

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
2017
Open to Public Inspection

A For the 2017 calendar year, or tax year beginning 01-01-2017, and ending 12-31-2017

- 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

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

D Employer identification number
41-1242261

E Telephone number
(952) 992-2058

G Gross receipts \$ 5,175,108,977

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
TO BE THE TRUSTED HEALTH PLAN OF CHOICE FOR CUSTOMERS, MEMBERS, PARTNERS AND OUR EMPLOYEES

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)	6
4 Number of independent voting members of the governing body (Part VI, line 1b)	5
5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	1,726
6 Total number of volunteers (estimate if necessary)	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	-43,613
7b Net unrelated business taxable income from Form 990-T, line 34	-45,863

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	2,520,267,901	1,471,441,545
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	16,566,033	21,687,362
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,590,393	1,703,041
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,538,424,327	1,494,831,948
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	3,220,000	576,000
14 Benefits paid to or for members (Part IX, column (A), line 4)	2,296,968,554	1,137,627,909
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	150,323,269	152,369,473
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	275,256,665	123,019,918
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	2,725,768,488	1,413,593,300
19 Revenue less expenses Subtract line 18 from line 12	-187,344,161	81,238,648

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	803,328,154	481,974,194
21 Total liabilities (Part X, line 26)	485,977,778	194,116,273
22 Net assets or fund balances Subtract line 21 from line 20	317,350,376	287,857,921

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

Signature of officer
Date 2018-11-08

MARK L BAIRD CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name
Monroe J Gierl

Preparer's signature
Monroe J Gierl

Date
2018-11-08

Check if self-employed

PTIN
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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III **1** Briefly describe the organization's mission

TO BE THE TRUSTED HEALTH PLAN OF CHOICE FOR CUSTOMERS, MEMBERS, PARTNERS AND OUR EMPLOYEES

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 \$	1,103,663,122	including grants of \$) (Revenue \$	1,231,912,805)
	See Additional Data					

4b	(Code)	(Expenses \$	33,733,474	including grants of \$) (Revenue \$	34,455,448)
	See Additional Data					

4c	(Code)	(Expenses \$	231,313	including grants of \$) (Revenue \$	343,446)
	See Additional Data					

4d	Other program services (Describe in Schedule O)					
	(Expenses \$	576,000	including grants of \$	576,000)	(Revenue \$	204,729,846)

4e	Total program service expenses ▶	1,138,203,909				
-----------	---	---------------	--	--	--	--

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)? <i>If "Yes," complete Schedule A</i>		No
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?		No
3	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>		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? <i>If "Yes," complete Schedule C, Part II</i>		
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? <i>If "Yes," complete Schedule C, Part III</i>		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? <i>If "Yes," complete Schedule D, Part I</i> 🗑️		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? <i>If "Yes," complete Schedule D, Part II</i> 🗑️		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> 🗑️		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? <i>If "Yes," complete Schedule D, Part IV</i> 🗑️		No
10	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> 🗑️		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? <i>If "Yes," complete Schedule D, Part VI</i> 🗑️	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? <i>If "Yes," complete Schedule D, Part VII</i> 🗑️		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> 🗑️		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? <i>If "Yes," complete Schedule D, Part IX</i> 🗑️	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> 🗑️		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)? <i>If "Yes," complete Schedule D, Part X</i> 🗑️	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> 🗑️	Yes	
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> 🗑️	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I</i> (see instructions)		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? <i>If "Yes," complete Schedule G, Part II</i>		No
19	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>		No

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include 20a through 38, covering various organizational requirements and schedules.

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 ID, question text, and Yes/No response boxes. Rows include questions 1a-1b, 2a-2b, 3a-3b, 4a-4b, 5a-5c, 6a-6b, 7a-7h, 8, 9a-9b, 10a-10b, 11a-11b, 12a-12b, 13a-13c, and 14a-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 [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (6), 1b (5), 2, 3, 4, 5, 6, 7a, 7b, 8, 8a, 8b, 9.

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

Table with 3 columns: Question, Yes, No. Rows include: 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

Table with 3 columns: Question, Yes, No. Rows include: 17 (MN), 18 (Own website, Another's website, Upon request, Other), 19, 20 (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			
See Additional Data Table										

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			
See Additional Data Table										

1b Sub-Total	▶		
1c Total from continuation sheets to Part VII, Section A	▶		
1d Total (add lines 1b and 1c)	▶	12,726,383	0 899,811

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 ▶ 355

3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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	41,933,336
Dahl Consulting Inc, 418 County Road D E St Paul, MN 55117	Temp Services	5,601,217
Loffler Companies Inc, 1101 East 78th Street Suite 200 Bloomington, MN 55420	Printing	440,338
Change HealthCare Solutions LLC, 3055 Lebanon Pike Ste 1000 Nashville, TN 37214	Issues claim pymnts	380,669
Human Capital Partners, 5151 Edina Industrial Blvd Ste 100 Edina, MN 55439	Consulting Services	285,100

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 ▶ 19

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	1,231,912,805	1,231,912,805	
b Group & Individual Premiums		524114	34,455,448	34,455,448		
c Medicare Revenue		524114	343,446	343,446		
d Intercompany Admin Fees		561000	204,729,846	204,729,846		
e _____						
f All other program service revenue						
g Total. Add lines 2a-2f			1,471,441,545			

Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			8,279,692			8,279,692
	4 Income from investment of tax-exempt bond proceeds			0			
	5 Royalties			0			
	6a Gross rents	(i) Real	(ii) Personal				
		5,541,020					
	b Less rental expenses	3,794,366					
	c Rental income or (loss)	1,746,654	0				
	d Net rental income or (loss)			1,746,654			1,746,654
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		3,689,890,333					
	b Less cost or other basis and sales expenses	3,676,482,663					
	c Gain or (loss)	13,407,670					
	d Net gain or (loss)			13,407,670			13,407,670
	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		-43,613			-43,613	
b _____							
c _____							
d All other revenue							
e Total. Add lines 11a-11d			-43,613				
12 Total revenue. See Instructions			1,494,831,948	1,471,441,545	-43,613	23,434,016	

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

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.	576,000	576,000		
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.	1,137,627,909	1,137,627,909		
5 Compensation of current officers, directors, trustees, and key employees.	3,365,925		3,365,925	
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.	122,336,506		122,336,506	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	6,929,663		6,929,663	
9 Other employee benefits.	11,888,447		11,888,447	
10 Payroll taxes.	7,848,932		7,848,932	
11 Fees for services (non-employees)				
a Management.	0			
b Legal.	3,596,513		3,596,513	
c Accounting.	787,156		787,156	
d Lobbying.	427,886		427,886	
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees.	1,152,146		1,152,146	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	31,767,315		31,767,315	
12 Advertising and promotion.	4,761,796		4,761,796	
13 Office expenses.	3,889,240		3,889,240	
14 Information technology.	13,102,313		13,102,313	
15 Royalties.	0			
16 Occupancy.	4,993,085		4,993,085	
17 Travel.	364,689		364,689	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19 Conferences, conventions, and meetings.	290,335		290,335	
20 Interest.	104,017		104,017	
21 Payments to affiliates.	0			
22 Depreciation, depletion, and amortization.	25,575,191		25,575,191	
23 Insurance.	1,558,802		1,558,802	
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 Premium Taxes.	20,318,321		20,318,321	
b Printing & Publication.	6,008,273		6,008,273	
c Other.	4,322,840		4,322,840	
d				
e All other expenses.				
25 Total functional expenses. Add lines 1 through 24e.	1,413,593,300	1,138,203,909	275,389,391	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 <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 IX

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	28,395,441	1	75,237,433
	2 Savings and temporary cash investments	161,954,916	2	55,134,613
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	141,446,432	4	33,733,311
	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 119,907,467		
	b Less accumulated depreciation	10b 35,912,161	88,265,866	10c 83,995,306
	11 Investments—publicly traded securities	237,463,007	11	203,628,238
	12 Investments—other securities See Part IV, line 11	67,677,405	12	5,441,632
	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	78,125,087	15	24,803,661
16 Total assets. Add lines 1 through 15 (must equal line 34)	803,328,154	16	481,974,194	
Liabilities	17 Accounts payable and accrued expenses	336,961,958	17	154,543,349
	18 Grants payable	0	18	0
	19 Deferred revenue	149,015,820	19	39,572,924
	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	485,977,778	26	194,116,273
Net Assets or Fund Balances	27 Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	30 Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34. Capital stock or trust principal, or current funds	0	30	0
	31 Paid-in or capital surplus, or land, building or equipment fund	0	31	0
	32 Retained earnings, endowment, accumulated income, or other funds	317,350,376	32	287,857,921
	33 Total net assets or fund balances	317,350,376	33	287,857,921
	34 Total liabilities and net assets/fund balances	803,328,154	34	481,974,194

Part XI Reconciliation 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	1,494,831,948
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,413,593,300
3	Revenue less expenses Subtract line 2 from line 1	3	81,238,648
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	317,350,376
5	Net unrealized gains (losses) on investments	5	-2,959,348
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	-107,771,755
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	287,857,921

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 <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		
2a	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	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	
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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
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?		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		

Additional Data

Software ID:

Software Version:

EIN: 41-1242261

Name: Medica Health Plans

Form 990 (2017)

Form 990, Part III, Line 4a:

See Schedule O

Form 990, Part III, Line 4b:

IN 2017 MHP PROVIDED FULLY INSURED COMMERCIAL HMO HEALTH INSURANCE COVERAGE TO GROUPS AND INDIVIDUALS IN MINNESOTA AS OF 12/31/2017 THE ENROLLMENT IN MHP FULLY INSURED MINNESOTA GROUP PLANS WAS 2,946, WHICH WAS APPROXIMATELY 9.1% OF MHP'S TOTAL 2017 ENROLLMENT

Form 990, Part III, Line 4c:

IN 2017, MHP PARTICIPATED IN MINNESOTA SENIOR HEALTH OPTIONS (MSHO), A MEDICARE-RELATED PRODUCT, IN MINNESOTA ENROLLMENT IN THAT PRODUCT WAS 11,115 OR 34.5% OF MHP'S TOTAL ENROLLMENT. MSHO IS A PRODUCT FOR PEOPLE AGE 65 AND OLDER AND ELIGIBLE FOR BOTH MEDICARE AND MEDICAID.

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
John W Naylor President/CEO- Start Feb 2017	40 0 0 0	X		X				1,372,499	0	43,421
David Tilford Pres/CEO thru 1/17	40 0 0 0	X		X				1,444,272	0	7,239
John Buck Director, Chair	15 0 0 0	X		X				123,250	0	0
Peter Kelly Director	10 0 0 0	X						71,500	0	0
John Stanoch Director, Vice Chair	10 0 0 0	X		X				95,125	0	0
Esther Tomljanovich Director	6 0 0 0	X						78,750	0	0
Mary Twinem Director	10 0 0 0	X						80,750	0	0
Mark L Baird SVP & CFO, Treasurer	40 0 0 0			X				728,871	0	50,231
James P Jacobson SVP & Gen Counsel, Secretary	40 0 0 0			X				494,384	0	52,065
Glenn E Andis SVP Govt Prog	40 0 0 0				X			216,893	0	3,397

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
Geoffrey J Bartsh VP & GM IFB	40 0 0 0				X			407,438	0	56,757
Dannette M Coleman SVP IND & Fam Business	40 0 0 0				X			614,225	0	5,667
Jana L Johnson SVP Hlth & Provider Services	40 0 0 0				X			540,751	0	24,574
Debby S Knutson SVP HR	40 0 0 0				X			278,946	0	14,650
Robert Longendyke SVP & CMO	40 0 0 0				X			471,138	0	50,357
Scott R Reid VP Growth Initiatives	40 0 0 0				X			430,664	0	49,488
Alan Spiro MD SVP & CMO	40 0 0 0				X			413,204	0	31,425
Timothy D Thull SVP & CIO	40 0 0 0				X			503,263	0	50,496
Paul R Crowley SVP & GM CMD	40 0 0 0				X			450,860	0	60,857
Thomas H Lindquist SVP & GM Gov't Programs	40 0 0 0				X			324,714	0	47,278

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
Nichole L White VP Hlth Services	40 0 0 0				X			499,863	0	74,814
John R Mach Jr CMO & SVP	40 0 0 0				X			30,508	0	3,092
Lynn Altmann VP HR	40 0 0 0				X			335,081	0	53,080
Kimberly A Branson VP Ops	40 0 0 0				X			330,732	0	45,776
Lori L Nelson SVP	40 0 0 0				X			268,870	0	20,807
Stephen T Custis VP Chief Actuary	40 0 0 0					X		350,854	0	53,716
Andrew E Davis GM & VP CHA	40 0 0 0					X		654,379	0	9,403
Mary P Quist VP Finance & Corp Controller	40 0 0 0					X		397,160	0	47,628
Christine R Finn VP Mktg & Comm	40 0 0 0					X		391,995	0	32,666
James E Hartert VP & SR MD	40 0 0 0					X		325,444	0	10,927

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
2017
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<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	
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 | |
| d Additions during the year | |
| e Distributions during the year | |
| f Ending balance | |
- 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
- | | | |
|--|------------|-----------|
| (i) unrelated organizations | Yes | No |
| 3a(i) | | |
| (ii) related organizations | Yes | No |
| 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		67,824,201	8,811,418	59,012,783
c Leasehold improvements		17,102,478	13,183,117	3,919,361
d Equipment		16,204,989	13,917,626	2,287,363
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				83,995,306

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)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12)		

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	705,191
(2) REINSURANCE RECOVERIES	230,332
(3) INTERCOMPANY RECEIVABLES	15,997,262
(4) GENERAL EXPENSE RECEIVABLE	7,870,876
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15)	24,803,661

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.

(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	1,293,238,719
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	7,505,477
e	Add lines 2a through 2d	2e	7,505,477
3	Subtract line 2e from line 1	3	1,285,733,242
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	1,152,146
b	Other (Describe in Part XIII)	4b	207,946,560
c	Add lines 4a and 4b	4c	209,098,706
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	1,494,831,948

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	1,214,753,550
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	10,258,956
e	Add lines 2a through 2d	2e	10,258,956
3	Subtract line 2e from line 1	3	1,204,494,594
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	1,152,146
b	Other (Describe in Part XIII)	4b	207,946,560
c	Add lines 4a and 4b	4c	209,098,706
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	1,413,593,300

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 Internal Revenue Code, with the exception of taxes on unrelated business activities. The federal unrelated business income tax benefit is included in federal income tax benefit in the statutory statements of revenue and expenses.

Supplemental Information

Return Reference	Explanation
Sch D Part XI Line 2d	OTHER ADJUSTMENTS STATUTORY GROSS UP FOR RENTAL INCOME \$ 4,160,707 DENTAL EXPENSES (MEDICA TAX PARTNERSHIP K-1) \$ 3,247,644 FEDERAL TAXES BENEFIT \$ 97,126 TOTAL TO SCHEDULE D, PART XI, LINE 2D \$ 7,505,477

Supplemental Information

Return Reference	Explanation
Sch D Part XI Line 4b	OTHER ADJUSTMENTS INTERCOMPANY ADMIN FEES RECLASSIFIED FROM EXPENSE \$ 204,729,846 INTEREST EXPENSE RECLASSIFIED AS EXPENSE \$ 104,017 DEPRECIATION ON REAL ESTATE RECLASSIFIED AS EXPENSE \$ 3,112,697 TOTAL TO SCHEDULE D, PART XI, LINE 4B \$ 207,946,560

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 \$ 4,160,707 DENTAL EXPENSES (MEDICA TAX PARTNERSHIP K-1), RECLASSIFIED AS REVENUE \$ 3,247,644 FEDERAL TAXES BENEFIT \$ 97,126 TOTAL TO SCHEDULE D, PART XII, LINE 2D \$ 10,258,956

Supplemental Information

Return Reference	Explanation
Sch D Part XII Line 4b	OTHER ADJUSTMENTS INTEREST EXPENSE RECLASSIFIED AS REVENUE \$ 104,017 DEPRECIATION ON REAL ESTATE RECLASSIFIED AS EXPENSE \$ 3,112,697 INTERCOMPANY ADMIN FEES RECLASSIFIED AS REVENUE \$ 204,729,846 TOTAL TO SCHEDULE D, PART XII, LINE 4B \$ 207,946,560

Schedule I (Form 990)

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

OMB No 1545-0047

2017

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 noncash assistance, (h) Purpose of grant or assistance. Row 1: (1) INSTITUTE FOR CLINICAL SYSTEMS IMPROVEMENT, 41-1782168, 501(C)(3), 576,000, ACTUAL AMOUNT, SUPPORT BEST PRACTICES IN MEDICAL WORLD.

- 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 noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash 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

Schedule J
(Form 990)

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

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Medica Health Plans

Employer identification number
41-1242261

Part I Questions Regarding Compensation

	Yes	No								
<p>1a 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.</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)									
<p>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.</p>	1b									
<p>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?</p>	2									
<p>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.</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Compensation committee</td> <td><input type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input checked="" type="checkbox"/> Independent compensation consultant</td> <td><input checked="" type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input checked="" type="checkbox"/> Form 990 of other organizations</td> <td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract	<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study	<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee				
<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract									
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study									
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee									
<p>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:</p> <p>a Receive a severance payment or change-of-control payment?</p> <p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	4a	Yes								
	4b	Yes								
	4c	No								
<p>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</p> <p>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:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 5a or 5b, describe in Part III.</p>	5a	No								
	5b	No								
<p>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:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 6a or 6b, describe in Part III.</p>	6a	Yes								
	6b	Yes								
<p>7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</p>	7	No								
<p>8 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.</p>	8	No								
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	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 4a	Severance Payments Dannette M Coleman \$ 139,972 Andrew E Davis \$ 196,059 Jana L Johnson \$ 189,956 David Tilford \$ 456,923 James E Hartert \$ 153,811
Sch J Part I Line 4b	THE FOLLOWING RECEIVED PAYMENTS FROM A NON-QUALIFIED RETIREMENT PLAN MARK L BAIRD \$ 48,290 Geoffrey J Bartsh \$ 25,124 Andrew E Davis \$ 86,042 JAMES P JACOBSON \$ 24,617 Jana L Johnson \$ 6,619 Debby S Knutson \$ 975 Robert Longendyke \$ 23,568 JOHN W NAYLOR \$ 234,207 MARY P QUIST \$ 16,823 SCOTT R REID \$ 19,753 Timothy D Thull \$ 27,887 David Tilford \$ 61,103 Lynn Altmann \$ 10,846 Kimberly A Branson \$ 11,780 Christine R Finn \$ 71,956
Sch J Part I Line 6a & 6b	MANAGEMENT INCENTIVE COMPENSATION INCLUDES COMPONENTS RELATED TO THE 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

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			(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				
21 Lynn Altmann VP HR	(i)	237,935	65,000	32,146	24,975	29,566	389,622	10,846
	(ii)	0	0	0	0	0	0	0
1 Kimberly A Branson VP Ops	(i)	255,233	41,600	33,899	23,625	23,663	378,020	11,780
	(ii)	0	0	0	0	0	0	0
2 Lori L Nelson SVP	(i)	132,714	115,870	20,286	16,481	4,942	290,293	0
	(ii)	0	0	0	0	0	0	0
3 Christine R Finn VP Mktg & Comm	(i)	204,632	92,421	94,942	14,194	19,770	425,959	71,956
	(ii)	0	0	0	0	0	0	0
4 James E Hartert VP & SR MD	(i)	120,617	7,150	197,677	4,867	6,616	336,927	0
	(ii)	0	0	0	0	0	0	0

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545-0047

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

2017

▶ Attach to Form 990 or 990-EZ.

Open to Public Inspection

▶ Information about Schedule O (Form 990 or 990-EZ) 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

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part III Line 4a	<p>MEDICA HEALTH PLANS (MHP) IN 2017 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 18,122 MEDICA MEMBERS OR 56.2% OF MHP'S TOTAL ENROLLMENT - WERE IN MINNESOTA STATE PROGRAMS AS OF 12/31/2017. THERE WERE 4,198 PREPAID MEDICAL ASSISTANCE PROGRAM (MEDICAID) MEMBERS AND 13,924 SPECIAL NEEDS BASIC CARE MEMBERS. IN THE NCQA 2017 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 2017 MEDICA HEALTH PLANS MEDICAL LOSS RATIO FOR STATE OF MINNESOTA HEALTH PROGRAMS WAS 93.9%. -THE ADMINISTRATIVE COST RATIO WAS APPROXIMATELY 6.7% INCLUDING PREMIUM TAXES.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part III Line 4d	<p>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 2017, MHP was reimbursed for \$204,729,846 in intercompany administrative expenses, reported as revenue on the 990 Contributions by Medica On Behalf of Members Beyond Contracted Services In 2017 MHP spent approximately \$3.9 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 2017, the core My Health Rewards from Medica program was provided at no additional charge to fully insured groups Fit Choices by Medica provided M</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990 Part III Line 4d	<p>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 2017, Fit Choices by Medica was available at no cost to MHP's fully insured and MinnesotaCare 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 2017 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.</p>

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 DIRECTOR 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 Section B Line 1	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, MEDICA HEALTH MANAGEMENT, AND MMSI, INC) 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 \$14,981,724 STAT GROSS UP FOR DEPRECIATION \$(2,753,479) TRANSFER TO MHC \$(120,000,000) TOTAL TO FORM 990, PART XI, LINE 9 \$(107,771,755)

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2017

**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.**

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
(1) MEDICA FOUNDATION 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1812461	FOUNDATION	MN	501(C)(3)	Line 12b	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) Mayo Research Inc 401 CARLSON PARKWAY MINNETONKA, MN 55305 27-0600894	RESEARCH FDTN	MN	501(C)(3)	Line 12a	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) 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
(1) MEDICA INSURANCE COMPANY 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1490988	HEALTH INSURANCE	MN	MEDICA AFF	C Corp	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			No
(3) MEDICA AFFILIATED SERVICES 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1716415	HOLDING COMPANY	MN	MH COMPANY	C Corp	0	0			No
(4) MEDICA HEALTH MANAGEMENT 401 CARLSON PARKWAY MINNETONKA, MN 55305 20-8005519	HEALTH MGMT	MN	MEDICA AFF	C Corp	0	0			No
(5) MMSI INC 401 CARLSON PARKWAY MINNETONKA, MN 55305 41-1547003	THIRD PARTY ADMIN	MN	MEDICA AFF	C Corp	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 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		No
b Gift, grant, or capital contribution to related organization(s)		No
c Gift, grant, or capital contribution from related organization(s)		No
d Loans or loan guarantees to or for related organization(s)	Yes	
e Loans or loan guarantees by related organization(s)		No
f Dividends from related organization(s)		No
g Sale of assets to related organization(s)		No
h Purchase of assets from related organization(s)		No
i Exchange of assets with related organization(s)		No
j Lease of facilities, equipment, or other assets to related organization(s)		No
k Lease of facilities, equipment, or other assets from related organization(s)		No
l Performance of services or membership or fundraising solicitations for related organization(s)		No
m Performance of services or membership or fundraising solicitations by related organization(s)		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	Yes	
o Sharing of paid employees with related organization(s)	Yes	
p Reimbursement paid to related organization(s) for expenses		No
q Reimbursement paid by related organization(s) for expenses	Yes	
r Other transfer of cash or property to related organization(s)	Yes	
s Other transfer of cash or property from related organization(s)		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	13,434,527	BOOK
(3)MEDICA HEALTH PLANS OF WISCONSIN	o	16,478,473	BOOK
(4)MEDICA HEALTH PLANS OF WISCONSIN	q	12,720,851	BOOK
(5)Medica Holding Company	r	120,000,000	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) 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		Yes	No	

Part VII **Supplemental Information**

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