, regional and national organizations Examples include Minnesota Community Measurem ent, which promotes community-based, evidence-based care, and quality comparisons of provi der groups and clinics, Institute for Clinical Systems Improvement, which provides evidenc e-graded guidelines and assessments, Minnesota Health Information Exchange, which connects doctors, hospitals and clinics statewide Medica annually helps fund a number of collabor ative education and training seminars and conferences Health and Wellness Programs Provid ing Community Benefit Medica undertakes a variety of initiatives to make health care more affordable, available and effective Examples include -Improvements in rates of annual sc reenings among members for diseases such as cancers, heart disease and diabetes, pre and p ost-birth maternity care, immunizations, and child and teen checkups -Reductions in medica lly unnecessary ER visits and in-patient hospital admissions -Tying provider reimbursement to improvements in care outcomes, quality and efficiency -Increased participation in exer cise and nutrition programs Asthma, Diabetes and Weight-Loss Camps for Children Medica fu nds medically supervised summer camps so children can learn how to better manage chronic c onditions My Health Rewards from Medica includes an array of online tools and resources th at make it easy for Medica members to assess their health status, and to customize and fol low personalized programs for a healthier lifestyle and diet In 2016, the core My Health Rewards from Medica program was provided at no additional charge to fully insured groups Fit Choices by Medica provided

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part III Line 4d	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 a nd a personalized nutrition and fitness plan In 2016, Fit Choices by Medica was available at no cost to MHPs fully insured and MinnesotaCare members Health and Wellness Coaching Medica's health and wellness coaching program is a self-directed program offering a wide v ariety 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 w as no cost to Medica members to participate in the health and wellness coaching program M edical and Mental Health Disease Management and Patient Support Medica in 2016 offered a p ortfolio 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 complicati ons through early intervention and monitoring, promote medical care and compliance with th e patient's physician-recommended medical treatment regimen, and to improve satisfaction w ith health care services Medica's disease management programs were provided at no additio nal charge to fully insured groups, and to Minnesota state health care program enrollees s erved by Medica There is no cost to eligible Medica members

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part VI Line 6	MEMBERS EXIST WITHIN MEDICA HEALTH PLANS AS MEMBERS COVERED UNDER REGULATED INSURANCE PLANS

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part VI 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 Line 11b	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

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part VI 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 Line 15a	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

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part VI 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 VII Line	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

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part XI Line 9	CHANGES IN NET ASSETS CHANGE IN VALUE OF NONADMITTED ASSETS $(1,761,000) STAT GROSS UP FOR DEPRECIATION $(2,753,479) Federal Tax Benefit $ 246,720 TOTAL TO FORM 990, PART XI, LINE 9 $(4,267,759)

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" 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.

OMB No 1545-0047

2016

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" 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	(g) Section 512(b)(13) controlled entity? No
(1)MEDICA FOUNDATION 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1812461	FOUNDATION	MN	501(C)(3)	509(A)(3)II	MH COMPANY		No
(2)MEDICA HEALTH PLANS OF WISCONSIN 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1843804	HEALTH CVRGE	MN	501(C)(4)	N/A	MH COMPANY		No
(3)MEDICA HOLDING COMPANY 401 CARLSON PARKWAY MINNETONKA, MN 55305 01-0571840	Holding Co	MN	501(C)(4)	N/A	NA		No
(4)MEDICA RESEARCH INSTITUTE 401 CARLSON PARKWAY MINNETONKA, MN 55305 27-0600894	RESEARCH FDTN	MN	501(C)(3)	509(A)(3)I	MH 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) 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" 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	(i) No
(1)MEDICA INSURANCE COMPANY 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1490988	HEALTH INSURANCE	MN	MEDICA AFF	C Corp	0	0	0 %		No
(2)MEDICA SELF-INSURED 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1479417	THIRD PARTY ADMIN	MN	MEDICA AFF	C Corp	0	0	0 %		No
(3)MEDICA AFFILIATED SERVICES 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1716415	HOLDING COMPANY	MN	MH COMPANY	C Corp	0	0	0 %		No
(4)MEDICA HEALTH MANAGEMENT 401 CARLSON PARKWAY MINNETONKA, MN 55305 20-8005519	HEALTH MGMT	MN	MEDICA AFF	C Corp	0	0	0 %		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

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest, **(ii)**annuities, **(iii)** royalties, or**(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Medica Health Plans of Wisconsin	d	33,250,000	BOOK
(2) Medica Health Plans of Wisconsin	n	18,365,546	BOOK
(3) Medica Health Plans of Wisconsin	o	14,854,455	BOOK
(4) Medica Health Plans of Wisconsin	q	17,363,250	BOOK

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

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

Return Reference	Explanation