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PUBLIC DISCLOSURE COPY



CPAs & BUSINESS ADVISORS

November 15, 2016

Avera Health Plans, Inc.  
3816 S Elmwood Ave Ste 100  
Sioux Falls, SD 57105  
Attention: Christopher Jessen

Dear Christopher,

Enclosed are the original and one copy of the 2015 Exempt Organization returns, as follows...

2015 Form 990

2015 Form 990-T

2015 IRS E-File Signature Authorization For An Exempt Organization (Form 8879-EO)

Please review the returns for completeness and accuracy.

We recommend that you use certified mail with post marked receipt for proof of timely filing.

In addition, we have included a public disclosure copy of the Form 990 and Form 990-T (if applicable). All exempt organizations are required to have a copy of its current year Form 990 and two prior year returns available for public inspection. If the Form 990 includes a Schedule of Contributors (Schedule B), we have removed the names and addresses of contributors from this return, as this information is not open to public inspection. Only organizations exempt under 501(c)(3) must make the current year Form 990-T and two prior year returns available. You should sign the copy of these returns and keep them available at your primary office location.

We have prepared the returns from information you furnished us without verification. Upon examination of the returns by tax authorities, requests may be made for underlying data. We therefore recommend that you preserve all records which you may be called upon to produce in connection with such possible examinations.

Many states require legal entities to register with them in order to do business in their state. Please remember to keep

your registration active and current for each state that you have business activities.

We sincerely appreciate the opportunity to serve you. Please contact us if you have any questions concerning the tax returns.

Sincerely,

Laurie Hanson

# TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING  
December 31, 2015

|   |  |
|---|--|
| <b>Prepared for</b>                                 | Avera Health Plans, Inc.<br>3816 S Elmwood Ave Ste 100<br>Sioux Falls, SD 57105  |
| <b>Prepared by</b>                                  | EIDE BAILLY LLP<br>200 EAST 10TH ST, PO BOX 5125<br>SIOUX FALLS, SD 57117-5125   |
| <b>Amount due or refund</b>                         | Not applicable   |
| <b>Make check payable to</b>                        | Not applicable   |
| <b>Mail tax return and check (if applicable) to</b> | Not applicable   |
| <b>Return must be mailed on or before</b>           | Not applicable   |
| <b>Special Instructions</b>                         | This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-EO to our office. We will transmit the return electronically to the IRS and no further action is required. Return Form 8879-EO to us by November 15, 2016. |

SHORT YEAR RETURN

Form **990**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2015**  
Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A** For the 2015 calendar year, or tax year beginning **OCT 1, 2015** and ending **DEC 31, 2015**

|   |  |  |  |
|---|--|--|--|
| <b>B</b> Check if applicable:<br><br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input checked="" type="checkbox"/> Initial return<br><input type="checkbox"/> Final return/terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | <b>C</b> Name of organization<br><b>AVERA HEALTH PLANS, INC.</b>   |  | <b>D</b> Employer identification number<br><b>46-0451539</b> |
|   | Doing business as  |  | <b>E</b> Telephone number<br><b>605-322-4500</b>             |
|   | Number and street (or P.O. box if mail is not delivered to street address)                               | Room/suite   |  |
|   | City or town, state or province, country, and ZIP or foreign postal code<br><b>SIOUX FALLS, SD 57105</b> |  | <b>G</b> Gross receipts \$ <b>40,987,392.</b>                |
| <b>F</b> Name and address of principal officer: <b>ROBIN O. BATES</b><br><b>3816 S ELMWOOD AVE STE 100, SIOUX FALLS, SD</b>   |  | <b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |  |
| <b>I</b> Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) ( <b>4</b> ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527   |  | <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No                      |  |
| <b>J</b> Website: ▶ <b>AVERAHEALTHPLANS.COM</b>   |  | <b>H(c)</b> Group exemption number ▶   |  |
| <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶   |  | <b>L</b> Year of formation: <b>1999</b> <b>M</b> State of legal domicile: <b>SD</b>                                      |  |

**Part I Summary**

|   |   |                                  |                     |
|---|---|----------------------------------|---------------------|
| <b>Activities &amp; Governance</b>                                      | <b>1</b> Briefly describe the organization's mission or most significant activities: <b>TO MAKE A POSITIVE IMPACT IN THE LIVES AND HEALTH OF PERSONS AND COMMUNITIES.</b> |                                  |                     |
|   | <b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.                          |                                  |                     |
|   | <b>3</b> Number of voting members of the governing body (Part VI, line 1a)  | <b>3</b>                         | <b>10</b>           |
|   | <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)  | <b>4</b>                         | <b>4</b>            |
|   | <b>5</b> Total number of individuals employed in calendar year 2015 (Part V, line 2a)   | <b>5</b>                         | <b>141</b>          |
|   | <b>6</b> Total number of volunteers (estimate if necessary)   | <b>6</b>                         | <b>12</b>           |
|   | <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12  | <b>7a</b>                        | <b>549,367.</b>     |
| <b>b</b> Net unrelated business taxable income from Form 990-T, line 34 | <b>7b</b>   | <b>-102,203.</b>                 |                     |
| <b>Revenue</b>  | <b>8</b> Contributions and grants (Part VIII, line 1h)  | <b>Prior Year</b>                | <b>Current Year</b> |
|   | <b>9</b> Program service revenue (Part VIII, line 2g)   |                                  | <b>0.</b>           |
|   | <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)   |                                  | <b>40,745,036.</b>  |
|   | <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)  |                                  | <b>214,830.</b>     |
|   | <b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)  |                                  | <b>1,078.</b>       |
| <b>Expenses</b>   | <b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)  |                                  | <b>40,960,944.</b>  |
|   | <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)   |                                  | <b>0.</b>           |
|   | <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)   |                                  | <b>0.</b>           |
|   | <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)  |                                  | <b>2,110,667.</b>   |
|   | <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0.</b>  |                                  | <b>0.</b>           |
|   | <b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)  |                                  | <b>51,912,283.</b>  |
|   | <b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)   |                                  | <b>54,022,950.</b>  |
| <b>19</b> Revenue less expenses. Subtract line 18 from line 12          |   | <b>-13,062,006.</b>              |                     |
| <b>Net Assets or Fund Balances</b>                                      | <b>20</b> Total assets (Part X, line 16)  | <b>Beginning of Current Year</b> | <b>End of Year</b>  |
|   | <b>21</b> Total liabilities (Part X, line 26)   |                                  | <b>47,717,458.</b>  |
|   | <b>22</b> Net assets or fund balances. Subtract line 21 from line 20  |                                  | <b>25,610,599.</b>  |
|   |   |                                  | <b>22,106,859.</b>  |

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

|                               |  |  |                                |   |
|-------------------------------|--|--|--------------------------------|---|
| <b>Sign Here</b>              | Signature of officer   |  | Date                           |   |
|                               | ▶ <b>ROBIN O. BATES, PRESIDENT</b><br>Type or print name and title |  |                                |   |
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name<br><b>LAURIE HANSON</b>                 | Preparer's signature<br><b>LAURIE HANSON</b>   | Date<br><b>11/15/16</b>        | Check <input type="checkbox"/> if self-employed<br>PTIN<br><b>P00851848</b> |
|                               | Firm's name ▶ <b>EIDE BAILLY LLP</b>                               | Firm's address ▶ <b>200 EAST 10TH ST, PO BOX 5125<br/>SIOUX FALLS, SD 57117-5125</b> | Firm's EIN ▶ <b>45-0250958</b> | Phone no. <b>605-339-1999</b>   |

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 [X]

1 Briefly describe the organization's mission: TO MAKE A POSITIVE IMPACT IN THE LIVES AND HEALTH OF PERSONS AND COMMUNITIES BY PROVIDING QUALITY SERVICES GUIDED BY CHRISTIAN VALUES.

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 [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code: ) (Expenses \$ 50,712,592. including grants of \$ ) (Revenue \$ 40,196,747. ) AS AN ESSENTIAL COMPONENT OF THE AVERA HEALTH INTEGRATED DELIVERY SYSTEM, AVERA HEALTH PLANS (AHP) PROVIDES LOW-COST, HIGH QUALITY HEALTH PLAN COVERAGE AND CONDUCTS OTHER ACTIVITIES THAT INCREASE THE HEALTH OF THE COMMUNITY IN ITS SERVICE AREA.

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

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

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

4e Total program service expenses 50,712,592.

**Part IV Checklist of Required Schedules**

|   | Yes | No |
|---|-----|----|
| <b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?<br><i>If "Yes," complete Schedule A</i> .....  |     | X  |
| <b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....   |     | X  |
| <b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....  |     | X  |
| <b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....  |     |    |
| <b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....   |     | X  |
| <b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....  |     | X  |
| <b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....  |     | X  |
| <b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....   |     | X  |
| <b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....            |     | X  |
| <b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....   |     | X  |
| <b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.   |     |    |
| <b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....   | X   |    |
| <b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....   |     | X  |
| <b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....   |     | X  |
| <b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....  | X   |    |
| <b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....   | X   |    |
| <b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....  |     | X  |
| <b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....  |     | X  |
| <b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year?<br><i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....  |     | X  |
| <b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....  |     | X  |
| <b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....  |     | X  |
| <b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> ..... |     | X  |
| <b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....   |     | X  |
| <b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....   |     | X  |
| <b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....   |     | X  |
| <b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....   |     | X  |
| <b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....   |     | X  |

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

|  | Yes | No |
|--|-----|----|
| <b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....  |     | X  |
| <b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....  |     |    |
| <b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....   |     | X  |
| <b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....   |     | X  |
| <b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....  | X   |    |
| <b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....                           |     | X  |
| <b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....   |     |    |
| <b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....  |     |    |
| <b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....   |     |    |
| <b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....  |     | X  |
| <b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....  |     | X  |
| <b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....                                 |     | X  |
| <b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> ..... |     | X  |
| <b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):  |     |    |
| <b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....  |     | X  |
| <b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....   |     | X  |
| <b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....   | X   |    |
| <b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....  |     | X  |
| <b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....  |     | X  |
| <b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....  |     | X  |
| <b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....  |     | X  |
| <b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....  |     | X  |
| <b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....  | X   |    |
| <b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....   |     | X  |
| <b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....  |     |    |
| <b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....   |     |    |
| <b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....   |     | X  |
| <b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? .....   | X   |    |

**Note.** All Form 990 filers are required to complete Schedule O .....



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

Input box for Schedule O check

Table with columns for question ID, question text, and Yes/No response boxes. Includes rows for backup withholding, employee reporting, unrelated business income, foreign accounts, tax shelter transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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 5 columns: Question, 1a, 1b, Yes, No. Rows include questions about voting members, family relationships, management delegation, and governance decisions.

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

Table with 5 columns: Question, Yes, No. Rows include questions about local chapters, conflict of interest policies, whistleblower policies, and compensation review processes.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed NONE
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection.
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: CHRISTOPHER JESSEN, CFO - 605-322-4500

**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, and 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)<br>Name and Title  | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>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) ROB BATES<br>PRESIDENT                                   | 4.00<br>40.00   | X   |                       | X       |              |                              |        | 0.   | 427,862.  | 36,447.   |
| (2) DR. DAVE KAPASKA<br>VICE PRESIDENT                       | 1.00<br>40.00   | X   |                       | X       |              |                              |        | 0.   | 853,345.  | 39,030.   |
| (3) JIM BRECKENRIDGE<br>SECRETARY                            | 2.00<br>40.00   | X   |                       | X       |              |                              |        | 0.   | 777,186.  | 22,921.   |
| (4) DAVE TIMPE<br>DIRECTOR                                   | 1.00<br>0.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (5) DR. THOMAS DEAN<br>DIRECTOR                              | 1.00<br>0.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (6) JOHN PORTER<br>DIRECTOR                                  | 1.00<br>40.00   | X   |                       |         |              |                              |        | 0.   | 1,536,437.  | 36,280.   |
| (7) DR. CLARK LIKNES<br>DIRECTOR                             | 1.00<br>0.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (8) FRED SLUNECKA<br>DIRECTOR                                | 1.00<br>40.00   | X   |                       |         |              |                              |        | 0.   | 1,106,960.  | 34,150.   |
| (9) GARY GASPER<br>DIRECTOR                                  | 2.00<br>0.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (10) MARTY HITZMANN<br>DIRECTOR                              | 0.50<br>0.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (11) DEBRA MULLER<br>CAO                                     | 40.00<br>0.00   |   |                       | X       |              |                              |        | 191,578.   | 0.  | 22,965.   |
| (12) DR. PRESTON RENSHAW<br>CMO                              | 40.00<br>0.00   |   |                       | X       |              |                              |        | 305,543.   | 0.  | 36,068.   |
| (13) JAMES BRADLEY<br>DIRECTOR OF SALES                      | 40.00<br>0.00   |   |                       |         |              | X                            |        | 167,595.   | 0.  | 23,088.   |
| (14) CHRISTINE LOUNSBERY<br>HEALTH SERVICES/PHARMACY MANAGER | 40.00<br>0.00   |   |                       |         |              | X                            |        | 134,354.   | 0.  | 28,048.   |
| (15) PAM SKALS<br>SALES ASSOCIATE                            | 40.00<br>0.00   |   |                       |         |              | X                            |        | 164,961.   | 0.  | 31,325.   |
| (16) DAN PETERSON<br>SALES ASSOCIATE                         | 40.00<br>0.00   |   |                       |         |              | X                            |        | 154,444.   | 0.  | 16,589.   |
| (17) MIKE DOOLEY<br>DIRECTOR OF PROVIDER CONTRACTING & E     | 40.00<br>0.00   |   |                       |         |              | X                            |        | 123,033.   | 0.  | 31,061.   |

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

| (A)<br>Name and title  | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |            | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|------------|--|---|---|
|  |   | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former     |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
|  |   |   |                       |         |              |                              |            |  |   |   |
| <b>1b Sub-total</b>  |   |   |                       |         |              |                              | 1,241,508. | 4,701,790.   | 357,972.  |   |
| <b>c Total from continuation sheets to Part VII, Section A</b> |   |   |                       |         |              |                              | 0.         | 0.   | 0.  |   |
| <b>d Total (add lines 1b and 1c)</b>                           |   |   |                       |         |              |                              | 1,241,508. | 4,701,790.   | 357,972.  |   |

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 **12**

|  | 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  |     | X  |
| 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 | X   |    |
| 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                       |     | X  |

**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)<br>Name and business address   | (B)<br>Description of services | (C)<br>Compensation |
|--|--------------------------------|---------------------|
| NATIONAL PHARMACEUTICAL SERVICES<br>PO BOX 407, BOYS TOWN, NE 68010          | PHARMACY SERVICES              | 27,086,785.         |
| DUBRAKI & ASSOCIATES, 11622 EL CAMINO<br>REAL SUITE 100, SAN DIEGO, CA 92130 | REINSURANCE                    | 3,631,128.          |
| ALERE<br>PO BOX 403393, ATLANTA, GA 30384-3393                               | DISEASE MANAGEMENT             | 1,291,898.          |
| MUTUAL MED<br>4321 E 60TH ST, DAVENPORT, IA 52807                            | BROKER COMMISSIONS             | 1,006,675.          |
| DST, 13804 COLLECTION CENTER DR, CHICAGO,<br>IL 60693                        | SOFTWARE SUPPORT SERVICES      | 823,466.            |

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)           | (B)                                | (C)                        | (D)  |
|---|---|----------------------|----------------------|---------------|------------------------------------|----------------------------|--|
|   |   |                      |                      | Total revenue | Related or exempt function revenue | Unrelated business revenue | Revenue excluded from tax under sections 512 - 514 |
| <b>Contributions, Gifts, Grants and Other Similar Amounts</b>     | <b>1 a</b> Federated campaigns .....  | <b>1a</b>            |                      |               |                                    |                            |  |
|   | <b>b</b> Membership dues .....  | <b>1b</b>            |                      |               |                                    |                            |  |
|   | <b>c</b> Fundraising events .....   | <b>1c</b>            |                      |               |                                    |                            |  |
|   | <b>d</b> Related organizations .....  | <b>1d</b>            |                      |               |                                    |                            |  |
|   | <b>e</b> Government grants (contributions) .....  | <b>1e</b>            |                      |               |                                    |                            |  |
|   | <b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....   | <b>1f</b>            |                      |               |                                    |                            |  |
|   | <b>g</b> Noncash contributions included in lines 1a-1f: \$ .....  |                      |                      |               |                                    |                            |  |
|   | <b>h Total.</b> Add lines 1a-1f .....   |                      |                      |               |                                    |                            |  |
| <b>Program Service Revenue</b>                                    | <b>2 a</b> PREMIUM INCOME .....   | <b>Business Code</b> | 524114               | 28,044,252.   | 27,494,885.                        | 549,367.                   |  |
|   | <b>b</b> REINSURANCE RECOVERIES .....   |                      | 524114               | 4,755,718.    | 4,755,718.                         |                            |  |
|   | <b>c</b> COST CONTAINMENT ALLOCATIONS .....   |                      | 900099               | 4,145,975.    | 4,145,975.                         |                            |  |
|   | <b>d</b> REIMBURSEMENTS BY UNINSURED PLANS .....  |                      | 900099               | 3,641,606.    | 3,641,606.                         |                            |  |
|   | <b>e</b> COB AND SUBROGATION .....  |                      | 900099               | 144,700.      | 144,700.                           |                            |  |
|   | <b>f</b> All other program service revenue .....  |                      | 900099               | 12,785.       | 12,785.                            |                            |  |
|   | <b>g Total.</b> Add lines 2a-2f .....   |                      |                      | 40,745,036.   |                                    |                            |  |
|   | <b>3</b> Investment income (including dividends, interest, and other similar amounts) .....   |                      |                      | 241,278.      |                                    |                            | 241,278.   |
| <b>4</b> Income from investment of tax-exempt bond proceeds ..... |   |                      |                      |               |                                    |                            |  |
| <b>5</b> Royalties .....  |   |                      |                      |               |                                    |                            |  |
| <b>Other Revenue</b>  | <b>6 a</b> Gross rents .....  | (i) Real             | (ii) Personal        |               |                                    |                            |  |
|   | <b>b</b> Less: rental expenses .....  |                      |                      |               |                                    |                            |  |
|   | <b>c</b> Rental income or (loss) .....  |                      |                      |               |                                    |                            |  |
|   | <b>d</b> Net rental income or (loss) .....  |                      |                      |               |                                    |                            |  |
|   | <b>7 a</b> Gross amount from sales of assets other than inventory .....   | (i) Securities       | (ii) Other           |               |                                    |                            |  |
|   | <b>b</b> Less: cost or other basis and sales expenses .....   |                      |                      | 26,448.       |                                    |                            |  |
|   | <b>c</b> Gain or (loss) .....   |                      |                      | -26,448.      |                                    |                            |  |
|   | <b>d</b> Net gain or (loss) .....   |                      |                      | -26,448.      |                                    |                            | -26,448.   |
|   | <b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 ..... | <b>a</b>             |                      |               |                                    |                            |  |
|   | <b>b</b> Less: direct expenses .....  | <b>b</b>             |                      |               |                                    |                            |  |
|   | <b>c</b> Net income or (loss) from fundraising events .....   |                      |                      |               |                                    |                            |  |
|   | <b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....  | <b>a</b>             |                      |               |                                    |                            |  |
|   | <b>b</b> Less: direct expenses .....  | <b>b</b>             |                      |               |                                    |                            |  |
|   | <b>c</b> Net income or (loss) from gaming activities .....  |                      |                      |               |                                    |                            |  |
|   | <b>10 a</b> Gross sales of inventory, less returns and allowances .....   | <b>a</b>             |                      |               |                                    |                            |  |
| <b>b</b> Less: cost of goods sold .....                           | <b>b</b>  |                      |                      |               |                                    |                            |  |
| <b>c</b> Net income or (loss) from sales of inventory .....       |   |                      |                      |               |                                    |                            |  |
| Miscellaneous Revenue   |   |                      | <b>Business Code</b> |               |                                    |                            |  |
| <b>11 a</b> OTHER INCOME .....                                    |   | 900099               | 1,078.               | 1,078.        |                                    |                            |  |
| <b>b</b> .....  |   |                      |                      |               |                                    |                            |  |
| <b>c</b> .....  |   |                      |                      |               |                                    |                            |  |
| <b>d</b> All other revenue .....                                  |   |                      |                      |               |                                    |                            |  |
| <b>e Total.</b> Add lines 11a-11d .....                           |   |                      | 1,078.               |               |                                    |                            |  |
| <b>12 Total revenue.</b> See instructions. ....                   |   |                      | 40,960,944.          | 40,196,747.   | 549,367.                           | 214,830.                   |  |

**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)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21  |                       |                                 |  |                             |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22   |                       |                                 |  |                             |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16  |                       |                                 |  |                             |
| 4 Benefits paid to or for members   |                       |                                 |  |                             |
| 5 Compensation of current officers, directors, trustees, and key employees  | 135,173.              | 66,654.                         | 68,519.                                |                             |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)   |                       |                                 |  |                             |
| 7 Other salaries and wages  | 1,541,721.            | 980,709.                        | 561,012.                               |                             |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)  |                       |                                 |  |                             |
| 9 Other employee benefits   | 23,453.               | 15,464.                         | 7,989.                                 |                             |
| 10 Payroll taxes  | 410,320.              | 256,477.                        | 153,843.                               |                             |
| 11 Fees for services (non-employees):   |                       |                                 |  |                             |
| a Management  | 6,249.                |                                 | 6,249.                                 |                             |
| b Legal   | 68,508.               |                                 | 68,508.                                |                             |
| c Accounting  | 41,200.               |                                 | 41,200.                                |                             |
| d Lobbying  |                       |                                 |  |                             |
| e Professional fundraising services. See Part IV, line 17   |                       |                                 |  |                             |
| f Investment management fees  |                       |                                 |  |                             |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)   | 1,003,260.            | 688,490.                        | 314,770.                               |                             |
| 12 Advertising and promotion  | 1,245,255.            | 52,553.                         | 1,192,702.                             |                             |
| 13 Office expenses  | 17,945.               |                                 | 17,945.                                |                             |
| 14 Information technology   | 36,550.               |                                 | 36,550.                                |                             |
| 15 Royalties  |                       |                                 |  |                             |
| 16 Occupancy  | 87,648.               | 14,607.                         | 73,041.                                |                             |
| 17 Travel   | 47,108.               | 30,904.                         | 16,204.                                |                             |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials   |                       |                                 |  |                             |
| 19 Conferences, conventions, and meetings   | 6,331.                | 1,536.                          | 4,795.                                 |                             |
| 20 Interest   |                       |                                 |  |                             |
| 21 Payments to affiliates   |                       |                                 |  |                             |
| 22 Depreciation, depletion, and amortization  | 21,432.               | 21,432.                         |  |                             |
| 23 Insurance  | 20,380.               |                                 | 20,380.                                |                             |
| 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 <b>HOSPITAL AND MEDICAL</b>   | 41,156,402.           | 41,156,402.                     |  |                             |
| b <b>CLAIMS ADJUSTMENT EXPEN</b>  | 4,815,296.            | 4,815,296.                      |  |                             |
| c <b>PREMIUM DEFICIENCY RESE</b>  | 2,502,620.            | 2,502,620.                      |  |                             |
| d <b>TAXES</b>  | 646,860.              |                                 | 646,860.                               |                             |
| e All other expenses  | 189,239.              | 109,448.                        | 79,791.                                |                             |
| <b>25 Total functional expenses.</b> Add lines 1 through 24e  | <b>54,022,950.</b>    | <b>50,712,592.</b>              | <b>3,310,358.</b>                      | <b>0.</b>                   |
| <b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.                              |                       |                                 |  |                             |

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

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

|  |  | (A)<br>Beginning of year | (B)<br>End of year     |                       |
|--|--|--------------------------|------------------------|-----------------------|
| <b>Assets</b>  | <b>1</b> Cash - non-interest-bearing .....   |                          | <b>1</b>               |                       |
|  | <b>2</b> Savings and temporary cash investments .....  |                          | <b>2</b> 6,983,845.    |                       |
|  | <b>3</b> Pledges and grants receivable, net .....  |                          | <b>3</b>               |                       |
|  | <b>4</b> Accounts receivable, net .....  |                          | <b>4</b>               |                       |
|  | <b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....   |                          | <b>5</b>               |                       |
|  | <b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L ..... |                          | <b>6</b>               |                       |
|  | <b>7</b> Notes and loans receivable, net .....   |                          | <b>7</b>               |                       |
|  | <b>8</b> Inventories for sale or use .....   |                          | <b>8</b>               |                       |
|  | <b>9</b> Prepaid expenses and deferred charges .....   |                          | <b>9</b>               |                       |
|  | <b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....   | <b>10a</b> 329,008.      |                        |                       |
|  | <b>b</b> Less: accumulated depreciation .....  | <b>10b</b> 308,811.      | <b>0.</b>              | <b>10c</b> 20,197.    |
|  | <b>11</b> Investments - publicly traded securities .....   |                          | <b>11</b>              | <b>11</b> 14,741,588. |
|  | <b>12</b> Investments - other securities. See Part IV, line 11 .....   |                          | <b>12</b>              |                       |
|  | <b>13</b> Investments - program-related. See Part IV, line 11 .....  |                          | <b>13</b>              |                       |
|  | <b>14</b> Intangible assets .....  |                          | <b>14</b>              |                       |
|  | <b>15</b> Other assets. See Part IV, line 11 .....   |                          | <b>0.</b>              | <b>15</b> 25,971,828. |
| <b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) ..... |  | <b>0.</b>                | <b>16</b> 47,717,458.  |                       |
| <b>Liabilities</b>   | <b>17</b> Accounts payable and accrued expenses .....  |                          | <b>17</b> 3,945,830.   |                       |
|  | <b>18</b> Grants payable .....   |                          | <b>18</b>              |                       |
|  | <b>19</b> Deferred revenue .....   |                          | <b>19</b>              |                       |
|  | <b>20</b> Tax-exempt bond liabilities .....  |                          | <b>20</b>              |                       |
|  | <b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....  |                          | <b>21</b>              |                       |
|  | <b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....   |                          | <b>22</b>              |                       |
|  | <b>23</b> Secured mortgages and notes payable to unrelated third parties .....   |                          | <b>23</b>              |                       |
|  | <b>24</b> Unsecured notes and loans payable to unrelated third parties .....   |                          | <b>24</b>              |                       |
|  | <b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....  |                          | <b>0.</b>              | <b>25</b> 21,664,769. |
|  | <b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....  |                          | <b>0.</b>              | <b>26</b> 25,610,599. |
| <b>Net Assets or Fund Balances</b>   | <b>Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>  |                          |                        |                       |
|  | <b>27</b> Unrestricted net assets .....  |                          | <b>27</b>              |                       |
|  | <b>28</b> Temporarily restricted net assets .....  |                          | <b>28</b>              |                       |
|  | <b>29</b> Permanently restricted net assets .....  |                          | <b>29</b>              |                       |
|  | <b>Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.</b>   |                          |                        |                       |
|  | <b>30</b> Capital stock or trust principal, or current funds .....   | <b>0.</b>                | <b>30</b> 100.         |                       |
|  | <b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....   | <b>0.</b>                | <b>31</b> 59,079,053.  |                       |
|  | <b>32</b> Retained earnings, endowment, accumulated income, or other funds .....   | <b>0.</b>                | <b>32</b> -36,972,294. |                       |
| <b>33</b> Total net assets or fund balances .....                                | <b>0.</b>  | <b>33</b> 22,106,859.    |                        |                       |
| <b>34</b> Total liabilities and net assets/fund balances .....                   | <b>0.</b>  | <b>34</b> 47,717,458.    |                        |                       |

**Part XI Reconciliation of Net Assets**

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

|           |  |           |              |
|-----------|--|-----------|--------------|
| <b>1</b>  | Total revenue (must equal Part VIII, column (A), line 12)  | <b>1</b>  | 40,960,944.  |
| <b>2</b>  | Total expenses (must equal Part IX, column (A), line 25)   | <b>2</b>  | 54,022,950.  |
| <b>3</b>  | Revenue less expenses. Subtract line 2 from line 1   | <b>3</b>  | -13,062,006. |
| <b>4</b>  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                      | <b>4</b>  | 0.           |
| <b>5</b>  | Net unrealized gains (losses) on investments   | <b>5</b>  | -98,545.     |
| <b>6</b>  | Donated services and use of facilities   | <b>6</b>  |              |
| <b>7</b>  | Investment expenses  | <b>7</b>  |              |
| <b>8</b>  | Prior period adjustments   | <b>8</b>  |              |
| <b>9</b>  | Other changes in net assets or fund balances (explain in Schedule O)   | <b>9</b>  | 35,267,410.  |
| <b>10</b> | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | <b>10</b> | 22,106,859.  |

**Part XII Financial Statements and Reporting**

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

|           |   | Yes | No |
|-----------|---|-----|----|
| <b>1</b>  | Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____<br>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.   |     |    |
| <b>2a</b> | Were the organization's financial statements compiled or reviewed by an independent accountant? _____<br>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:<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis |     | X  |
| <b>b</b>  | Were the organization's financial statements audited by an independent accountant? _____<br>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:<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis                           |     | X  |
| <b>c</b>  | If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.   |     |    |
| <b>3a</b> | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____  |     | X  |
| <b>b</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 _____  |     |    |

Form 990 (2015)



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

2015

Open to Public Inspection

Name of the organization: AVERA HEALTH PLANS, INC. Employer identification number: 46-0451539

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.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate values, and yes/no questions about donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Form for Part II Conservation Easements. Includes checkboxes for types of easements, a table for conservation contribution details (2a-2d), and questions about monitoring, expenses, and reporting.

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.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions about reporting and amounts for art and historical treasures.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

**3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a**  Public exhibition
- b**  Scholarly research
- c**  Preservation for future generations
- d**  Loan or exchange programs
- e**  Other \_\_\_\_\_

**4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

**5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

**1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

**b** If "Yes," explain the arrangement in Part XIII and complete the following table:

|  | Amount    |
|--|-----------|
| <b>c</b> Beginning balance .....             | <b>1c</b> |
| <b>d</b> Additions during the year .....     | <b>1d</b> |
| <b>e</b> Distributions during the year ..... | <b>1e</b> |
| <b>f</b> Ending balance .....                | <b>1f</b> |

**2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

**b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on 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 |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| <b>1a</b> Beginning of year balance .....                     |                  |                |                    |                      |                     |
| <b>b</b> Contributions .....                                  |                  |                |                    |                      |                     |
| <b>c</b> Net investment earnings, gains, and losses .....     |                  |                |                    |                      |                     |
| <b>d</b> Grants or scholarships .....                         |                  |                |                    |                      |                     |
| <b>e</b> Other expenditures for facilities and programs ..... |                  |                |                    |                      |                     |
| <b>f</b> Administrative expenses .....                        |                  |                |                    |                      |                     |
| <b>g</b> End of year balance .....                            |                  |                |                    |                      |                     |

**2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶ \_\_\_\_\_ %
- b** Permanent endowment ▶ \_\_\_\_\_ %
- c** Temporarily restricted endowment ▶ \_\_\_\_\_ %

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

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

|   | Yes           | No |
|---|---------------|----|
| <b>(i)</b> unrelated organizations .....  | <b>3a(i)</b>  |    |
| <b>(ii)</b> related organizations .....   | <b>3a(ii)</b> |    |
| <b>b</b> If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ..... | <b>3b</b>     |    |

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

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

Complete if the organization answered "Yes" 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 |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| <b>1a</b> Land .....   |                                      |                                 |                              |                |
| <b>b</b> Buildings .....   |                                      |                                 |                              |                |
| <b>c</b> Leasehold improvements .....  |                                      |                                 |                              |                |
| <b>d</b> Equipment .....   |                                      | 329,008.                        | 308,811.                     | 20,197.        |
| <b>e</b> Other .....   |                                      |                                 |                              |                |
| <b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) ..... |                                      |                                 |                              | 20,197.        |

**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)   |                |   |
| <b>Total.</b> (Col. (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)   |                |   |
| <b>Total.</b> (Col. (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) PREMIUMS PAID AND UNPAID  | 334,279.       |
| (2) ACCRUED INTEREST RECEIVABLE   | 98,087.        |
| (3) REINSURANCE RECEIVABLE  | 7,228,151.     |
| (4) AMOUNTS DUE FROM AFFILIATES   | 18,307,928.    |
| (5) RECEIVABLES RELATING TO UNINSURED PLANS                                 | 3,383.         |
| (6)   |                |
| (7)   |                |
| (8)   |                |
| (9)   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ | 25,971,828.    |

**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  |                |
| (2) ESTIMATED INCOMPLETE AND UNREPORTED                                     | 13,004,068.    |
| (3) UNPAID CLAMS ADJUSTMENT   | 410,000.       |
| (4) AGGREGATE HEALTH POLICY RESERVE   | 2,502,620.     |
| (5) PREMIUMS RECEIVED IN ADVANCE  | 5,729,144.     |
| (6) PAYABLE TO PARENT, SUBSIDIARIES AND AFFILIATES                          | 18,937.        |
| (7)   |                |
| (8)   |                |
| (9)   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | 21,664,769.    |

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.

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include descriptions and numerical values. Row 1: Total revenue, gains, and other support per audited financial statements. Row 2: Amounts included on line 1 but not on Form 990, Part VIII, line 12.

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.

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include descriptions and numerical values. Row 1: Total expenses and losses per audited financial statements. Row 2: Amounts included on line 1 but not on Form 990, Part IX, line 25.

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.

Multiple horizontal lines provided for entering supplemental information.

**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](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

Open to Public Inspection

Name of the organization

**AVERA HEALTH PLANS, INC.**

Employer identification number

**46-0451539**

**Part I Questions Regarding Compensation**

**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.

- |  |  |
|--|--|
| <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) |

**b** If any of the boxes on 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 .....

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a? .....

**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.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations                | <input type="checkbox"/> 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? .....
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....
- c** Participate in, or receive payment from, an equity-based compensation arrangement? .....
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 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? .....
- b** Any related organization? .....
- If "Yes" to 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? .....
- b** Any related organization? .....
- 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 on lines 5 and 6? If "Yes," describe in Part III .....

**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 .....

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

|           | Yes | No       |
|-----------|-----|----------|
| <b>1b</b> |     |          |
| <b>2</b>  |     |          |
| <b>4a</b> |     | <b>X</b> |
| <b>4b</b> |     | <b>X</b> |
| <b>4c</b> |     | <b>X</b> |
| <b>5a</b> |     | <b>X</b> |
| <b>5b</b> |     | <b>X</b> |
| <b>6a</b> |     | <b>X</b> |
| <b>6b</b> |     | <b>X</b> |
| <b>7</b>  |     | <b>X</b> |
| <b>8</b>  |     | <b>X</b> |
| <b>9</b>  |     |          |

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2015

**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 |  |                         |                                 |   |
| (1) ROB BATES<br>PRESIDENT                                  | (i)  | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|   | (ii) | 343,214.   | 0.                                  | 84,648.                             | 13,617.  | 23,611.                 | 465,090.                        | 0.  |
| (2) DR. DAVE KAPASKA<br>VICE PRESIDENT                      | (i)  | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|   | (ii) | 660,694.   | 0.                                  | 192,651.                            | 18,750.  | 21,775.                 | 893,870.                        | 0.  |
| (3) JIM BRECKENRIDGE<br>SECRETARY                           | (i)  | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|   | (ii) | 606,456.   | 0.                                  | 170,730.                            | 13,450.  | 10,834.                 | 801,470.                        | 0.  |
| (4) JOHN PORTER<br>DIRECTOR                                 | (i)  | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|   | (ii) | 1,189,657.   | 0.                                  | 346,780.                            | 13,450.  | 24,426.                 | 1,574,313.                      | 0.  |
| (5) FRED SLUNECKA<br>DIRECTOR                               | (i)  | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|   | (ii) | 863,910.   | 0.                                  | 243,050.                            | 13,450.  | 22,296.                 | 1,142,706.                      | 0.  |
| (6) DEBRA MULLER<br>CAO                                     | (i)  | 191,309.   | 0.                                  | 269.                                | 8,946.   | 14,463.                 | 214,987.                        | 0.  |
|   | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (7) DR. PRESTON RENSHAW<br>CMO                              | (i)  | 305,426.   | 0.                                  | 117.                                | 14,636.  | 22,131.                 | 342,310.                        | 0.  |
|   | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (8) JAMES BRADLEY<br>DIRECTOR OF SALES                      | (i)  | 167,092.   | 0.                                  | 503.                                | 1,212.   | 22,196.                 | 191,003.                        | 0.  |
|   | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (9) CHRISTINE LOUNSBERY<br>HEALTH SERVICES/PHARMACY MANAGER | (i)  | 134,237.   | 0.                                  | 117.                                | 7,090.   | 21,279.                 | 162,723.                        | 0.  |
|   | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (10) PAM SKALS<br>SALES ASSOCIATE                           | (i)  | 164,871.   | 0.                                  | 90.                                 | 8,625.   | 22,791.                 | 196,377.                        | 0.  |
|   | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (11) DAN PETERSON<br>SALES ASSOCIATE                        | (i)  | 154,351.   | 0.                                  | 93.                                 | 7,553.   | 9,106.                  | 171,103.                        | 0.  |
|   | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (12) MIKE DOOLEY<br>DIRECTOR OF PROVIDER CONTRACTING & E    | (i)  | 122,857.   | 0.                                  | 176.                                | 6,635.   | 24,722.                 | 154,390.                        | 0.  |
|   | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|   | (i)  |  |                                     |                                     |  |                         |                                 |   |
|   | (ii) |  |                                     |                                     |  |                         |                                 |   |
|   | (i)  |  |                                     |                                     |  |                         |                                 |   |
|   | (ii) |  |                                     |                                     |  |                         |                                 |   |
|   | (i)  |  |                                     |                                     |  |                         |                                 |   |
|   | (ii) |  |                                     |                                     |  |                         |                                 |   |



**SCHEDULE L**  
**(Form 990 or 990-EZ)**

**Transactions With Interested Persons**

OMB No. 1545-0047

**2015**

**Open To Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**  
▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Name of the organization **avera health plans, inc.** Employer identification number **46-0451539**

**Part I Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

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

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

- 2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ..... ▶ \$ \_\_\_\_\_
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ..... ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**

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

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

Total ..... ▶ \$ \_\_\_\_\_

**Part III Grants or Assistance Benefiting Interested Persons.**

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

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



**Part IV Business Transactions Involving Interested Persons.**

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

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction | (e) Sharing of organization's revenues? |    |
|-------------------------------|---|---------------------------|--------------------------------|---|----|
|                               |   |                           |                                | Yes                                     | No |
| BROWN CLINIC                  | ENTITY OWNED MORE T   | 215,413.                  | AVERA HEALT                    |   | X  |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
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|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |

**Part V Supplemental Information**

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: BROWN CLINIC

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

ENTITY OWNED MORE THAN 35% BY BOARD MEMBER, DR. LIKNESS

(D) DESCRIPTION OF TRANSACTION: AVERA HEALTH PLANS PAID CLAIMS TO THE CLINIC.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

**2015**

Open to Public  
Inspection

Name of the organization

AVERA HEALTH PLANS, INC.

Employer identification number

46-0451539

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

SMALL GROUPS. APPROXIMATELY 27,000 MEMBERS ARE INDIVIDUALS AND MORE THAN 85% OF THE ENROLLEES IN THE INDIVIDUAL CATEGORY WERE ELIGIBLE TO RECEIVE AN ADVANCE PREMIUM TAX CREDIT, WHICH MEANS THEY WERE BELOW 400% OF THE FEDERAL POVERTY LIMIT. AVERA HEALTH PLANS IS FURTHER DISTINGUISHED FROM THE FOR-PROFIT PLANS BY ITS PARTICIPATION IN THE FEDERAL HEALTH INSURANCE EXCHANGE/MARKETPLACE. AHP HAS AFFORDABLE, COMMUNITY-RATED PREMIUMS WHICH ARE BELOW MARKET, AND THEY DO NOT COVER AHP'S COSTS. NET MEDICAL AND PHARMACY CLAIMS EXPENSE RESULTED IN A MEDICAL INCOME RATIO (MLR) OF AN AVERAGE OF 103.3% FOR 2015. SIGNIFICANT FINANCIAL SUPPORT BY AVERA HEALTH (501(C)(3)) ALLOWS AHP TO REMAIN FINANCIALLY VIABLE.

IN ADDITION TO PROVIDING LOW-COST INSURANCE COVERAGE, AHP CONDUCTS FREE MEDICAL SCREENINGS AT THE LOCATION OF ITS EMPLOYER GROUPS FOR THE BENEFIT OF ALL EMPLOYEES, REGARDLESS OF WHETHER THEY ARE ENROLLED IN AHP PLANS. AHP ALSO SPONSORS HEALTH EDUCATION OPEN FORUMS, OPEN HOUSES, AND WEBINARS THAT ARE OPEN TO THE PUBLIC.

FORM 990, PART IV, LINE 12A & 12B & FORM 990, PART XII, LINE 2B AN AUDIT WAS CONDUCTED FOR THE ENTIRE 2015 CALENDAR YEAR, PART OF WHICH WAS TAXABLE.

AVERA HEALTH PLANS IS ALSO INCLUDED IN THE CONSOLIDATED AUDIT REPORT OF THEIR PARENT COMPANY, AVERA HEALTH.

Name of the organization

AVERA HEALTH PLANS, INC.

Employer identification number

46-0451539

FORM 990, PART VI, SECTION A, LINE 6:

THE SOLE SHAREHOLDER OF THE ORGANIZATION IS AVERA HEALTH, A NONPROFIT CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF SOUTH DAKOTA AND EXEMPT UNDER 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

FORM 990, PART VI, SECTION A, LINE 7A:

AVERA HEALTH AS THE SOLE SHAREHOLDER HAS THE RIGHT TO APPOINT AND REMOVE MEMBERS OF THE BOARD.

FORM 990, PART VI, SECTION A, LINE 7B:

AVERA HEALTH AS THE SOLE SHAREHOLDER HAS THE POWER AT ALL TIMES TO CONDUCT BUSINESS WITH RESPECT TO THE CORPORATION.

FORM 990, PART VI, SECTION A, LINE 8B:

THERE IS NO COMMITTEE WITH AUTHORITY TO ACT ON BEHALF OF THE BOARD.

FORM 990, PART VI, SECTION B, LINE 11:

THE CFO WILL REVIEW THE FORM 990 IN DEPTH. UPON THE CFO'S COMPLETED REVIEW, A DRAFT OF THE FORM 990 WILL BE PASSED ALONG TO BOARD MEMBERS FOR REVIEW PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C:

THE CONFLICT OF INTEREST POLICY COVERS BOARD MEMBERS, OFFICERS AND KEY EMPLOYEES. ANY DECLARATIONS OF CONFLICT OF INTEREST ARE RECORDED IN THE MEETING MINUTES. THE BOARD MAKES A DETERMINATION OF WHETHER THERE IS A CONFLICT OF INTEREST AND IF SO, IMPLEMENTS THE PROCEDURE FOR EVALUATING THE

Name of the organization

AVERA HEALTH PLANS, INC.

Employer identification number

46-0451539

ISSUE OR TRANSACTION INVOLVED. THE BOARD MEMBER OR OFFICER WITH THE  
CONFLICT MUST REFRAIN FROM VOTING.

A STATEMENT OF CONFLICT OF INTEREST DISCLOSURE IS MADE ON AN ANNUAL BASIS  
BY OFFICERS AND DIRECTORS. THE INFORMATION IS MAINTAINED IN A DATABASE AND  
A REPORT IS PROVIDED TO THE BOARD.

FORM 990, PART VI, SECTION B, LINE 15:

THE PRESIDENT IS COMPENSATED BY AVERA HEALTH SYSTEM. ANNUALLY THE  
COMPENSATION COMMITTEE OF AVERA HEALTH, WHICH IS COMPRISED OF SIX (6)  
SYSTEM MEMBERS APPOINTED BY THE RELIGIOUS ORDERS, MEETS WITH AN INDEPENDENT  
CONSULTANT REGARDING FAIR MARKET VALUE FOR COMPENSATION OF OFFICERS AND KEY  
EMPLOYEES. THE COMPENSATION COMMITTEE APPROVES ALL SALARIES BASED ON  
COMPARABLE DATA AND DOCUMENTS THE BASIS FOR THEIR DECISION IN MEETING  
MINUTES.

THE CAO AND CMO ARE COMPENSATED BY AVERA HEALTH PLANS. COMPENSATION IS  
DETERMINED BY AVERA HEALTH PLANS HUMAN RESOURCES BASED ON A MARKET  
ANALYSIS. THE COMPENSATION COMMITTEE APPROVES THE COMPENSATION OF THE CAO  
AND CMO.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION'S ARTICLES OF INCORPORATION ARE MADE AVAILABLE THROUGH THE  
SECRETARY OF STATE'S WEBSITE. ([HTTPS://SOS.SD.GOV](https://sos.sd.gov)) STATUTORY FINANCIAL  
STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST BY CONTACTING THE  
SOUTH DAKOTA DIVISION OF INSURANCE.

THE CONFLICT OF INTEREST POLICY IS MADE AVAILABLE UPON REQUEST.

|  |  |
|--|--|
| Name of the organization<br>AVERA HEALTH PLANS, INC. | Employer identification number<br>46-0451539 |
|--|--|

FORM 990, PART VI, LINE 4

PRIOR TO OCTOBER 1, 2015, THE ORGANIZATION WAS TAXABLE AS A CORPORATION. THE ORGANIZATION FILED FORM 1024, APPLICATION FOR RECOGNITION OF EXEMPTION UNDER SECTION 501(A) WITH THE IRS AND WAS GRANTED RECOGNITION AS A TAX EXEMPT ENTITY UNDER IRC 501(C)(4) EFFECTIVE OCTOBER 1, 2015.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

|  |             |
|--|-------------|
| ACCUMULATED SURPLUS PRIOR TO TAX-EXEMPT STATUS | 35,267,410. |
|--|-------------|

**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](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

Open to Public Inspection

Name of the organization

**AVERA HEALTH PLANS, INC.**

Employer identification number

**46-0451539**

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

| (a)<br>Name, address, and EIN (if applicable)<br>of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or<br>foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling<br>entity |
|--|-------------------------|---|---------------------|---------------------------|-------------------------------------|
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
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|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |

**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)<br>Name, address, and EIN<br>of related organization                                   | (b)<br>Primary activity                                      | (c)<br>Legal domicile (state or<br>foreign country) | (d)<br>Exempt Code<br>section | (e)<br>Public charity<br>status (if section<br>501(c)(3)) | (f)<br>Direct controlling<br>entity | (g)<br>Section 512(b)(13)<br>controlled<br>entity? |    |
|--|--|---|-------------------------------|---|-------------------------------------|--|----|
|  |  |   |                               |   |                                     | Yes  | No |
| AVERA HEALTH - 46-0422673<br>3900 W AVERA DRIVE SUITE 300<br>SIOUX FALLS, SD 57108         | PROMOTION OF HEALTH  | SOUTH DAKOTA  | 501(C)(3)                     | LINE 9  | N/A                                 |  | X  |
| AVERA ST. ANTHONY'S HOSPITAL - 47-0463911<br>300 N 2ND STREET<br>O'NEILL, NE 68763         | HEALTHCARE SERVICES  | NEBRASKA  | 501(C)(3)                     | LINE 3  | AVERA HEALTH                        |  | X  |
| AVERA HOLY FAMILY - 42-0680370<br>826 NORTH 8TH STREET<br>ESTHERVILLE, IA 51334            | HEALTHCARE SERVICES  | IOWA  | 501(C)(3)                     | LINE 3  | AVERA HEALTH                        |  | X  |
| AVERA HOLY FAMILY FOUNDATION - 42-1317452<br>826 NORTH 8TH STREET<br>ESTHERVILLE, IA 51334 | SUPPORT OF HOLY FAMILY<br>HOSPITAL AND HOME HEALTH<br>AGENCY | IOWA  | 501(C)(3)                     | LINE 9  | AVERA HOLY FAMILY                   |  | X  |

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2015

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

| (a)<br>Name, address, and EIN<br>of related organization  | (b)<br>Primary activity            | (c)<br>Legal domicile (state or<br>foreign country) | (d)<br>Exempt Code<br>section | (e)<br>Public charity<br>status (if section<br>501(c)(3)) | (f)<br>Direct controlling<br>entity | (g)<br>Section 512(b)(13)<br>controlled<br>organization? |    |
|---|------------------------------------|---|-------------------------------|---|-------------------------------------|--|----|
|   |                                    |   |                               |   |                                     | Yes  | No |
| ST. BENEDICT HEALTH CENTER - 46-0226738<br>401 WEST GLYNN DRIVE<br>PARKSTON, SD 57366                                 | HEALTHCARE SERVICES                | SOUTH DAKOTA  | 501(C)(3)                     | LINE 3  | AVERA HEALTH                        |  | X  |
| ST. BENEDICT HEALTH CENTER FOUNDATION -<br>46-0458725, WEST GLYNN DRIVE, PO BOX B,<br>PARKSTON, SD 57366              | SUPPORT HEALTH RELATED<br>SERVICES | SOUTH DAKOTA  | 501(C)(3)                     | LINE 11A, I   | ST. BENEDICT<br>HEALTH CENTER       |  | X  |
| AVERA MCKENNAN - 46-0224743<br>1325 S CLIFF AVE, PO BOX 5045<br>SIOUX FALLS, SD 57117                                 | HEALTHCARE SERVICES                | SOUTH DAKOTA  | 501(C)(3)                     | LINE 3  | AVERA HEALTH                        |  | X  |
| AVERA QUEEN OF PEACE HOSPITAL - 46-0224604<br>525 NORTH FOSTER<br>MITCHELL, SD 57301                                  | HEALTHCARE SERVICES                | SOUTH DAKOTA  | 501(C)(3)                     | LINE 3  | AVERA HEALTH                        |  | X  |
| SACRED HEART HEALTH SERVICES - 46-0225483<br>501 SUMMIT STREET<br>YANKTON, SD 57078                                   | HEALTHCARE SERVICES                | SOUTH DAKOTA  | 501(C)(3)                     | LINE 3  | AVERA HEALTH                        |  | X  |
| AVERA GETTYSBURG - 46-0234354<br>606 EAST GARFIELD<br>GETTYSBURG, SD 57442  | HEALTHCARE SERVICES                | SOUTH DAKOTA  | 501(C)(3)                     | LINE 3  | AVERA ST. MARY'S                    |  | X  |
| AVERA AT HOME - 46-0399291<br>5116 S. SOLBERG AVE<br>SIOUX FALLS, SD 57108  | HOME SERVICES                      | SOUTH DAKOTA  | 501(C)(3)                     | LINE 9  | AVERA HEALTH                        |  | X  |
| LEWIS AND CLARK HEALTH EDUCATION AND SERVICE<br>AGENCY - 46-0337013, 1000 W 4TH STREET,<br>SUITE 9, YANKTON, SD 57078 | HEALTHCARE EDUCATION               | SOUTH DAKOTA  | 501(C)(3)                     | LINE 9  | SACRED HEART<br>HEALTH SERVICES     |  | X  |
| AVERA ST. LUKE'S - 46-0224598<br>305 SOUTH STATE STREET<br>ABERDEEN, SD 57401   | HEALTHCARE SERVICES                | SOUTH DAKOTA  | 501(C)(3)                     | LINE 3  | AVERA HEALTH                        |  | X  |
| AVERA ST. MARY'S - 46-0230199<br>801 EAST SIOUX AVENUE<br>PIERRE, SD 57501  | HEALTHCARE SERVICES                | SOUTH DAKOTA  | 501(C)(3)                     | LINE 3  | AVERA HEALTH                        |  | X  |
| AVERA MARSHALL - 41-0919153<br>300 S BRUCE STREET<br>MARSHALL, MN 56258   | HEALTHCARE SERVICES                | MINNESOTA   | 501(C)(3)                     | LINE 3  | AVERA HEALTH                        |  | X  |
| AVERA MARSHALL FOUNDATION - 41-1784801<br>300 S BRUCE STREET<br>MARSHALL, MN 56258                                    | FUNDRAISING                        | MINNESOTA   | 501(C)(3)                     | LINE 7  | AVERA MARSHALL                      |  | X  |

**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)<br>Name, address, and EIN<br>of related organization  | (b)<br>Primary activity                            | (c)<br>Legal domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Predominant income<br>(related, unrelated,<br>excluded from tax under<br>sections 512-514) | (f)<br>Share of total<br>income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V-UBI<br>amount in box<br>20 of Schedule<br>K-1 (Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|---|--|---|-------------------------------------|---|---------------------------------|--|---|----|---|---|----|--------------------------------|
|   |  |   |                                     |   |                                 |  | Yes                                     | No |   | Yes                                       | No |                                |
| AVERA HOME MEDICAL EQUIPMENT<br>OF FLOYD VALLEY HOSPITAL, LLC<br>- 82-0582350, 714 LINCOLN ST<br>NE, LEMARS, IA 51031 | MEDICAL<br>SERVICES - HOME<br>MEDICAL<br>EQUIPMENT | SD  | N/A                                 | N/A   | N/A                             | N/A                                      | N/A                                     |    | N/A   | N/A                                       |    | N/A                            |
| AVERA HOME MEDICAL EQUIPMENT<br>OF SIOUX CENTER, LLC -<br>75-3203100, 38 19TH ST SW,<br>SIOUX CENTER, IA 51250        | MEDICAL<br>SERVICES - HOME<br>MEDICAL<br>EQUIPMENT | SD  | N/A                                 | N/A   | N/A                             | N/A                                      | N/A                                     |    | N/A   | N/A                                       |    | N/A                            |
| AVERA HOME MEDICAL EQUIPMENT<br>OF MARSHALL, LLC -<br>20-5271924, 1104 EAST COLLEGE<br>DRIVE, MARSHALL, MN 56258      | MEDICAL<br>SERVICES - HOME<br>MEDICAL<br>EQUIPMENT | SD  | N/A                                 | N/A   | N/A                             | N/A                                      | N/A                                     |    | N/A   | N/A                                       |    | N/A                            |
| Q&M PROPERTIES, LLC -<br>73-1652049, 525 NORTH FOSTER,<br>MITCHELL, SD 57301  | MEDICAL CLINIC<br>BUILDING                         | SD  | N/A                                 | N/A   | N/A                             | N/A                                      | N/A                                     |    | N/A   | N/A                                       |    | N/A                            |

**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)<br>Name, address, and EIN<br>of related organization   | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total<br>income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Percentage<br>ownership | (i)<br>Section<br>512(b)(13)<br>controlled<br>entity? |    |
|--|-------------------------|---|-------------------------------------|--|---------------------------------|--|--------------------------------|---|----|
|  |                         |   |                                     |  |                                 |  |                                | Yes   | No |
| ACCOUNTS MANAGEMENT, INC. - 46-0373021<br>5132 S CLIFF AVE, SUITE 101<br>SIOUX FALLS, SD 57108       | COLLECTION AGENCY       | SD  | N/A                                 | C CORP   | N/A                             | N/A                                      | N/A                            |   | X  |
| AVERA PROPERTY INSURANCE, INC. - 46-0463155<br>610 W 23RD ST, PO BOX 38<br>YANKTON, SD 57078         | INSURANCE               | SD  | N/A                                 | C CORP   | N/A                             | N/A                                      | N/A                            |   | X  |
| VALLEY HEALTH SERVICES - 46-0357149<br>501 SUMMIT STREET<br>YANKTON, SD 57078                        | MEDICAL EQUIPMENT       | SD  | N/A                                 | C CORP   | N/A                             | N/A                                      | N/A                            |   | X  |
| ALUCENT MEDICAL, INC. - 47-1818349<br>1325 S CLIFF AVENUE, PO BOX 5045<br>SIOUX FALLS, SD 57117-5045 | BIOTECH RESEARCH        | SD  | N/A                                 | C CORP   | N/A                             | N/A                                      | N/A                            |   | X  |



**Part III** Continuation of Identification of Related Organizations Taxable as a Partnership

| (a)<br>Name, address, and EIN<br>of related organization   | (b)<br>Primary activity                            | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Predominant income<br>(related, unrelated,<br>excluded from tax under<br>sections 512-514) | (f)<br>Share of total<br>income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Disproportion-<br>ate allocations? |    | (i)<br>Code V-UBI<br>amount in box<br>20 of Schedule<br>K-1 (Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|--|--|--|-------------------------------------|---|---------------------------------|--|---|----|---|---|----|--------------------------------|
|  |  |  |                                     |   |                                 |  | Yes                                       | No |   | Yes                                       | No |                                |
| SURGICAL ASSOCIATES ENDOSCOPY<br>CLINIC, LLC - 46-0461429, 310<br>S PENN, ABERDEEN, SD 57401                             | SURGICAL<br>ASSOCIATES                             | SD   | N/A                                 | N/A   | N/A                             | N/A                                      | N/A                                       |    | N/A   | N/A                                       |    | N/A                            |
| AVERA HOME MEDICAL EQUIPMENT<br>OF SPENCER HOSPITAL, LLC -<br>80-0619999, 2400 S MINNESOTA<br>AVE, SIOUX FALLS, SD 57117 | MEDICAL<br>SERVICES - HOME<br>MEDICAL<br>EQUIPMENT | SD   | N/A                                 | N/A   | N/A                             | N/A                                      | N/A                                       |    | N/A   | N/A                                       |    | N/A                            |
| HEART HOSPITAL OF SOUTH<br>DAKOTA, LLC - 56-2143771,<br>4500 W 69TH STREET, SIOUX<br>FALLS, SD 57108                     | HEALTHCARE<br>SERVICES                             | SD   | N/A                                 | N/A   | N/A                             | N/A                                      | N/A                                       |    | N/A   | N/A                                       |    | N/A                            |
| BROOKINGS HEALTH SYSTEM -<br>AVERA HME, LLC - 45-3204123,<br>101 22ND AVE, SUITE 101,<br>BROOKINGS, SD 57006             | HEALTHCARE<br>SERVICES                             | SD   | N/A                                 | N/A   | N/A                             | N/A                                      | N/A                                       |    | N/A   | N/A                                       |    | N/A                            |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |
|  |  |  |                                     |   |                                 |  |   |    |   |   |    |                                |

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

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

|  | Yes | No |
|--|-----|----|
| <b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity ..... |     | X  |
| <b>b</b> Gift, grant, or capital contribution to related organization(s) .....                                 |     | X  |
| <b>c</b> Gift, grant, or capital contribution from related organization(s) .....                               | X   |    |
| <b>d</b> Loans or loan guarantees to or for related organization(s) .....                                      |     | X  |
| <b>e</b> Loans or loan guarantees by related organization(s) .....   |     | X  |
| <b>f</b> Dividends from related organization(s) .....  |     | X  |
| <b>g</b> Sale of assets to related organization(s) .....   |     | X  |
| <b>h</b> Purchase of assets from related organization(s) .....   |     | X  |
| <b>i</b> Exchange of assets with related organization(s) .....   |     | X  |
| <b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....                      |     | X  |
| <b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....                    |     | X  |
| <b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....  |     | X  |
| <b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....   | X   |    |
| <b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....   |     | X  |
| <b>o</b> Sharing of paid employees with related organization(s) .....  | X   |    |
| <b>p</b> Reimbursement paid to related organization(s) for expenses .....                                      | X   |    |
| <b>q</b> Reimbursement paid by related organization(s) for expenses .....                                      | X   |    |
| <b>r</b> Other transfer of cash or property to related organization(s) .....                                   |     | X  |
| <b>s</b> Other transfer of cash or property from related organization(s) .....                                 |     | X  |

**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)<br>Name of related organization | (b)<br>Transaction type (a-s) | (c)<br>Amount involved | (d)<br>Method of determining amount involved |
|-------------------------------------|-------------------------------|------------------------|--|
| (1)                                 |                               |                        |  |
| (2)                                 |                               |                        |  |
| (3)                                 |                               |                        |  |
| (4)                                 |                               |                        |  |
| (5)                                 |                               |                        |  |
| (6)                                 |                               |                        |  |



**Part VII** Supplemental Information

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

Lined area for supplemental information.