

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2011, or tax year beginning _____, 2011, and ending _____, 20

2011

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

▶ See instructions on back.

Department of the Treasury
Internal Revenue Service

Name of exempt organization

Employer identification number

GROUP HEALTH COOPERATIVE

91-0511770

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line of the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here	▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12) . . .	1b	3098908115
2a Form 990-EZ check here	▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b	
3a Form 1120-POL check here	▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b	
4a Form 990-PF check here	▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	
5a Form 8868 check here	▶ <input type="checkbox"/>	b Balance due (Form 8868, Part I, line 3c or Part II, line 8c)	5b	

Part II Declaration of Officer

6 I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2011 electronic return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund.

Sign Here

Signature of officer: [Signature] Date: 11/8/12

ASSISTANT TREASURER
Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only	ERO's signature	Date	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	EIN			
					Phone no.

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	SUE ROBISON	[Signature]	10/31/2012		P00560072
	Firm's name ▶ KPMG LLP	Firm's EIN ▶ 13-5565207			
Firm's address ▶ 1918 EIGHTH AVENUE, SUITE 2900 SEATTLE WA 98101					Phone no. 206-913-4492

For Privacy Act and Paperwork Reduction Act Notice, see back of form.

Return of Organization Exempt From Income Tax

2011

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2011 calendar year, or tax year beginning , 2011, and ending , 20

B Check if applicable:	<input type="checkbox"/> Address change	C Name of organization GROUP HEALTH COOPERATIVE		D Employer identification number 91-0511770	
	<input type="checkbox"/> Name change	Doing Business As		E Telephone number (206) 448-4683	
	<input type="checkbox"/> Initial return	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 320 WESTLAKE AVE N 100		G Gross receipts \$ 4,194,769,971.	
	<input type="checkbox"/> Terminated	City or town, state or country, and ZIP + 4 SEATTLE, WA 98109-5233		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/> Amended return	F Name and address of principal officer: SCOTT ARMSTRONG 320 WESTLAKE AVE N, STE 100 SEATTLE, WA 98109-5233		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<input type="checkbox"/> Application pending	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶		
J Website: ▶ WWW.GHC.ORG					
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1945		M State of legal domicile: WA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO PROVIDE COMPREHENSIVE, PREVENTION-ORIENTED HEALTH CARE SERVICES TO ITS ENROLLEES AND OTHER PATIENTS IN A MANNER THAT REDUCES COST AS A BARRIER TO CARE.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	11.	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	11.	
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	9,361.	
	6 Total number of volunteers (estimate if necessary)	451.	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	1,488,788.	
b Net unrelated business taxable income from Form 990-T, line 34	-127,039.		
Revenue	8 Contributions and grants (Part VIII, line 1h)	41,172,623.	44,456,337.
	9 Program service revenue (Part VIII, line 2g)	2,643,644,055.	2,891,301,743.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	45,787,560.	72,411,076.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	76,852,387.	90,738,959.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,807,456,625.	3,098,908,115.
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0
14 Benefits paid to or for members (Part IX, column (A), line 4)		0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		588,445,825.	624,072,202.
16a Professional fundraising fees (Part IX, column (A), line 11e)		0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶		0	0
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		2,242,331,298.	2,487,454,099.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		2,830,777,123.	3,111,526,301.
Net Assets or Fund Balances	19 Revenue less expenses. Subtract line 18 from line 12	-23,320,498.	-12,618,186.
	20 Total assets (Part X, line 16)	1,559,175,867.	1,665,696,117.
	21 Total liabilities (Part X, line 26)	740,164,449.	982,361,157.
	22 Net assets or fund balances. Subtract line 21 from line 20	819,011,418.	683,334,960.

Part II Signature Block

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

Sign Here	Signature of officer 	Date 11/8/12
	Type or print name and title BRETTON MYERS ASST. TREASURER	

Paid Preparer Use Only	Print/Type preparer's name Sue W Robison	Preparer's signature 	Date 10/31/2012	Check <input type="checkbox"/> if self-employed	PTIN P00560072
	Firm's name ▶ KPMG LLP			Firm's EIN ▶ 13-5565207	
	Firm's address ▶ 801 SECOND AVENUE, SUITE 900 SEATTLE, WA 98104			Phone no. 206-913-6517	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2011)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:

ATTACHMENT 1

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

[] Yes [X] No

If "Yes," describe these new services on Schedule O.

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

[] Yes [X] No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 2,391,984,316. including grants of \$) (Revenue \$ 2,892,616,434.)

GROUP HEALTH COOPERATIVE ("GROUP HEALTH") PROVIDED HEALTH CARE COVERAGE AND/OR SERVICES TO COMMERCIAL GROUP, MEDICARE, MEDICAID, BASIC HEALTH PLAN, AND INDIVIDUAL ENROLLEES IN WASHINGTON AND NORTH IDAHO. MANY MEDICARE AND MEDICAID PATIENTS RECEIVE SUCH SERVICES UNDER CAPITATION CONTRACTS BETWEEN GROUP HEALTH AND GOVERNMENT AGENCIES.

4b (Code:) (Expenses \$ 112,185,523. including grants of \$ 0) (Revenue \$ 71,163,085.)

CARE AND COVERAGE TO PEOPLE IN NEED: HEALTH CARE COVERAGE AND SERVICES TO PATIENTS ENROLLED IN GOVERNMENT PROGRAMS. UNREIMBURSED CARE FOR INDIVIDUAL PATIENTS IN NEED. URGENT AND EMERGENCY CARE. PARTNERING WITH SAFETY-NET ORGANIZATIONS.

4c (Code:) (Expenses \$ 56,719,023. including grants of \$ 0) (Revenue \$ 1,416,489.)

HEALTH RESEARCH AND EDUCATION: RESEARCH AND EVIDENCE-BASED CARE. PROFESSIONAL EDUCATION ACTIVITIES. CONSUMER HEALTH EDUCATION.

4d Other program services (Describe in Schedule O.) ATTACHMENT 2 (Expenses \$ 1,368,742. including grants of \$ 0) (Revenue \$ 0)

4e Total program service expenses 2,562,257,604.

Part IV Checklist of Required Schedules

Table with 3 columns: Question number, Yes, No. Rows 1-20b detailing various organizational requirements and their completion status.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows 21-38. Includes questions about grants, compensation, tax-exempt bonds, excess benefit transactions, and controlled entities.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a-14b regarding IRS filings, employee reporting, 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 to any question in this Part VI. [X]

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed
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. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:

MARTIN DOPPS 320 WESTLAKE AVE N SUITE 100 SEATTLE, WA 98109-5233 206-448-5146

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

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, 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) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 3										
(1) ROSEMARY DASZKIEWICZ TRUSTEE-CHAIR	6.50	X		X				26,290.	500.	0
(2) PORSCHE EVERSON TRUSTEE-VICE CHAIR	6.50	X		X				21,540.	250.	0
(3) CHANGMOOK SOHN TRUSTEE	5.50	X						17,790.	500.	0
(4) IRA M FIELDING TRUSTEE	5.50	X						14,875.	500.	0
(5) TRACY E GARLAND TRUSTEE	5.50	X						17,790.	500.	0
(6) HARRY HARRISON, JR TRUSTEE	5.50	X						17,790.	500.	0
(7) ROBERT J MARGULIS TRUSTEE	5.50	X						17,790.	500.	0
(8) JENNIFER A JOLY TRUSTEE	5.50	X						17,790.	500.	0
(9) DOROTHY RUZICKI TRUSTEE	5.50	X						17,790.	250.	0
(10) ROBERT WATT TRUSTEE	5.50	X						11,415.	0	0
(11) SUSAN J BYINGTON TRUSTEE	5.50	X						12,750.	250.	0
(12) SCOTT E ARMSTRONG PRESIDENT & CEO	40.00			X				1,206,881.	0	168,116.
(13) RICHARD E MAGNUSON TREASURER, EVP, CFO	40.00			X				598,661.	0	40,206.
(14) RICK D WOODS SECRETARY/EVP, GENERAL COUNSEL	40.00			X				538,092.	0	164,385.

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) PAMELA A MACEWAN ASST. SECRETARY/EVP, PUB AFFRS	40.00			X				360,661.	0	50,018.
(16) BRETON C MYERS ASSISTANT TREASURER	40.00			X				245,773.	0	33,842.
(17) MICHAEL ERIKSON VP, PRIMARY CARE SERVICE ADMIN	40.00				X			343,842.	0	40,031.
(18) ROBERT O'BRIEN EVP, HEALTH PLAN DIVISION	40.00				X			727,673.	0	43,696.
(19) CYNTHIA JOHNSON EVP, HR	40.00				X			417,109.	0	46,962.
(20) RANDY BARKER VP, APPLE DIVISION ADMIN.	40.00				X			269,983.	0	44,389.
(21) JOEL SUELZLE VP, HLTH PLAN ADMINISTRATION	40.00					X		365,744.	0	153,874.
(22) SCOTT BOYD VP, FINANCE	40.00					X		314,803.	0	57,683.
(23) ERIC LARSON VP, GROUP HEALTH RESEARCH INST	40.00					X		337,911.	0	51,356.
(24) LINDA MACMASTER VP MARKETING	40.00					X		300,668.	0	35,087.
(25) LAURA REHRMANN VP; COMMUNITY RESPONSIBILITY	20.00					X		317,907.	0	34,076.
1b Sub-total								2,537,244.	4,250.	372,707.
c Total from continuation sheets to Part VII, Section A								4,886,946.	0	960,754.
d Total (add lines 1b and 1c)								7,424,190.	4,250.	1,333,461.

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 **▶** 985

	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) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶** 571

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	1,277,545.				
	e Government grants (contributions) . .	1e	39,217,121.				
	f All other contributions, gifts, grants, and similar amounts not included above .	1f	3,961,671.				
	g Noncash contributions included in lines 1a-1f: \$		19,200.				
	h Total. Add lines 1a-1f			44,456,337.			
	Program Service Revenue	Business Code					
2a <u>MEDICARE/MEDICAID PAYMENTS</u>			900099	773,328,731.	773,328,731.		
b <u>FEES AND CONTRACTS FROM GOV'T AGENCIES</u>			900099	705,864,758.	705,864,758.		
c <u>MEMBER DUES</u>			900099	543,360,211.	543,360,211.		
d <u>CAPITATION REVENUE</u>			900099	584,672,745.	584,672,745.		
e <u>NON-COVERED ENROLLEE SVC</u>			900099	126,399,537.	126,399,537.		
f All other program service revenue			900099	157,675,761.	157,675,761.		
g Total. Add lines 2a-2f				2,891,301,743.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 5			32,072,408.			32,072,408.
	4 Income from investment of tax-exempt bond proceeds . . .			0			0
	5 Royalties			0			0
		(i) Real	(ii) Personal				
	6a Gross rents						
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)			0			0
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	1,136,196,768.	3,756.				
	b Less: cost or other basis and sales expenses	1,095,856,510.	5,346.				
	c Gain or (loss)	40,340,258.	-1,590.				
	d Net gain or (loss)			40,338,668.			40,338,668.
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
	b Less: direct expenses	b					
c Net income or (loss) from fundraising events			0			0	
9a Gross income from gaming activities. See Part IV, line 19	a						
b Less: direct expenses	b						
c Net income or (loss) from gaming activities			0			0	
10a Gross sales of inventory, less returns and allowances	a						
b Less: cost of goods sold	b						
c Net income or (loss) from sales of inventory			0			0	
Miscellaneous Revenue			Business Code				
11a <u>ADMIN CONTRACT</u>		561000	84,832,978.	84,832,978.			
b <u>SALES TO MEMBERS</u>		446199	4,222,239.			4,222,239.	
c <u>GROUP HEALTH RESEARCH INSTITUTE</u>		541700	1,314,691.		1,314,691.		
d All other revenue		900099	369,051.	194,954.	174,097.		
e Total. Add lines 11a-11d			90,738,959.				
12 Total revenue. See instructions			3,098,908,115.	2,976,329,675.	1,488,788.	76,633,315.	

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) but are not required to complete columns (B), (C), and (D).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	5,543,501.		5,543,501.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	511,488,000.	304,260,726.	207,227,274.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	47,004,185.	27,960,631.	19,043,554.	
9 Other employee benefits	14,349,210.	8,535,686.	5,813,524.	
10 Payroll taxes	45,687,306.	27,186,072.	18,501,234.	
11 Fees for services (non-employees):				
a Management	0			
b Legal	1,208,000.		1,208,000.	
c Accounting	921,042.		921,042.	
d Lobbying	614,296.		614,296.	
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	1,151,156.		1,151,156.	
g Other	1,945,235,971.	1,848,948,974.	96,286,997.	
12 Advertising and promotion	4,616,720.	159,065.	4,457,655.	
13 Office expenses	306,688,726.	280,943,977.	25,744,749.	
14 Information technology	22,703,037.	198,601.	22,504,436.	
15 Royalties	0			
16 Occupancy	49,199,779.	17,756,814.	31,442,965.	
17 Travel	2,631,601.	1,692,205.	939,396.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	7,186,255.	1,776,317.	5,409,938.	
20 Interest	3,156.	3,156.		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	56,808,111.	30,100,990.	26,707,121.	
23 Insurance	7,932,561.	7,438,402.	494,159.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PREMIUM AND BUSINESS TAXES -----	48,173,460.	1,078,502.	47,094,958.	
b MISCELLANEOUS -----	32,380,228.	4,217,486.	28,162,742.	
c -----				
d -----				
e All other expenses -----				
25 Total functional expenses. Add lines 1 through 24e	3,111,526,301.	2,562,257,604.	549,268,697.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	-325,589.	1	31,201,904.
	2 Savings and temporary cash investments	133,415,882.	2	325,819,160.
	3 Pledges and grants receivable, net	9,518,808.	3	8,669,417.
	4 Accounts receivable, net	89,905,186.	4	109,928,540.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)	0	6	0
	7 Notes and loans receivable, net <i>ATCH. 6.</i>	0	7	2,653,418.
	8 Inventories for sale or use	23,313,362.	8	23,770,073.
	9 Prepaid expenses and deferred charges <i>ATCH. 7.</i>	24,995,036.	9	25,833,382.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D 10a 1069378237.			
	b Less: accumulated depreciation 10b 651,418,863.	420,296,715.	10c	417,959,374.
	11 Investments - publicly traded securities <i>ATCH. 8</i>	684,912,561.	11	531,100,160.
	12 Investments - other securities. See Part IV, line 11	113,673,525.	12	123,289,077.
	13 Investments - program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	59,470,381.	15	65,471,612.
16 Total assets. Add lines 1 through 15 (must equal line 34)	1,559,175,867.	16	1,665,696,117.	
Liabilities	17 Accounts payable and accrued expenses	314,843,416.	17	500,454,934.
	18 Grants payable	50,000.	18	75,000.
	19 Deferred revenue	37,154,963.	19	44,130,612.
	20 Tax-exempt bond liabilities	149,399,217.	20	144,748,221.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable to unrelated third parties	40,976,382.	24	8,998,375.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	197,740,471.	25	283,954,015.
	26 Total liabilities. Add lines 17 through 25	740,164,449.	26	982,361,157.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	0	30	0
	31 Paid-in or capital surplus, or land, building, or equipment fund	15,105,375.	31	14,957,150.
	32 Retained earnings, endowment, accumulated income, or other funds	803,906,043.	32	668,377,810.
33 Total net assets or fund balances	819,011,418.	33	683,334,960.	
34 Total liabilities and net assets/fund balances	1,559,175,867.	34	1,665,696,117.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,098,908,115.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,111,526,301.
3	Revenue less expenses. Subtract line 2 from line 1	3	-12,618,186.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	819,011,418.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-123,058,272.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	683,334,960.

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

GROUP HEALTH COOPERATIVE

Employer identification number

91-0511770

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Other

e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii) A family member of a person described in (i) above?	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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

Schedule A (Form 990 or 990-EZ) 2011

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi) (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f); 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities, whether or not the business is regularly carried on; 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.); 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Line number, Description, and Percentage. Rows include: 14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)); 15 Public support percentage from 2010 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2011; b 33 1/3% support test - 2010; 17a 10%-facts-and-circumstances test - 2011; b 10%-facts-and-circumstances test - 2010; 18 Private foundation.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 8 Public support.

Section B. Total Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income; 13 Total support; 14 First five years.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, 2011, 2010. Row 15: Public support percentage for 2011; Row 16: Public support percentage from 2010 Schedule A.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, 2011, 2010. Row 17: Investment income percentage for 2011; Row 18: Investment income percentage from 2010 Schedule A.

- 19a 33 1/3% support tests - 2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here.
b 33 1/3% support tests - 2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here.
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

2011

Name of the organization
 GROUP HEALTH COOPERATIVE

Employer identification number
 91-0511770

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization GROUP HEALTH COOPERATIVE

Employer identification number

91-0511770

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 33,584,019.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 1,698,875.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 1,790,460.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

PUBLIC INSPECTION COPY

Name of organization **GROUP HEALTH COOPERATIVE**

Employer identification number

91-0511770

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

PUBLIC INSPECTION COPY

Name of organization **GROUP HEALTH COOPERATIVE**

Employer identification number
91-0511770

Part III *Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year.* Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	

PUBLIC INSPECTION COPY

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**

▶ **See separate instructions.**

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

If the organization answered "Yes" to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes" to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes" to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization GROUP HEALTH COOPERATIVE	Employer identification number 91-0511770
--	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures \$ 0
- 3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 \$ 0
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities \$
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b \$
- 4 Did the filing organization file Form 1120-POL for this year? Yes No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1 a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)		811,312.													
c Total lobbying expenditures (add lines 1a and 1b)		811,312.													
d Other exempt purpose expenditures		3,108,698,358.													
e Total exempt purpose expenditures (add lines 1c and 1d)		3,109,509,670.													
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		1,000,000.													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g Grassroots nontaxable amount (enter 25% of line 1f)		250,000.													
h Subtract line 1g from line 1a. If zero or less, enter -0-		0	0												
i Subtract line 1f from line 1c. If zero or less, enter -0-		0	0												
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2 a Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
b Lobbying ceiling amount (150% of line 2a, column (e))					6,000,000.
c Total lobbying expenditures	643,742.	823,518.	887,298.	811,312.	3,165,870.
d Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000.
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

Table with 3 main columns: (a) Yes/No, (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation...; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?; 2b If "Yes," enter the amount of any tax incurred under section 4912; 2c If "Yes," enter the amount of any tax incurred by organization managers under section 4912; 2d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

Table with 3 columns: Question, Yes, No. Rows include: 1 Were substantially all (90% or more) dues received nondeductible by members?; 2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?; 3 Did the organization agree to carry over lobbying and political expenditures from the prior year?

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

Table with 2 columns: Question, Amount. Rows include: 1 Dues, assessments and similar amounts from members; 2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid); 2a Current year; 2b Carryover from last year; 2c Total; 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues; 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?; 5 Taxable amount of lobbying and political expenditures (see instructions)

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A; and Part II-B, line 1. Also, complete this part for any additional information.

Series of horizontal dashed lines for providing supplemental information.

Part IV Supplemental Information *(continued)*

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SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Name of the organization: GROUP HEALTH COOPERATIVE; Employer identification number: 91-0511770

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4 for totals, 5-6 for questions about donor advisement.

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

Questions 1-9 regarding conservation easements, including a table for 'Held at the End of the Tax Year' with rows 2a-2d.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Questions 1a-1b and 2a-2b regarding art and historical treasures collections.

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule D (Form 990) 2011

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 XIV.
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?

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?
b If "Yes," explain the arrangement in Part XIV and complete the following table:
Table with columns: Amount, 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance
2a Did the organization include an amount on Form 990, Part X, line 21?
b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows include: 1a Beginning of year balance, b Contributions, c Net investment earnings, gains, and losses, d Grants or scholarships, e Other expenditures for facilities and programs, f Administrative expenses, g End of year balance.

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

- a Board designated or quasi-endowment %
b Permanent endowment %
c Temporarily restricted endowment %
The percentages in lines 2a, 2b, and 2c should equal 100%.

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

Table with 3 columns: (i) unrelated organizations, (ii) related organizations, 3b. Sub-rows: 3a(i), 3a(ii), 3b. Includes Yes/No columns.

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

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows include: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other, Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) INVEST IN GROUP HEALTH OPTIONS	123,289,077.	COST
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶	123,289,077.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) SELF INSURANCE	60,830,378.
(3) RETIREMENT BENEFIT	158,756,242.
(4) RETIREE MEDICAL BENEFIT	44,411,000.
(5) LEASES	6,317,657.
(6) OTHER LIABILITIES	13,638,738.
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	283,954,015.

2. FIN 48 (ASC 740) Footnote. In Part XIV, 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).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

Table with 10 rows for reconciliation of net assets. Line 1: Total revenue (3,098,908,115); Line 2: Total expenses (3,111,526,301); Line 3: Excess or (deficit) for the year (-12,618,186); Line 4: Net unrealized gains (8,706,910); Line 5: Donated services and use of facilities; Line 6: Investment expenses; Line 7: Prior period adjustments; Line 8: Other (-1,889,013); Line 9: Total adjustments (net) (6,817,897); Line 10: Excess or (deficit) for the year per audited financial statements (-5,800,289).

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

Table with 5 main rows for revenue reconciliation. Line 1: Total revenue (3102389493); Line 2: Amounts included on line 1 but not on Form 990 (2a: 8,706,910; 2d: -1,151,155; 2e: 7,555,755); Line 3: Subtract line 2e from line 1 (3094833738); Line 4: Amounts included on Form 990 but not on line 1 (4b: 4,074,377; 4c: 4,074,377); Line 5: Total revenue (3098908115).

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

Table with 5 main rows for expense reconciliation. Line 1: Total expenses (3108189783); Line 2: Amounts included on line 1 but not on Form 990 (2d: -1,927,063; 2e: -1,927,063); Line 3: Subtract line 2e from line 1 (3110116846); Line 4: Amounts included on Form 990 but not on line 1 (4b: 1,409,455; 4c: 1,409,455); Line 5: Total expenses (3111526301).

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIV Supplemental Information (continued)

OTHER-RECONCILIATION OF CHANGE IN NET ASSETS FROM FORM 990 TO FIN STMTS

SCHEDULE D, PART XI, LINE 8

- LOSS ON SALE OF ASSETS	(\$89,568)
- PREMIER PURCHASING PARTNERS	(\$565,761)
- WESTLAKE TERRY LLC	(\$1,233,684)

OTHER REVENUE INCLUDED ON FIN STMT BUT NOT ON FORM 990

SCHEDULE D, PART XII, LINE 2D

- INVESTMENT MANAGEMENT FEES	\$1,151,155
------------------------------	-------------

OTHER REVENUE INCLUDED ON FORM 990 BUT NOT ON FIN STMTS

SCHEDULE D, PART XII, LINE 4B

- PREMIER PURCHASING PARTNERSHIP K-1	\$566,067
- WESTLAKE TERRY LLC K-1	\$1,491,679
- BOND SWAP INTEREST	\$2,016,631

OTHER EXPENSES INCLUDED ON FIN STMTS BUT NOT ON FORM 990

SCHEDULE D, PART XIII, LINE 2D

- LOSS ON SALE OF ASSETS	\$89,568
- BOND SWAP INTEREST	(\$2,016,631)

Part XIV Supplemental Information (continued)

OTHER EXPENSES INCLUDED ON FORM 990 BUT NOT ON FINANCIAL STATEMENTS

SCHEDULE D, PART XIII, LINE 4B

- INVESTMENT MANAGEMENT FEES \$1,151,155
- WESTLAKE TERRY LLC K-1 \$257,995
- CHARITABLE CONTRIBUTIONS-PREMIER PURCHASING PARTNERS, L.P. K-1 \$305

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**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2011

Open to Public Inspection

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990. ▶ See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization: **GROUP HEALTH COOPERATIVE** Employer identification number: **91-0511770**

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?		X
5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		
5c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?	X	
6b If "Yes," did the organization make it available to the public?	X	

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		761	879,950.		879,950.	.03
b Medicaid (from Worksheet 3, column a)		21166	67,049,486.	41,724,455.	25,325,031.	.80
c Costs of other means-tested government programs (from Worksheet 3, column b)		11161	36,515,827.	25,967,000.	10,548,827.	.30
d Total Financial Assistance and Means-Tested Government Programs		33088	104,445,263.	67,691,455.	36,753,808.	1.13
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	5	20188	816,760.		816,790.	
f Health professions education (from Worksheet 5)	11	603	8,553,100.		8,553,100.	.30
g Subsidized health services (from Worksheet 6)	7	1891	7,740,260.	3,471,630.	4,268,630.	.10
h Research (from Worksheet 7)	1		48,165,923.	1,416,489.	46,749,434.	1.50
i Cash and in-kind contributions for community benefit (from Worksheet 8)	1		9,800.		9,800.	
j Total Other Benefits	25	22682	65,285,843.	4,888,119.	60,397,754.	1.90
k Total . Add lines 7d and 7j.	25	55770	169,731,106.	72,579,574.	97,151,562.	3.03

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

Schedule H (Form 990) 2011

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

Table with 6 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community building expense, (d) Direct offsetting revenue, (e) Net community building expense, (f) Percent of total expense. Rows include Physical improvements and housing, Economic development, Community support, Environmental improvements, Leadership development and training for community members, Coalition building, Community health improvement advocacy, Workforce development, Other, and Total.

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?
2 Enter the amount of the organization's bad debt expense
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense.

Table with 3 columns: Question/Line, Yes, No. Contains responses for lines 1, 2, 3, 5, 6, 7, 9a, and 9b.

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME)
6 Enter Medicare allowable costs of care relating to payments on line 5
7 Subtract line 6 from line 5. This is the surplus (or shortfall)
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit.

Section C. Collection Practices

- 9a Did the organization have a written debt collection policy during the tax year?
9b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance?

Part IV Management Companies and Joint Ventures (see instructions)

Table with 5 columns: (a) Name of entity, (b) Description of primary activity of entity, (c) Organization's profit % or stock ownership %, (d) Officers, directors, trustees, or key employees' profit % or stock ownership %, (e) Physicians' profit % or stock ownership %. Rows 1-13.

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: CAPITOL HILL MAIN BUILDING

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

Table with 3 columns: Question, Yes, No. Rows include Community Health Needs Assessment (lines 1-7) and Financial Assistance Policy (lines 8-9). Includes checkboxes for various assessment criteria and a 'PUBLIC INSPECTION COPY' watermark.

Part V Facility Information (continued) CAPITOL HILL MAIN BUILDING

	Yes	No
10 Used FPG to determine eligibility for providing <i>discounted care</i> ? If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>2</u> <u>5</u> <u>0</u> % If "No," explain in Part VI the criteria the hospital facility used.	X	
11 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):	X	
a <input checked="" type="checkbox"/> Income level		
b <input checked="" type="checkbox"/> Asset level		
c <input type="checkbox"/> Medical indigency		
d <input checked="" type="checkbox"/> Insurance status		
e <input type="checkbox"/> Uninsured discount		
f <input checked="" type="checkbox"/> Medicaid/Medicare		
g <input type="checkbox"/> State regulation		
h <input type="checkbox"/> Other (describe in Part VI)		
12 Explained the method for applying for financial assistance?	X	
13 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b <input checked="" type="checkbox"/> The policy was attached to billing invoices		
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f <input checked="" type="checkbox"/> The policy was available on request		
g <input checked="" type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	X	
15 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged:		X
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply):		
a <input type="checkbox"/> Notified patients of the financial assistance policy on admission		
b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy		
e <input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information (continued) CAPITOL HILL MAIN BUILDING

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	
If "No," indicate why:			
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?		X
If "Yes," explain in Part VI.			
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient?		X
If "Yes," explain in Part VI.			

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Part V Facility Information (continued)**Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 38

Name and address	Type of Facility (describe)
1 CAPITOL HILL EAST BUILDING 1600 E JOHN ST SEATTLE WA 98112-5260	MEDICAL CLINIC
2 CAPITOL HILL NORTH BUILDING 310 15TH AVE E SEATTLE WA 98112-5260	MEDICAL CLINIC
3 CAPITOL HILL SOUTH BUILDING 125 16TH AVE E SEATTLE WA 98112-5260	MEDICAL CLINIC
4 CAPITOL HILL WEST BUILDING 201 16TH AVE E SEATTLE WA 98112-5260	MEDICAL CLINIC
5 CAPITOL HILL ANNEX BUILDING 122 16TH AVE E SEATTLE WA 98112-5260	MEDICAL CLINIC
6 BELLEVUE MEDICAL CENTER 11511 NE 10TH STREET BELLEVUE WA 98004	MEDICAL CENTER
7 BREMERTON BEHAVIORAL HEALTH SERVICES 555 PACIFIC AVE, STE 202 BREMERTON WA 98337	BEHAVIORAL HEALTH CLINIC
8 BREMERTON MEDICAL CENTER 2741 WHEATON WAY, SUITE A BREMERTON WA 98310	MEDICAL CENTER
9 EVERETT MEDICAL CENTER 2930 MAPLE STREET EVERETT WA 98201-4261	MEDICAL CENTER
10 COEUR D'ALENE MEDICAL CENTER 1090 W PARK PLACE COEUR D'ALENE ID 83814-2664	MEDICAL CENTER

Schedule H (Form 990) 2011

Part V Facility Information (continued)**Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1 DOWNTOWN SEATTLE MEDICAL CENTER 1420 5TH AVE, STE 375 SEATTLE WA 98101	MEDICAL CENTER
2 FACTORIA MEDICAL CENTER 13451 SE 36TH STREET SEATTLE WA 98006-1454	MEDICAL CENTER
3 KENT MEDICAL CENTER 26004 104TH AVE SE KENT WA 98031	MEDICAL CENTER
4 LIDGERWOOD MEDICAL CENTER 6002 N LIDGERWOOD SPOKANE WA 99208	MEDICAL CENTER
5 LYNNWOOD MEDICAL CENTER 20200 54TH AVENUE W LYNNWOOD WA 98036-6389	MEDICAL CENTER
6 NORTHGATE MEDICAL CENTER 9800 4TH AVENUE NE SEATTLE WA 98115-2158	MEDICAL CENTER
7 NORTHGATE SOUTH BUILDING 9720 4TH AVENUE NE SEATTLE WA 98115	MEDICAL CLINIC
8 NORTHSHORE MEDICAL CENTER 11913 NE 195TH STREET BOTHELL WA 98011-3147	MEDICAL CENTER
9 OLYMPIA MEDICAL CENTER 700 LILLY ROAD NE OLYMPIA WA 98506-5196	MEDICAL CENTER
10 PORT ORCHARD MEDICAL CENTER 1400 POTTERY AVENUE PORT ORCHARD WA 98366-3768	MEDICAL CENTER

Schedule H (Form 990) 2011

Part V Facility Information (continued)**Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1 POULSBO MEDICAL CENTER 19379 7TH AVENUE NE POULSBO WA 98370	MEDICAL CENTER
2 PUYALLUP MEDICAL CENTER 611 31ST AVE SW PUYALLUP WA 98374	MEDICAL CENTER
3 RAINIER MEDICAL CENTER 5316 RAINIER AVE S SEATTLE WA 98118-2398	MEDICAL CENTER
4 REDMOND MEDICAL CENTER 15809 BEAR CREEK PARKWAY, SUITE #100 REDMOND WA 98052-4370	MEDICAL CENTER
5 RENTON MEDICAL CENTER 275 BRONSON WAY NE RENTON WA 98056-4099	MEDICAL CENTER
6 BURIEN MEDICAL CENTER 140 SW 146TH STREET BURIEN WA 98166-1997	MEDICAL CENTER
7 RIVERFRONT MEDICAL CENTER 322 W NORTH RIVER DRIVE SPOKANE WA 99201	MEDICAL CENTER
8 SILVERDALE MEDICAL CENTER 10452 SILVERDALE WAY NW SILVERDALE WA 98383	MEDICAL CENTER
9 SOUTH HILL MEDICAL CENTER 4102 S REGAL STREET, SUITE 101 SPOKANE WA 99223-4733	MEDICAL CENTER
10 SILVERDALE EYE CARE SERVICES 10516 SILVERDALE WAY NW, SUITE 104 SILVERDALE WA 98383-8745	MEDICAL CLINIC

Schedule H (Form 990) 2011

Part V Facility Information (continued)

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1 TACOMA HEAR CENTER/AUDIOLOGY & EYE CARE 5821 S SPRAGUE COURT TACOMA WA 98409	MEDICAL CLINIC
2 ST JOSEPH MEDICAL CLINIC 1708 S YAKIMA AVENUE TACOMA WA 98405	MEDICAL CLINIC
3 TACOMA MEDICAL CENTER 209 MARTIN LUTHER KING JR WAY TACOMA WA 98405-4267	MEDICAL CENTER
4 TACOMA SOUTH MEDICAL CENTER 9505 S STEELE ST TACOMA WA 98444-6858	MEDICAL CENTER
5 VERADALE MEDICAL CENTER 14402 E SPRAGUE AVENUE SPOKANE VALLEY WA 99216-2167	MEDICAL CENTER
6 METROPOLITAN PARK EAST 1730 MINOR AVENUE SEATTLE WA 98101	RESEARCH FACILITY
7 TACOMA BEHAVIORAL HEALTH SERVICES 4301 S PINE STREET TACOMA WA 98409-7206	MEDICAL CLINIC
8 FEDERAL WAY MEDICAL CENTER 301 SOUTH 320TH STREET FEDERAL WAY WA 98003-5296	MEDICAL CENTER
9 	
10 	

PUBLIC INSPECTION COPY

Part VI Supplemental Information

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- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3(C) CHARITY CARE ELIGIBILITY CRITERIA

SCHEDULE H, PART I, LINE 3(C) CHARITY CARE ELIGIBILITY CRITERIA

GROUP HEALTH PROVIDES FREE CARE TO LOW INCOME INDIVIDUALS AT 200% OF
FEDERAL POVERTY GUIDELINES BUT DOES NOT OFFER DISCOUNTED CARE.

PART I, LINE 7(F) PERCENT OF TOTAL EXPENSE

SCHEDULE H, PART I, LINE 7(F) PERCENT OF TOTAL EXPENSE

BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX LINE 25, COLUMN (A), BUT
SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE FOR PART I, LINE 7,
COLUMN (F)

PART I, LINE 7 PERCENT OF TOTAL EXPENSE

SCHEDULE H, PART I, LINE 7

COST-TO CHARGE RATIO DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE
COST-TO CHARGES, WAS USED TO REPORT THE FOLLIWNG COMMUNITY BENEFIT
EXPENSES:

CHARITY CARE AT COST

UNREIMBURSED COSTS-OTHER-MEANS TESTED GOVERNMENT PROGRAMS (HEALTHCARE

Part VI Supplemental Information

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ASSISTANCE)

GROUP HEALTH UTILIZED THE MARKET SEGMENT REPORT (MSR), AN INTERNAL MANAGEMENT REPORT THAT PROVIDES DETAILED REVENUE AND EXPENSE BY LINE OF BUSINESS USING GAAP INCOME STATEMENT AND COST MANAGEMENT DATA (CMD) EXPENSE AND UTILIZATION INFORMATION. ON A MONTHLY BASIS, ALL GAAP GENERAL LEDGER EXPENSES ARE LOADED INTO THE CMD COSTING SYSTEM AT THE ACCOUNTING UNIT (AU) AND ACCOUNT LEVEL ALONG WITH PATIENT UTILIZATION INFORMATION FROM VARIOUS UTILIZATION SYSTEMS. EACH AU IS CATEGORIZED WITHIN CMD AS ONE OF THREE TYPES OF EXPENSES: 1) DELIVERY SYSTEM REPRESENTING MEDICAL SERVICES PROVIDED TO CONSUMERS; 2) HEALTH PLAN REPRESENTING INSURANCE SERVICES; OR 3) OVERHEAD REPRESENTING ADMINISTRATIVE SUPPORT SERVICES TO BOTH DELIVERY SYSTEM AND HEALTH PLAN. OVERHEAD IS ALLOCATED TO EITHER DELIVERY SYSTEM OR HEALTH PLAN USING A STEP DOWN PROCESS BASED ON RELEVANT STATISTICS SUCH AS NUMBER OF FTES, LABOR COST, SQUARE FEET, ETC. THE OVERHEAD ALLOCATION PERCENTAGE BETWEEN DELIVERY SYSTEM AND HEALTH PLAN ARE DETERMINED AND MAINTAINED BY THE CMD COSTING AND COSTING METHODOLOGY REVIEW TEAM.

Part VI Supplemental Information

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THE FOLLOWING COMMUNITY BENEFIT EXPENSES ARE REPORTED BASED ON THE MSR:

UNREIMBURSED MEDICAID

UNREIMBURSED COST-OTHER MEANS-TESTED GOVERNMENT PROGRAMS (BASIC HEALTH PLAN)

COMMUNITY HEALTH IMPROVEMENT SERVICES AND COMMUNITY BENEFIT OPERATIONS

HEALTH PROFESSIONS EDUCATION

SUBSIDIZED HEALTH SERVICES

RESEARCH

CASH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS

PART III, LINE 4, BAD DEBT EXPENSE

SCHEDULE H, PART III, LINE 4, BAD DEBT EXPENSE

BAD DEBT IS RECORDED WHEN A PATIENT WHO IS DETERMINED TO HAVE THE FINANCIAL CAPACITY TO PAY FOR SERVICES IS UNWILLING TO SETTLE THE BILL.

BAD DEBT INCLUDES PATIENTS/GUARANTORS:

-WHO DO NOT PAY FOR LEGITIMATE SERVICES AFTER 3 STATEMENTS.

-WHOSE MAIL IS RETURNED TO GROUP HEALTH AND WHO CANNOT BE CONTACTED

-WHO DECLARE BANKRUPTCY

Part VI Supplemental Information

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-WHO FAIL TO MEET IN-HOUSE PAYMENT ARRANGEMENTS

-WHO AGREE TO LONG-TERM BILLING SERVICES PROVIDED BY A CONTRACTED
COLLECTION AGENCY.

ACCOUNTS ARE REVIEWED FOR REFERRAL TO COLLECTION AGENCIES IF: 1) AFTER 3
CYCLE BILLS NO PAYMENT HAS BEEN RECEIVED, AND 2) THE BALANCES ARE 90 DAYS
FROM THE DATE OF FIRST STATEMENT. THE ACCOUNT WILL THEN REMAIN IN
PRE-COLLECT STATUS FOR THE FIRST 30 DAYS AFTER ASSIGNMENT, DURING WHICH
TIME NO COLLECTION ACTIVITIES ARE INITIATED BY THE AGENCIES. OTHER BAD
DEBT ACCOUNTS, INCLUDING RETURNED MAIL AND LAPSED PAYMENT ARRANGEMENTS,
ARE MANUALLY ASSIGNED TO COLLECTION AGENCIES. OTHER BAD DEBT ACCOUNTS,
INCLUDING RETURNED MAIL AND LAPSED PAYMENT ARRANGEMENTS, ARE MANUALLY
ASSIGNED TO COLLECTION AGENCIES. THE COLLECTION AGENCY ASSIGNMENT
PROCESS GENERATES THE APPROPRIATE WRITE-OFF TO BAD DEBT EXPENSE. ACCOUNTS
FOR BANKRUPTCIES ARE WRITTEN OFF TO BAD DEBT EXPENSE WHEN A NOTICE OF
BANKRUPTCY FILING IS RECEIVED. JUSTIFICATION FOR ALL BAD DEBT WRITE-OFFS
IS RECORDED IN THE PATIENT'S ELECTRONIC BILLING RECORD.

Part VI Supplemental Information

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FOLLOWING IS THE FOOTNOTE FROM THE CONSOLIDATED AUDITED FINANCIAL STATEMENT RELATED TO PROVISION FOR UNCOLLECTIBLE ACCOUNT:

(F) ACCOUNTS RECEIVABLE PRIMARILY CONSIST OF PREMIUMS, RECEIVABLES FOR NONCOVERED HEALTH CARE SERVICES, COPAYS AND DEDUCTIBLES, AND RECEIVABLES FOR FEE-FOR-SERVICE CLINICAL SERVICES PROVIDED TO NONENROLLEES. THE GROUP RECORDS A REDUCTION IN THE RELATED PREMIUM REVENUES FOR AN ESTIMATE OF AMOUNTS RELATED TO RETROACTIVE ENROLLMENT CHANGES. PROVISIONS FOR CONTRACTUAL ADJUSTMENTS ARE RECORDED ON AN ACCRUAL BASIS AND ARE DEDUCTED FROM GROSS REVENUES. BAD DEBTS RELATED TO SERVICES PROVIDED ARE RECORDED AS OPERATING EXPENSES IN THE CONSOLIDATED STATEMENTS OF OPERATIONS.

(F) PROVISION FOR UNCOLLECTIBLE ACCOUNTS AND RETROACTIVITY
THE GROUP PROVIDES AN ALLOWANCE FOR POTENTIAL UNCOLLECTIBLE ACCOUNTS RECEIVABLE WHEREBY SUCH RECEIVABLES ARE REDUCED TO THEIR ESTIMATED NET REALIZABLE VALUE. THE GROUP ESTIMATES THIS ALLOWANCE BASED ON THE AGING OF ACCOUNTS RECEIVABLE, HISTORICAL COLLECTION EXPERIENCE, ENROLLMENT RETROACTIVITY AND OTHER RELEVANT FACTORS. THERE ARE VARIOUS FACTORS THAT

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CAN IMPACT THE COLLECTION TRENDS AND THE ESTIMATION PROCESS, SUCH AS CHANGES IN THE ECONOMY, THE INCREASED BURDEN OF COPAYS AND DEDUCTIBLES TO BE MADE BY ENROLLEES AND BUSINESS PRACTICES RELATED TO COLLECTION EFFORTS. THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AND RETROACTIVITY WAS \$9,791,000 AND \$12,622,000 AS OF DECEMBER 31, 2011 AND 2010, RESPECTIVELY.

GROUP HEALTH DOES NOT COUNT ANY BAD DEBT AS COMMUNITY BENEFIT.

PART III, LINE 8, MEDICARE SHORTFALL

SCHEDULE H, PART III, LINE 8, MEDICARE SHORTFALL

GROUP HEALTH FILES A LOW VOLUME MEDICARE COST REPORT WHICH INCLUDES ONLY STATISTICAL USAGE INFORMATION. THE LOW VOLUME REPORT DOES NOT INCLUDE CHARGE OR COST INFORMATION FOUND IN FULL COST REPORTS. GROUP HEALTH USES INTERNAL COST AND CHARGE INFORMATION TO COMPUTE A COST TO CHARGE RATIO FOR ITS CENTRAL HOSPITAL MEDICARE COSTS. GROUP HEALTH DOES NOT INCLUDE ANY MEDICARE SHORTFALL AS COMMUNITY BENEFIT.

Part VI Supplemental Information

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PART III, LINE 9, COLLECTION POLICY

SCHEDULE H, PART III, LINE 9, COLLECTION POLICY

BAD DEBT EXPENSE IS RECOGNIZED WHEN A PATIENT WHO IS DETERMINED TO HAVE THE FINANCIAL CAPACITY TO PAY FOR SERVICES IS UNWILLING TO SETTLE THE BILL. STANDARD PRACTICE IS TO REFER ACCOUNTS FOR COLLECTION AFTER THREE 30 DAY BILLING CYCLES HAVE PASSED WITHOUT PAYMENT. EACH BILLING STATEMENT INCLUDES INFORMATION ON HOW PATIENTS CAN CONTACT GROUP HEALTH'S SPONSORED CARE DEPARTMENT TO INQUIRE ABOUT PAYMENT ASSISTANCE. AT ANY POINT IN THE BILLING PROCESS WHEN THE PATIENT INFORMS GROUP HEALTH THEY ARE UNABLE TO PAY, THEY ARE SCREENED FOR LIKELY ELIGIBILITY FOR FINANCIAL ASSISTANCE AND SENT A FINANCIAL ASSISTANCE APPLICATION, WHICH COLLECTS INCOME AND OTHER FINANCIAL INFORMATION. IF A PATIENT IS ELIGIBLE FOR FREE OR DISCOUNTED CARE, THE CHARGES ARE WRITTEN OFF AS ADJUSTMENTS TO REVENUE AND NOT RECOGNIZED AS BAD DEBT. THE COLLECTIONS PROCESS IS TERMINATED.

Part VI Supplemental Information

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PART V, QUESTION 13

SCHEDULE H, PART V, QUESTION 13

OTHER MEASURE TO PUBLICIZE THE FINANCIAL ASSISTANCE POLICY WITHIN THE COMMUNITY SERVED BY THE HOSPITAL FACILITY: GROUP HEALTH PUBLICIZES ITS FINANCIAL ASSISTANCE POLICY IN A VARIETY OF WAYS. THE POLICY IS POSTED ON THE GROUP HEALTH WEBSITE, INCLUDED WITH BILLING INVOICES, POSTED IN THE HOSPITAL'S EMERGENCY ROOM/URGENT CARE CENTER AND ADMISSIONS OFFICE. THE FAP IS AVAILABLE ON REQUEST. THE FAP IS ALSO PROVIDED DURING THE PRE-ADMISSION PROCESS TO PATIENTS WHO MAY BE ELIGIBLE. THIS IS DONE ON A CASE-BY-CASE BASIS BY PRE-ADMIT STAFF, BASED ON THE PATIENT'S LIKELY NEED AND ELIGIBILITY TO QUALIFY. IF A PATIENT IS NOT PRE-ADMITTED, THE POLICY IS DISCUSSED AT THE TIME OF BEDSIDE REGISTRATION FOR ADMISSION TO OUR HOSPITAL FACILITY. IF A PATIENT MAY QUALIFY FOR FINANCIAL ASSISTANCE, S/HE IS PROVIDED WITH A FORM TO SIGN IN ORDER TO RECEIVE FREE CARE UNDER THE CHARITY CARE POLICY.

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PART V, QUESTION 19

SCHEDULE H, PART V, QUESTION 19

GROUP HEALTH BILLING IS BASED ON USUAL, CUSTOMARY AND REASONABLE (UCR) CHARGES FOR THE GEOGRAPHIC AREA, WITH CONSIDERATION OF ACTUAL AVERAGE COSTS OF CARE PROVIDED BY GROUP HEALTH TO ALL PATIENTS. MAXIMUM CHARGES FOR FAP-ELIGIBLE INDIVIDUALS ARE NO MORE THAN THE AMOUNTS GENERALLY BILLED TO INSURED PATIENTS FOR EMERGENCY OR MEDICALLY NECESSARY CARE. FURTHER, CHARGES TO ELIGIBLE INDIVIDUALS FOR ANY OTHER CARE ARE LESS THAN THE GROSS CHARGES FOR THAT CARE.

PART VI, LINE 2, NEEDS ASSESSMENT

SCHEDULE H, PART VI, LINE 2, NEEDS ASSESSMENT

COMMUNITY NEEDS ASSESSMENT METHODOLOGY:

GROUP HEALTH COOPERATIVE (GROUP HEALTH) USES A NUMBER OF METHODS TO ASSESS AND MEET THE NEEDS OF THE COMMUNITIES SERVED.

TO DEVELOP THE FOUNDATION FOR ITS COMMUNITY HEALTH INITIATIVE, GROUP HEALTH PERFORMED A SECONDARY DATA ASSESSMENT IN 2009. USING DATA FROM

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WASHINGTON STATE LOCAL HEALTH DEPARTMENTS AND DISTRICTS

([HTTP://WWW.DOH.WA.GOV/LHJMAP/LHJMAP.HTM](http://www.doh.wa.gov/LHJMAP/LHJMAP.HTM)), UNITED WAY OF KING COUNTY'S

COMMUNITY ASSESSMENT ([HTTP://WWW.UWKC.ORG/KCCA/](http://www.uwkc.org/kcca/)), AND SEATTLE/KING

COUNTY'S COMMUNITY HEALTH INDICATORS REPORT

([HTTP://WWW.KINGCOUNTY.GOV/HEALTHSERVICES/HEALTH/DATA/CHI2009.ASPX](http://www.kingcounty.gov/healthservices/health/data/chi2009.aspx)) A

LOCALIZED ASSESSMENT OF THE NEEDS WITHIN THE GROUP HEALTH SERVICE AREA

WAS COMPILED.

IN 2010, GROUP HEALTH EMPLOYED THE CENTER FOR COMMUNITY HEALTH AND EVALUATION TO INTERVIEW 29 KEY COMMUNITY INFORMANTS. QUESTIONS ADDRESSED UNMET AND/OR UNADDRESSED HEALTH NEEDS OF CHILDREN AND FAMILIES, AS WELL AS PERSPECTIVES ON EFFECTIVE STRATEGIES THAT MIGHT INVOLVE GROUP HEALTH AND THAT HAVE THE POTENTIAL FOR CHARTING PROGRESS AND SUCCESS TOWARD COMMUNITY HEALTH OUTCOMES. THESE PERSPECTIVES PROVIDED THE GUIDANCE AND DIRECTION NECESSARY FOR GROUP HEALTH'S COMMUNITY HEALTH INITIATIVE. THE INITIATIVE PUTS PARTICULAR FOCUS ON PROVIDING COMMUNITY SUPPORT TOOLS TO MANAGE CHRONIC DISEASE AND OVERWEIGHT/OBESITY IN YOUNG ADULTS AND FAMILIES THROUGH INCREASED PHYSICAL ACTIVITY AND IMPROVED NUTRITION.

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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

GROUP HEALTH ALSO PARTICIPATES IN POLICY AND ADVOCACY EFFORTS TO ENSURE GREATER ACCESS TO APPROPRIATE, TIMELY AND COMPREHENSIVE COVERAGE AND CARE FOR LOW-INCOME POPULATIONS. THIS INCLUDES ASSURING THAT THE GROUP HEALTH CARE DELIVERY SYSTEM IS INCLUDED WITH OTHER SAFETY NET AND COMMUNITY PROVIDERS IN BOTH MEDICAID AND BASIC HEALTH PROGRAMS, A STATE DEVELOPED COVERAGE PROGRAM OFFERING SUBSIDIZED PREMIUMS FOR LOW-INCOME ADULTS AND FAMILIES.

IN ADDITION TO SPREADING A PROVEN DELIVERY SYSTEM PHILOSOPHY, GROUP HEALTH HAS PARTICIPATED IN THE IDENTIFICATION AND FULFILLMENT OF NECESSARY PUBLIC-DOMAIN RESEARCH RELATED TO PREVENTION, DIAGNOSIS AND TREATMENT OF MAJOR HEALTH PROBLEMS. LASTLY, GROUP HEALTH CONTINUES TO TRAIN NECESSARY AND CRITICALLY-IMPORTANT HEALTH PROFESSIONALS FOR MORE THAN 40 DIFFERENT MEDICAL AND ANCILLARY HEALTH PROFESSIONS, ESPECIALLY IN HIGH-DEMAND SHORTAGE PROFESSIONS SUCH AS PRIMARY CARE AND AMBULATORY NURSING.

Part VI Supplemental Information

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- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
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- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART VI, LINE 3, PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

SCHEDULE H, PART VI, LINE 3, PATIENT EDUCATION OF ELIG. FOR ASSISTANCE

GROUP HEALTH HAS TWO FINANCIAL ASSISTANCE PROGRAMS WHICH ARE ADMINISTERED AS THE SPONSORED CARE PROGRAM. THE CHARITY CARE PROGRAM IS FOR PATIENTS SEEKING HOSPITAL SERVICES WHO HAVE INCOMES AT OR BELOW 200% FPL. THE HEALTH CARE ASSISTANCE PROGRAM IS FOR ENROLLEES OR FORMER ENROLLEES SEEKING ANY MEDICAL CARE OR SERVICE AT A GROUP HEALTH FACILITY AND WHO ARE AT OR BELOW 250% FPL.

GROUP HEALTH INFORMS PATIENTS ABOUT SPONSORED CARE AS FOLLOWS:

1. GROUP HEALTH DISPLAYS LARGE POSTERS AT THE MAIN ENTRANCES OF GROUP HEALTH HOSPITAL, AS WELL AS AT THE HOSPITAL'S URGENT CARE CENTER AND AT ITS LABOR/DELIVERY UNIT. EACH POSTER REPEATS THE FOLLOWING MESSAGE IN SEVEN DIFFERENT LANGUAGES:

"YOU MAY BE ELIGIBLE FOR FREE HOSPITAL CARE

GROUP HEALTH COOPERATIVE PROVIDES FREE HOSPITAL CARE TO LOW-INCOME

PATIENTS AS "CHARITY CARE."

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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YOU MUST MEET CERTAIN INCOME STANDARDS TO QUALIFY. IF YOU THINK YOU MAY QUALIFY, PLEASE ASK ABOUT CHARITY CARE AT THE REGISTRATION DESK."

DESK CARDS AT THE RECEPTION AND REGISTRATION AREAS IN THE HOSPITAL REPEAT THE MESSAGE (IN ENGLISH), AND INCLUDE THE FINANCIAL GUIDELINES.

2. GROUP HEALTH HOSPITAL URGENT CARE STAFF PROVIDES FINANCIAL INFORMATION AND ATTESTATION FORMS TO PATIENTS SEEKING CHARITY CARE AT THE TIME OF REGISTRATION FOR SERVICES.

3. AS PART OF THEIR STANDARD OPERATING PROCEDURES, CLINICAL, CUSTOMER SERVICE AND PATIENT BILLING STAFF THROUGHOUT GROUP HEALTH ARE ABLE TO PROVIDE INFORMATION ABOUT AND ASSISTANCE WITH PATIENT QUALIFICATION FOR SPONSORED CARE PROGRAMS AT THE TIME OF SERVICE OR VIA TELEPHONE.

4. ADMINISTRATIVE AND BILLING OFFICE STAFF AT ALL 25 GROUP HEALTH MEDICAL CENTERS PROVIDE PATIENTS WITH SPONSORED CARE APPLICATIONS UPON REQUEST AT THE TIME OF SERVICE.

Part VI Supplemental Information

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- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

5. THERE IS A STANDARD NOTICE ON ALL GROUP HEALTH BILLS FOR PATIENT CARE,
WHICH STATES THAT THE PATIENT MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE,
AND PROVIDES CONTACT INFORMATION FOR ASSISTANCE.

PART VI, LINE 4, COMMUNITY INFORMATION

SCHEDULE H, PART VI, LINE 4, COMMUNITY INFORMATION

GROUP HEALTH'S PRIMARY EXEMPT PURPOSE IS TO PROVIDE COMPREHENSIVE,
PREVENTION-ORIENTED HEALTH CARE SERVICES. BENEFICIARIES OF THIS PURPOSE
ARE GROUP HEALTH ENROLLEES AND NON-ENROLLED PATIENTS. GROUP HEALTH ALSO
PROVIDES HEALTH-RELATED EDUCATION AND RESEARCH ACTIVITIES THAT BENEFIT
THE BROADER COMMUNITY.

TO FULFILL ITS PURPOSE, GROUP HEALTH PROVIDES OUTPATIENT PRIMARY AND
SPECIALTY CARE AS WELL AS SOME INPATIENT ACUTE AND SUB-ACUTE CARE THROUGH
THE SERVICES OF SALARIED PHYSICIANS, NURSES, AND OTHER HEALTH CARE

Part VI Supplemental Information

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- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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PROVIDERS. THE SALARIED PHYSICIANS ARE EMPLOYED BY GROUP HEALTH PERMANENTE, P.C., AN ORGANIZATION WITH WHOM GROUP HEALTH HAS AN EXCLUSIVE CONTRACT. AS OF YEAR-END 2011, GROUP HEALTH OPERATED ONE HOSPITAL, 25 PRIMARY CARE MEDICAL CENTERS, SIX SPECIALTY CARE UNITS AND SEVEN BEHAVIORAL HEALTH CLINICS. GROUP HEALTH ALSO CONTRACTS WITH COMMUNITY HEALTH CARE PROVIDERS FOR SERVICES WHERE GROUP HEALTH DOES NOT OPERATE ITS OWN FACILITIES AND FOR MEDICAL SERVICES NOT PROVIDED AT GROUP HEALTH FACILITIES.

GROUP HEALTH'S SERVICE AREAS INCLUDE ALL, OR PARTS OF, 19 COUNTIES IN WASHINGTON AND 2 COUNTIES IN IDAHO. IN THE LAST DECADE, THE MINORITY POPULATION IN WASHINGTON AS A WHOLE GREW FROM 20.6% OF THE STATE POPULATION TO 25.2 %. ELEVEN COUNTIES HAVE MINORITY POPULATIONS ABOVE THE STATE AVERAGE. FOR THE COUNTIES IN GROUP HEALTH'S SERVICE AREA, FRANKLIN (51.2%), YAKIMA (45.0%), KING (8.9%), PIERCE (9.2%) AND WALLA-WALLA (19.7%) COUNTIES CONSISTENTLY HAVE THE HIGHEST PERCENT OF HISPANIC POPULATIONS. FRANKLIN COUNTY AND YAKIMA COUNTY HAVE THE LARGEST SHARES OF NON-WHITE RACIAL GROUPS. CURRENT DATA INDICATES 49.5% OF WASHINGTON'S

Part VI Supplemental Information

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BLACK POPULATION RESIDES IN KING COUNTY AND 22.5% IN PIERCE COUNTY. WITH RESPECT TO THE ASIAN AND PACIFIC ISLANDER POPULATION, 58.6% RESIDE IN KING COUNTY, WITH 9.8% IN PIERCE COUNTY, AND 13.1% IN SNOHOMISH COUNTY. YAKIMA COUNTY'S RANKING AS HOME TO THE SECOND LARGEST CONCENTRATION OF THE AMERICAN INDIAN AND ALASKA NATIVE POPULATION IN 2000 WAS OVERTAKEN BY PIERCE COUNTY IN 2008. GROUP HEALTH SERVES ALL OF THESE COMMUNITIES. THE ETHNIC AND RACIAL MAKEUP OF OUR MEMBERS ARE AS FOLLOWS: CAUCASIAN, 80%; AFRICAN AMERICAN/BLACK, 3%; ASIAN/PACIFIC ISLANDER, 8%; HISPANIC, 5%; ALASKA NATIVE/AMERICAN INDIAN, 1%; OTHER 3%.

IN 2011, GROUP HEALTH AND ITS WHOLLY-OWNED SUBSIDIARIES, GROUP HEALTH OPTIONS, INC. AND KPS HEALTH PLANS, PROVIDED HEALTH CARE COVERAGE AND SERVICES TO APPROXIMATELY 660,000 INDIVIDUALS. GROUP HEALTH WAS ABLE TO REACH THESE INDIVIDUALS VIA INDIVIDUAL AND FAMILY, COMMERCIAL GROUP, MEDICARE, MEDICAID, AND STATE-SUBSIDIZED LOW-INCOME ("BASIC HEALTH") ENROLLEES IN WASHINGTON AND NORTH IDAHO. MOST MEDICARE AND MEDICAID PATIENTS RECEIVE SUCH SERVICES UNDER CAPITATION CONTRACTS BETWEEN GROUP

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HEALTH AND STATE AND FEDERAL GOVERNMENT AGENCIES, AND OTHERS RECEIVE CARE ON A FEE-FOR-SERVICE BASIS.

GROUP HEALTH EXTENDS ITS HEALTH CARE SERVICES TO THE COMMUNITY, PROVIDING CARE TO PEOPLE IN NEED REGARDLESS OF THEIR ENROLLMENT STATUS OR ABILITY TO PAY. SPECIAL ATTENTION IS DEVOTED TO UNDERSERVED, AT-RISK POPULATIONS. SPECIFICALLY RELATED TO LOW-INCOME ENROLLEES, IN 2011, GROUP HEALTH PROVIDED COVERAGE TO HEALTHY OPTIONS (WASHINGTON STATE MANAGED MEDICAID) ENROLLEES IN 6 COUNTIES AROUND THE STATE AS WELL AS PROVIDING CARE TO MEDICAID FEE-FOR-SERVICE PATIENTS WHO WERE UNABLE TO ACCESS GROUP HEALTH THROUGH THE MANAGED MEDICAID PROGRAM. GROUP HEALTH'S 2011 MEDICAID ENROLLMENT AVERAGED 20,000. IN ADDITION, IN 2011, GROUP HEALTH SERVED APPROXIMATELY 8,000 BASIC HEALTH MEMBERS, LARGELY LOW-INCOME ADULTS, IN 5 COUNTIES ACROSS THE STATE.

WHILE GROUP HEALTH COVERS BETWEEN 3-4% OF THE TOTAL MANAGED MEDICAID POPULATION IN WASHINGTON STATE, WE HAVE A MUCH HIGHER PROPORTION OF THE

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POPULATION IN TWO SPECIFIC COUNTIES. IN KITSAP COUNTY WE HAVE APPROXIMATELY 3,000 ENROLLEES OR 19% OF THE TOTAL MEDICAID MANAGED CARE POPULATION. IN SPOKANE COUNTY WE HAVE 11,000 ENROLLEES OR 21% OF THE MEDICAID MANAGED CARE POPULATION.

IN ADDITION, GROUP HEALTH'S FAMILY BEGINNINGS UNIT (FBU) IN SEATTLE PROVIDES LABOR AND DELIVERY AND NEONATAL INTENSIVE CARE UNIT SERVICES TO MEDICAID PATIENTS THROUGH TWO DIFFERENT CONTRACTING MODELS. THE FIRST CONTRACT MODEL IS THROUGH THE GROUP HEALTH HEALTHY OPTIONS MEDICAID PROGRAM ENROLLEES, WITH GROUP HEALTH PHYSICIANS AND NURSE MIDWIVES DELIVERING NEWBORNS. THE SECOND MODEL CONSISTS OF CONTRACTS WITH SEVERAL COMMUNITY HEALTH CLINICS AND FEDERALLY QUALIFIED HEALTH CENTERS TO ALLOW COMMUNITY PROVIDERS TO DELIVER THE PATIENTS OF THESE COMMUNITY CLINICS AT THE FBU, WITH BACK-UP AND SUPPORT PROVIDED BY GROUP HEALTH OB-GYN PHYSICIANS. IN ADDITION TO MEDICAID PATIENTS, THE GROUP HEALTH FBU IS ONE OF A FEW BIRTHING FACILITIES IN SEATTLE THAT ALLOWS CERTIFIED NURSE MIDWIFE BIRTHING FOR ALL PATIENTS.

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FINALLY, THE GROUP HEALTH TEEN PREGNANCY AND PARENTING CLINIC (TPPC) PROVIDES COMPREHENSIVE WOMEN INFANTS AND CHILDREN (WIC) AND OTHER HEALTH CARE SERVICES TO BOTH GROUP HEALTH AND NON-GROUP HEALTH LOW-INCOME TEENAGERS AND YOUNG ADULTS.

PART VI, LINE 5, PROMOTION OF COMMUNITY HEALTH
 SCHEDULE H, PART VI, LINE 5, PROMOTION OF COMMUNITY HEALTH
 GHC CONDUCTS PUBLIC-DOMAIN RESEARCH THROUGH ONE OF ITS DIVISIONS, THE GROUP HEALTH RESEARCH INSTITUTE (GHRI). SINCE ITS INCEPTION IN 1983, GHRI INVESTIGATORS HAVE PUBLISHED MORE THAN 2,000 SCIENTIFIC PAPERS AND HAVE MADE MAJOR CONTRIBUTIONS IN INJURY PREVENTION, LARGE SCALE INTERVENTIONS IN SMOKING CESSATION, BREAST CANCER SCREENING, TREATMENT OF DEPRESSION, THE SAFETY AND EFFICACY OF IMMUNIZATIONS, OSTEOARTHRITIS AND JOINT DISEASE, CANCER, DIABETES, MENTAL HEALTH, AND EFFECTIVE TREATMENT OF CARDIOVASCULAR DISEASE. MOST RECENT RESEARCH HAS FOCUSED ON THE IMPROVEMENTS AND COST-REDUCTIONS OF AN ADVANCED PRIMARY CARE MEDICAL HOME MODEL.

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THIS RESEARCH, PARTICULARLY THE LATEST RESEARCH ON ADVANCED PRIMARY CARE, DIRECTLY ADDRESSES THE NEED FOR INFORMATION AND EVIDENCE ON HIGH PERFORMING HEALTH SYSTEMS ABLE TO CONTAIN THE ESCALATING AND UNSUSTAINABLE COSTS OF CARE. THESE COSTS ARE CERTAIN TO INCREASE WITH THE OVERALL AGING OF THE POPULATION AS WELL AS THE INCREASED DEMAND OF NEWLY INSURED POPULATIONS BROUGHT ABOUT BY HEALTH REFORM. GHRI'S COMPARATIVE EFFECTIVENESS RESEARCH, IN CONTRAST TO CONTROLLED EXPERIMENTAL STUDIES, DIRECTLY ADDRESSES THE CARE NEEDS AND EFFICACY OF TREATMENT MODELS IN POPULATIONS SERVED IN WIDESPREAD COMMUNITY PRACTICES.

GROUP HEALTH ENGAGES IN A VARIETY OF HEALTH PROMOTION ACTIVITIES. IN ADDITION TO PROVIDING STAFF VOLUNTEERS TO SUPPORT A WIDE RANGE OF ACTIVITIES AND EVENTS, GROUP HEALTH DONATED OVER \$879,000 IN 2011 FOR COMMUNITY BUILDING ACTIVITIES. THESE INCLUDED SUPPORTING SAFETY NET ORGANIZATIONS, SUCH AS CRISIS CLINIC, KING COUNTY PROJECT ACCESS AND ELDERCARE NW; PROMOTING HEALTHY ACTIVE LIFESTYLES, SUCH AS SUPPORTING THE CASCADE BICYCLE CLUB, MAJOR TAYLOR PROGRAM, AND THE YMCA; AND EDUCATING

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THE PUBLIC ABOUT HEALTHY CHOICES, SUCH AS SUPPORTING PROGRAMS AT THE PACIFIC SCIENCE CENTER, THE PRIDE FOUNDATION, AND WASHINGTON HEALTH FOUNDATION.

GROUP HEALTH, IN PARTNERSHIP WITH SEVERAL STATE AND FEDERAL AGENCIES, PILOTED AND CONTINUES TO EXPAND AN INNOVATIVE PATIENT MEDICATION DISPOSAL PROGRAM WHICH ALLOWS PATIENTS WITH DISCONTINUED OR EXPIRED MEDICATIONS TO DISPOSE OF THEM IN A SAFE AND ENVIRONMENTALLY SOUND MANNER. THIS SYSTEM INVOLVES SECURE, CONVENIENT DROP-BOXES LOCATED IN 25 GROUP HEALTH PHARMACIES ACROSS THE STATE TO ALLOW MEMBERS AND PATIENTS TO RECYCLE IN A WAY THAT KEEPS THEM OUT OF LANDFILLS AND WATER SYSTEMS. IN ADDITION TO ENVIRONMENTAL BENEFITS, THIS PROGRAM ALSO HELPS PREVENT RISKS TO THE SAFETY OF PARTICIPANTS THROUGH ABUSE AND ACCIDENTAL POISONING.

LAST, GROUP HEALTH'S BOARD OF TRUSTEES SERVES AS THE GOVERNING BOARD OF GROUP HEALTH'S HOSPITAL. THE BOARD IS COMPRISED OF 11 INDEPENDENT TRUSTEES WHO ARE ELECTED BY GROUP HEALTH'S VOTING MEMBERSHIP. THE MEMBERS OF THE BOARD REPRESENT A CROSS-SECTION OF THE COMMUNITY.

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PART VI, LINE 6, AFFILIATED HEALTH CARE SYSTEM

SCHEDULE H, PART VI, LINE 6, AFFILIATED HEALTH CARE SYSTEM

GROUP HEALTH COOPERATIVE IS ONE OF THE NATION'S LARGEST CONSUMER GOVERNED HEALTH CARE ORGANIZATIONS. GROUP HEALTH IS GOVERNED BY AN INDEPENDENT BOARD OF TRUSTEES COMPRISED OF 11 ENROLLED MEMBERS ALL OF WHOM RESIDE IN THE GROUP HEALTH SERVICE AREA AND ARE ELECTED BY GROUP HEALTH'S VOTING MEMBERSHIP. VOTING MEMBERSHIP IS OPEN TO ALL GROUP HEALTH ENROLLEES OVER THE AGE OF EIGHTEEN.

GROUP HEALTH COOPERATIVE HAS A WHOLLY OWNED SUBSIDIARY, THE GROUP HEALTH FOUNDATION, WHICH IS ALSO 501(C)(3) ORGANIZATION. THE PURPOSE OF THE GROUP HEALTH FOUNDATION IS TO IMPROVE THE HEALTH OF COMMUNITIES IN PARTNERSHIP WITH GROUP HEALTH COOPERATIVE AND GROUP HEALTH RESEARCH INSTITUTE. GROUP HEALTH FOUNDATION INVESTS IN RESEARCH RELATED TO HEALTH CARE INNOVATION, QUALITY OUTCOMES AND COMMUNITY PARTNERSHIPS AND PROVIDES TECHNICAL ASSISTANCE AND GRANTS, AS WELL AS SPONSORING SPECIFIC PROGRAMS, TO PROMOTE CHILDREN'S HEALTH AND FITNESS, PREVENTIVE CARE AND HEALTH EDUCATION AND DIVERSITY. GROUP HEALTH FOUNDATION IS CURRENTLY ENGAGED IN

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

A MULTI-YEAR PROGRAM WITH ORGANIZATIONAL AND SCHOOL-BASED PARTNERS IN COMMUNITIES ACROSS THE STATE, TO ADDRESS THE EFFECTS OF PARENTAL HESITANCY ON LOW VACCINATION RATES OF WASHINGTON'S CHILDREN. THIS INCLUDES PROCURING AND PROVIDING VACCINES TO CHILDREN, AS WELL AS SPONSORING SOCIAL MARKETING AND OTHER ACTIVITIES TO REDUCE PARENTAL HESITANCY RELATED TO CHILDHOOD VACCINATION.

GROUP HEALTH COOPERATIVE HAS AN EXCLUSIVE CONTRACT WITH GROUP HEALTH PERMANENTE, P.C., A GROUP PRACTICE WITH 1,400 SALARIED CLINICIANS. GROUP HEALTH PERMANENTE IS NOT UNDER COMMON GOVERNANCE OR CONTROL WITH GROUP HEALTH COOPERATIVE, BUT THE TWO ORGANIZATIONS COLLABORATE TO SERVE THE COMMUNITY. BOTH GROUP HEALTH COOPERATIVE AND GROUP HEALTH PERMANENTE PARTICIPATE AS FACULTY AND PRECEPTORS FOR RESIDENCY AND HEALTH PROFESSIONALS TRAINING PROGRAMS. IN ADDITION TO THE OPERATION OF A FAMILY PRACTICE RESIDENCY PROGRAM (FOR WHICH GROUP HEALTH PERMANENTE PHYSICIANS SERVE AS FACULTY), GROUP HEALTH COOPERATIVE AND GROUP HEALTH PERMANENTE PARTICIPATE IN THE TRAINING OF OVER A DOZEN MEDICAL SPECIALTIES AND AN ADDITIONAL 20+ MID-LEVEL AND NON-PHYSICIAN TRAINING

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PROGRAMS, INCLUDING THOSE FOR CRITICAL SHORTAGE PROFESSIONS SUCH AS
NURSING, PHYSICAL THERAPY AND PHARMACY.

AS AN INTEGRATED CARE ORGANIZATION AND ONE OF THE LARGEST PROVIDERS IN
WASHINGTON STATE, GROUP HEALTH HAS INNOVATIVE NEW APPROACHES TO CARE THAT
CONTRIBUTE TO WASHINGTON STATE HAVING HIGHER HEALTH CARE QUALITY AND
LOWER COSTS THAN THE NATIONAL AVERAGE. THIS HAS INCLUDED BEING A NATIONAL
LEADER IN THE WIDESPREAD ADOPTION OF ELECTRONIC MEDICAL RECORDS, FOCUS ON
PREVENTION AND A PATIENT-CENTERED MEDICAL HOME MODEL OF CARE.

PHYSICIAN AND NON-PHYSICIAN LEADERS AT GROUP HEALTH ALSO CONTRIBUTE TO
THE EXPANSION OF EVIDENCE-BASED MEDICINE AND OUTCOMES IMPROVEMENT BY
SHARING CLINICAL GUIDELINES, QUALITY IMPROVEMENT EFFORTS AND PROTOCOLS
RELATED TO SHARED DECISION-MAKING AND OTHER PATIENT ENGAGEMENT TOOLS,
LEAN PROCESS IMPROVEMENTS IN CLINICAL CARE AND OTHER CARE INNOVATIONS.
GROUP HEALTH IS A LEADER IN THE PUGET SOUND HEALTH ALLIANCE, WHICH
PUBLICLY AND TRANSPARENTLY REPORTS PROVIDER QUALITY MEASURES THROUGH ITS
COMMUNITY CHECKUP.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

IN ADDITION TO THE ABOVE MENTIONED PROGRAMS IN WASHINGTON STATE, IN 2011
GROUP HEALTH PHYSICIANS AND STAFF VOLUNTEERED MEDICAL SERVICES TO
HOMELESS SHELTERS, COMMUNITY CLINICS AND OTHER RELIEF EFFORTS IN THE U.S.
AND AROUND THE WORLD.

PART VII, LINE 7, STATE OF FILING OF COMMUNITY BENEFIT REPORT
SCHEDULE H, PART VII, LINE 7, STATE OF FILING OF COMMUNITY BENEFIT REPORT
THIS QUESTION IS NOT APPLICABLE.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

GROUP HEALTH COOPERATIVE

Employer identification number

91-0511770

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 in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input checked="" 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 checked="" 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 officers, directors, trustees, and 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. Explain in Part III.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- 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) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in 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
1b	X	
2	X	
4a	X	
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2011

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 SCOTT E ARMSTRONG	(i) 905,728	(ii) 147,735	(iii) 153,418	137,600	31,188	1,375,669	0
(ii) 514,548	73,281	10,832	28,212	12,690	639,563	0	
2 RICHARD E MAGNUSON	(i) 432,934	(ii) 62,436	(iii) 42,722	152,100	13,019	703,211	0
(ii) 289,845	41,917	28,899	28,212	22,574	411,447	0	
4 PAMELA A MACEWAN	(i) 220,106	(ii) 17,856	(iii) 7,811	26,696	7,156	279,625	0
(ii) 308,396	31,658	3,788	27,746	13,086	384,674	0	
6 MICHAEL ERIKSON	(i) 629,701	(ii) 90,576	(iii) 7,396	23,312	21,344	772,329	0
(ii) 335,011	48,073	34,025	0	0	417,109	0	
8 CYNTHIA JOHNSON	(i) 247,862	(ii) 19,687	(iii) 2,434	25,551	19,516	315,050	0
(ii) 299,330	36,683	29,731	135,500	19,142	520,386	0	
10 JOEL SUELZLE	(i) 277,048	(ii) 34,296	(iii) 3,459	28,106	30,176	373,086	0
(ii) 308,255	25,159	4,497	28,212	24,305	390,428	0	
12 ERIC LARSON	(i) 262,017	(ii) 35,678	(iii) 2,973	26,457	9,358	336,483	0
(ii) 252,263	60,823	67,414	23,312	8,668	412,480	0	
14 JAMES HERFORD	(i) 251,070	(ii) 31,406	(iii) 3,145	138,200	18,374	442,195	0
(ii) 200,553	16,957	1,241	155,973	25,422	400,146	0	
16 BARBARA BELT LLOYD	(i) 0	(ii) 0	(iii) 0	0	0	0	0

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

	(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	LAURA REHRMANN	259,426	32,034	26,447	27,790	7,217	352,914	
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								

PUBLIC INSPECTION COPY

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

FIRST CLASS TRAVEL

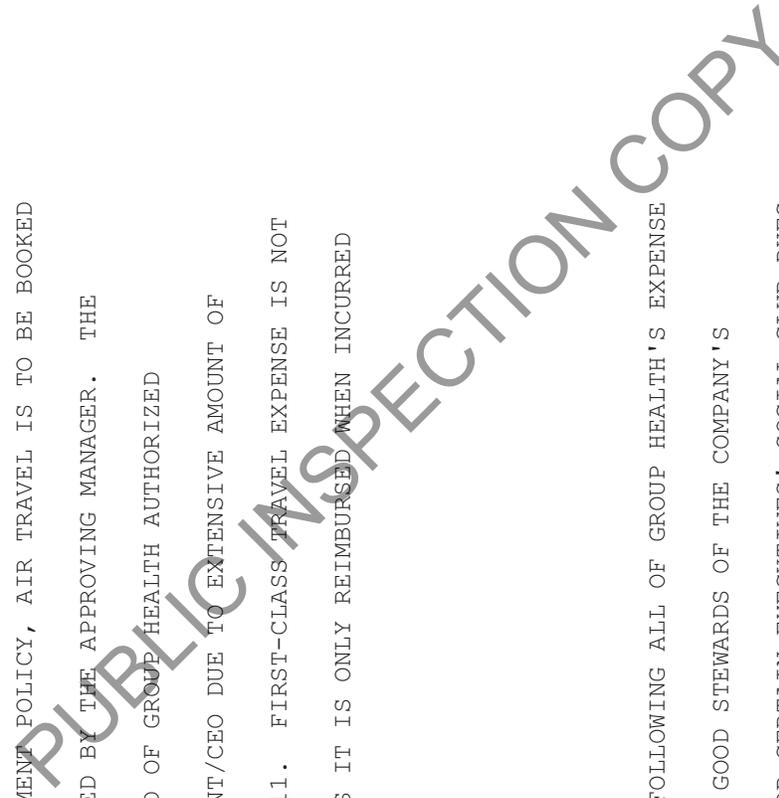
SCHEDULE J, PART I, LINE 1A

PER GROUP HEALTH EXPENSE REIMBURSEMENT POLICY, AIR TRAVEL IS TO BE BOOKED AT COACH CLASS UNLESS PRE-AUTHORIZED BY THE APPROVING MANAGER. THE COMPENSATION COMMITTEE OF THE BOARD OF GROUP HEALTH AUTHORIZED FIRST-CLASS TRAVEL FOR THE PRESIDENT/CEO DUE TO EXTENSIVE AMOUNT OF REQUIRED BUSINESS TRAVEL DURING 2011. FIRST-CLASS TRAVEL EXPENSE IS NOT REPORTED AS TAXABLE COMPENSATION AS IT IS ONLY REIMBURSED WHEN INCURRED FOR BUSINESS PURPOSES.

SOCIAL CLUB DUES

SCHEDULE J, PART I, LINE 1A

ALL EMPLOYEES ARE RESPONSIBLE FOR FOLLOWING ALL OF GROUP HEALTH'S EXPENSE REIMBURSEMENT GUIDELINES AND BEING GOOD STEWARDS OF THE COMPANY'S RESOURCES. THE COMPANY WILL PAY FOR CERTAIN EXECUTIVES' SOCIAL CLUB DUES IF THE EXPENSE COMPLIES WITH THE EXPENSE REIMBURSEMENT POLICY AND THE BUSINESS EXPENSES ARE RELATED TO A LEGITIMATE BUSINESS PURPOSE AND ARE REASONABLE FOR THE SITUATION IN WHICH THEY WERE INCURRED. SOCIAL CLUB DUES ARE NOT TREATED AS TAXABLE COMPENSATION WHEN STRICTLY INCURRED FOR



Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

BUSINESS PURPOSE.

SEVERANCE PAYMENT

SCHEDULE J, PART I, LINE 4A

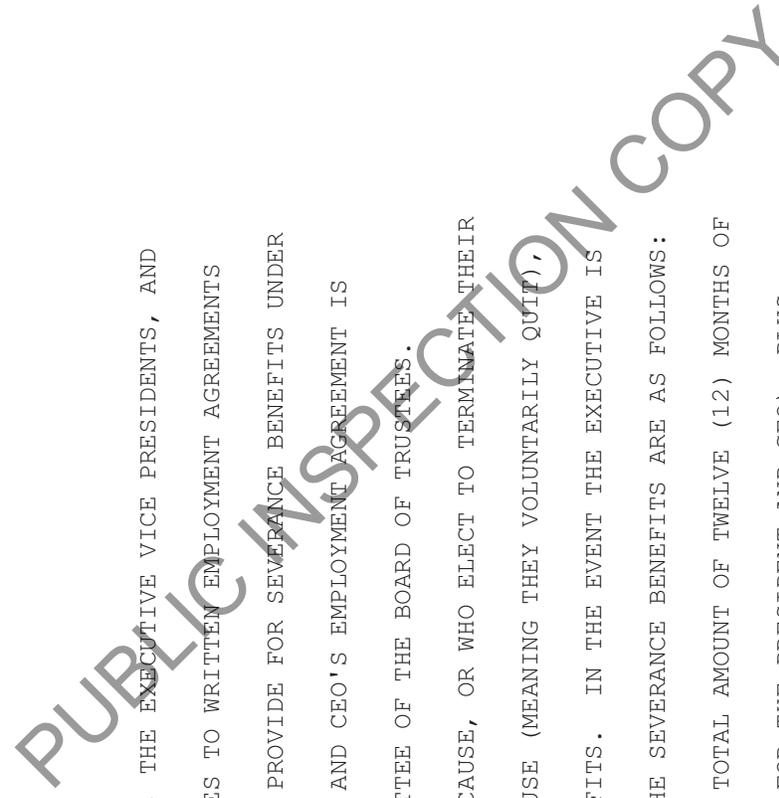
THE GROUP HEALTH PRESIDENT AND CEO, THE EXECUTIVE VICE PRESIDENTS, AND THE VICE PRESIDENTS ARE EACH PARTIES TO WRITTEN EMPLOYMENT AGREEMENTS WITH GROUP HEALTH COOPERATIVE THAT PROVIDE FOR SEVERANCE BENEFITS UNDER CERTAIN CONDITIONS. THE PRESIDENT AND CEO'S EMPLOYMENT AGREEMENT IS APPROVED BY THE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES.

EXECUTIVES WHO ARE TERMINATED FOR CAUSE, OR WHO ELECT TO TERMINATE THEIR EMPLOYMENT RELATIONSHIP WITHOUT CAUSE (MEANING THEY VOLUNTARILY QUIT), ARE NOT ENTITLED TO SEVERANCE BENEFITS. IN THE EVENT THE EXECUTIVE IS

ELIGIBLE FOR SEVERANCE BENEFITS, THE SEVERANCE BENEFITS ARE AS FOLLOWS: SEVERANCE PAYMENTS IN THE MAXIMUM, TOTAL AMOUNT OF TWELVE (12) MONTHS OF BASE SALARY, (EIGHTEEN (18) MONTHS FOR THE PRESIDENT AND CEO), PLUS

MEDICAL AND DENTAL COVERAGE (AT THE SAME LEVEL PROVIDED TO THE EXECUTIVE AS OF THE DATE OF SEPARATION) FOR A MAXIMUM OF TWELVE (12) MONTHS (EIGHTEEN (18) MONTHS FOR THE PRESIDENT AND CEO). THESE BENEFITS ARE

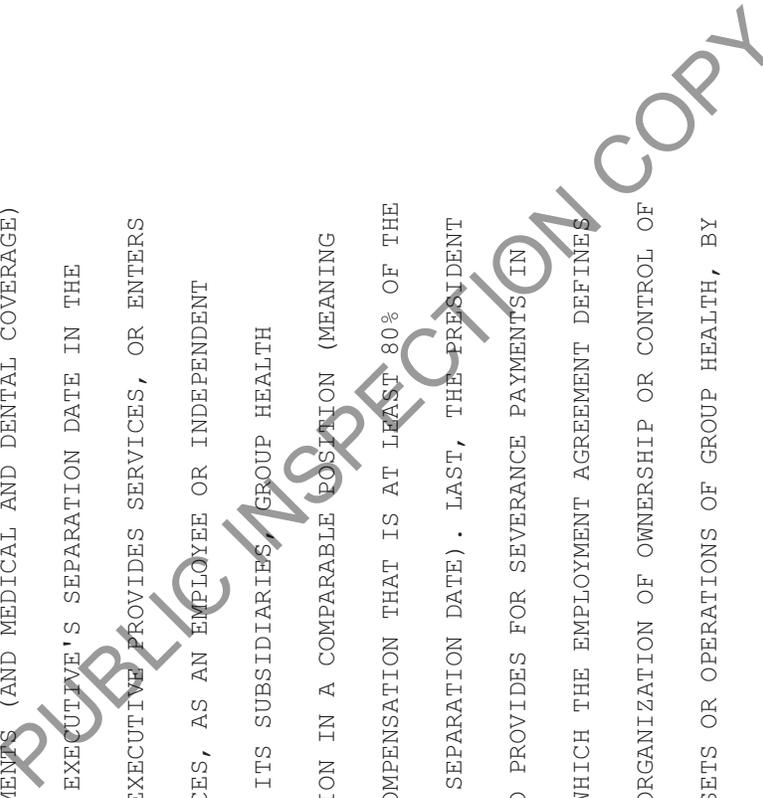
FORFEITED IF THE EXECUTIVE VIOLATES THE TERMS OF THE NON-COMPETITION,



Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

NON-SOLICITATION, AND CONFIDENTIALITY COMMITMENTS IN THE EMPLOYMENT AGREEMENT. FURTHER, WITH RESPECT TO THE EXECUTIVE VICE PRESIDENTS AND VICE PRESIDENTS, THE SEVERANCE PAYMENTS (AND MEDICAL AND DENTAL COVERAGE) WILL CEASE AFTER SIX MONTHS OF THE EXECUTIVE'S SEPARATION DATE IN THE EVENT AND AS OF THE DATE THAT THE EXECUTIVE PROVIDES SERVICES, OR ENTERS INTO AN AGREEMENT TO PROVIDE SERVICES, AS AN EMPLOYEE OR INDEPENDENT CONTRACTOR TO GROUP HEALTH, ANY OF ITS SUBSIDIARIES, GROUP HEALTH PERMANENTE, OR ANY OTHER ORGANIZATION IN A COMPARABLE POSITION (MEANING AN EXECUTIVE LEVEL POSITION WITH COMPENSATION THAT IS AT LEAST 80% OF THE EXECUTIVE'S COMPENSATION AS OF THE SEPARATION DATE). LAST, THE PRESIDENT AND CEO'S EMPLOYMENT AGREEMENT ALSO PROVIDES FOR SEVERANCE PAYMENTS IN THE EVENT OF A CHANGE IN CONTROL, WHICH THE EMPLOYMENT AGREEMENT DEFINES AS (1) THE ACQUISITION BY ANOTHER ORGANIZATION OF OWNERSHIP OR CONTROL OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OR OPERATIONS OF GROUP HEALTH, BY MERGER, CONSOLIDATION, DISSOLUTION, LIQUIDATION, JOINT VENTURE, PARTNERSHIP, AFFILIATION, MANAGEMENT AGREEMENT, SALE OR TRANSFER OF ASSETS, OR OTHERWISE; (2) A CONVERSION OF GROUP HEALTH TO A STOCK-BASED CORPORATION; (3) A FIFTY PERCENT (50%) OR GREATER CHANGE IN THE



Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

COMPOSITION OF THE BOARD OF TRUSTEES THAT OCCURS WITHIN ANY SINGLE CALENDARY YEAR; OR (4) ANY OTHER CHANGE IN THE MANAGEMENT OR OPERATIONAL CONTROL OF GROUP HEALTH THAT IS DETERMINED BY THE GROUP HEALTH BOARD OF TRUSTEES BY MAJORITY VOTE TO BE A CHANGE IN CONTROL FOR PURPOSES OF THE CEO'S EMPLOYMENT AGREEMENT.

PETER MORGAN, EVP, GROUP PRACTICE DIVISION, SEVERANCE PAYMENT OF \$18,501.

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

SCHEDULE J, PART I, LINE 4B

THE GROUP HEALTH PRESIDENT AND CEO, THE EXECUTIVE VICE PRESIDENTS, AND THE VICE PRESIDENTS ARE ELIGIBLE TO PARTICIPATE IN A NONQUALIFIED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (THE "PLAN") APPROVED BY THE GROUP HEALTH COOPERATIVE BOARD OF TRUSTEES COMPENSATION COMMITTEE AND ADMINISTERED BY THE COMPENSATION COMMITTEE. GROUP HEALTH CREDITS TO THE ACCOUNT OF EACH ACTIVE PARTICIPANT AN ANNUAL CONTRIBUTION AMOUNT OF NINE PERCENT OF THE PARTICIPANT'S BASE SALARY (15.3% FOR THE PRESIDENT AND

CEO). THE FORMULA FOR THE ANNUAL CONTRIBUTION IS BASED ON THE



Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PARTICIPANT'S BASE SALARY AND EXCLUDES ANY INCENTIVE PLAN OR BONUS PAYMENT AMOUNTS. THE PLAN BALANCES ARE SUBJECT TO SUBSTANTIAL RISK OF FORFEITURE UNTIL THE PARTICIPANT HAS VESTED AND MET OTHER PLAN REQUIREMENTS. VESTING OCCURS AFTER EITHER THREE YEARS OR FIVE YEARS FROM THE DATE ON WHICH A PARTICIPANT ENTERS THE PLAN, BASED ON THE PARTICIPANT'S DATE OF HIRE (AS OF JANUARY 1, 2008, ALL NEW EXECUTIVE VICE PRESIDENT AND VICE PRESIDENT HIRES ARE SUBJECT TO A FIVE-YEAR VESTING SCHEDULE). PARTICIPANTS WHO INCUR A SEPARATION FROM SERVICE PRIOR TO THEIR VESTING DATE ARE NOT ELIGIBLE FOR PLAN DISTRIBUTIONS UNLESS CERTAIN PLAN CONDITIONS ARE MET. A PARTICIPANT REMAINS ELIGIBLE TO PARTICIPATE UNTIL HIS OR HER ACCOUNT BALANCE IS EITHER FULLY DISTRIBUTED OR FORFEITED. GROUP HEALTH MADE SERP PLAN CONTRIBUTIONS AND DISTRIBUTIONS IN 2011 AS FOLLOWS:

SCOTT ARMSTRONG, PRESIDENT AND CEO, \$132,969.

RICK WOODS, SECRETARY/EVP, GENERAL COUNSEL, \$37,758.

PAMELA MACEWAN, ASST. SECRETARY/EVP, PUB AFFRS, \$25,270.

JAMES HEREFORD, EVP, STRATEGIC SERVICES & QLTY, \$63,127.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

JOEL SUEZLE, VP, HLTH PLAN ADMINISTRATION, \$26,031.

CYNTHIA JOHNSON, EVP, HR, \$28,191.

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**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

GROUP HEALTH COOPERATIVE

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A WASHINGTON HEALTH CARE FACILITIES AUTHORITY	9711108929	97978EE24	11/08/2006	99,995,662.	REVENUE BOND 2006		X		X		X
B											
C											
D											

Employer identification number
91-0511770

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue		99,995,662.						
4 Gross proceeds in reserve funds		8,848,163.						
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		1,999,913.						
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		89,147,566.						
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion	2008							
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?		X						
15 Were the bonds issued as part of an advance refunding issue?		X						
16 Has the final allocation of proceeds been made?	X							
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						

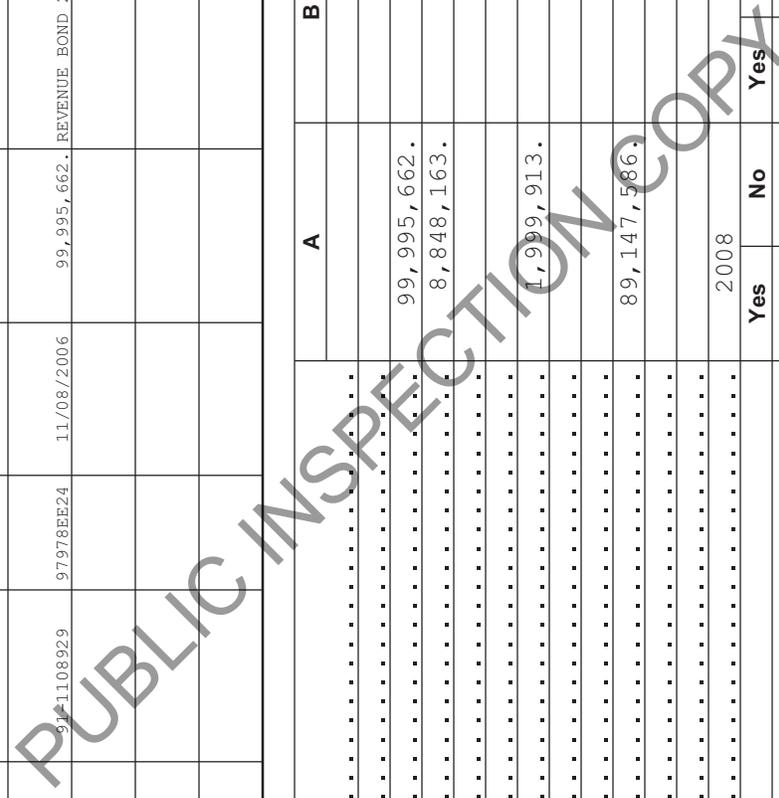
For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2011

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions.



Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?		X						
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?		X						
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X							
2 Is the bond issue a variable rate issue?		X						
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X							
b Name of provider								
c Term of hedge		30,000						
d Was the hedge superintegrated?		X						
e Was the hedge terminated?		X						
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?	X							
b Name of provider		TRINITY PLUS FUNDING						
c Term of GIC		10,000						
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
5 Were any gross proceeds invested beyond an available temporary period?		X						
6 Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations Yes No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **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. ▶ See separate instructions.**

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization
GROUP HEALTH COOPERATIVE

Employer identification number
91-0511770

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) 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) Description of transaction	(c) Corrected?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

2 Enter the amount of tax imposed on 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, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
	(1)									
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										

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 and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

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

Schedule L (Form 990 or 990-EZ) 2011

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
(1) TODD CAMPBELL	SON OF FORMER TRUSTEE	52,625.	INDEPENDENT CONTRACTOR		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

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

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Name of the organization

GROUP HEALTH COOPERATIVE

Employer identification number

91-0511770

ORGANIZATION'S MEMBERSHIP

FORM 990, PART VI, SECTION A, LINE 6

GROUP HEALTH COOPERATIVE (GHC) HAS VOTING MEMBERS. THE GHC BYLAWS OUTLINE A NUMBER OF PURPOSES, INCLUDING TO SERVE THE GREATEST POSSIBLE NUMBER OF PEOPLE UNDER CONSUMER COOPERATIVE PRINCIPLES WITHOUT DISCRIMINATION. ELIGIBLE CONSUMERS WHO BELIEVE IN THIS PURPOSE ARE ENCOURAGED TO BECOME VOTING MEMBERS AND PARTICIPATE IN GOVERNING GHC. TO BE ELIGIBLE FOR MEMBERSHIP, A CONSUMER MUST BE EIGHTEEN YEARS OF AGE OR OLDER AND CURRENT IN MONTHLY PREMIUMS.

ORGANIZATION'S VOTING MEMBERSHIP

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

GHC HAS VOTING MEMBERS. THE RIGHTS OF MEMBERS ARE DELINEATED IN GHC'S BYLAWS AND INCLUDE THE DETERMINATION OF QUALIFICATIONS FOR MEMBERSHIP; THE ELECTION OF MEMBERS OF THE BOARD OF TRUSTEES (GHC'S GOVERNING BODY); THE ELECTION OF THE CHAIR OF THE STANDING NOMINATING COMMITTEE OF THE MEMBERSHIP (WHICH EVALUATES AND NOMINATES CANDIDATES FOR ELECTION TO THE BOARD); ADOPTION OF RESOLUTIONS THAT ARE ADVISORY TO THE BOARD; APPROVAL OF EXTRAORDINARY ACTIONS; AND AMENDMENT OF THE PREAMBLE, MEMBERSHIP, AND MEMBERSHIP RIGHTS SECTIONS OF THE BYLAWS.

APPROVAL BY VOTE OF MEMBERS

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

GHC BYLAWS PROVIDE THAT THE MERGER OR CONSOLIDATION OF GHC WITH ANOTHER

Name of the organization GROUP HEALTH COOPERATIVE	Employer identification number 91-0511770
--	--

ENTITY, THE VOLUNTARY DISSOLUTION OF GHC, OR THE SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE PROPERTY AND ASSETS OF GHC MUST BE APPROVED BY VOTE OF THE MEMBERS. THE BOARD OF TRUSTEES PRESENTS A PROPOSED PLAN OF MERGER, CONSOLIDATION, DISSOLUTION, OR SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE PROPERTY AND ASSETS OF GHC TO THE MEMBERS FOR APPROVAL. SUCH RESOLUTION IS FIRST CONSIDERED AT AN ANNUAL OR SPECIAL MEETING. ALSO, AMENDMENTS TO ARTICLE 2 OF THE GHC BYLAWS (ADDRESSING MEMBERSHIP AND MEMBERSHIP RIGHTS) MAY ONLY BE APPROVED BY VOTE OF THE MEMBERS. THE BOARD OF TRUSTEES MAY PROPOSE AMENDMENTS TO ARTICLE 2 BY RESOLUTION.

ORGANIZATION'S FORM 990 REVIEW PROCESS

FORM 990, PART VI, SECTION A, LINE 11A

THE FORM 990 UNDERGOES A ROBUST PREPARATION AND REVIEW PROCESS BEFORE IT IS SIGNED. THE ORGANIZATION'S FINANCE TEAM WORKS CLOSELY WITH THE OUTSIDE ACCOUNTING FIRM IT ENGAGES TO REVIEW THE RETURN AND INVOLVES MANY MEMBERS OF MANAGEMENT IN PREPARATION OF THE RETURN. THE FORM 990 IS THEN REVIEWED BY GHC MANAGEMENT AND THE OUTSIDE CPA FIRM FOR ACCURACY AND COMPLETENESS PRIOR TO BEING PRESENTED TO GHC'S AUDIT AND COMPLIANCE COMMITTEE OF THE BOARD OF TRUSTEES (A DULY CONSTITUTED COMMITTEE OF THE BOARD). THE FINAL DRAFT FORM 990 IS PRESENTED TO THE AUDIT AND COMPLIANCE COMMITTEE FOR REVIEW AND DISCUSSION. THE FINAL DRAFT FORM 990 IS ALSO PROVIDED TO THE FULL BOARD OF TRUSTEES FOR REVIEW AND INFORMATION BEFORE THE RETURN IS FILED.

ORGANIZATION'S MONITORING AND ENFORCEMENT OF CONFLICT OF INTEREST POLICY

Name of the organization GROUP HEALTH COOPERATIVE	Employer identification number 91-0511770
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FORM 990, PART VI, SECTION B, LINE 12C

GROUP HEALTH COOPERATIVE HAS AN ORGANIZATION-WIDE CONFLICT OF INTEREST POLICY THAT COVERS TRUSTEES, OFFICERS, AND EMPLOYEES. IT ALSO APPLIES TO CERTAIN INDEPENDENT CONTRACTORS WHEN THEY PERFORM WORK ON BEHALF OF GROUP HEALTH. THE POLICY INCLUDES REQUIRED DISCLOSURE PROCEDURES WHICH ARE APPLIED TO ALL GROUP HEALTH TRUSTEES AND GROUP HEALTH OFFICERS, INCLUDING: - PROVIDING A WRITTEN DECLARATION OF ANY ACTUAL OR POTENTIAL AREAS OF CONFLICT OF INTEREST ON AN ANNUAL BASIS USING FORMS AND PROCEDURES DEVELOPED BY THE CHIEF COMPLIANCE OFFICER. THESE DECLARATIONS ARE REVIEWED BY THE AUDIT AND COMPLIANCE COMMITTEE OF THE BOARD OF TRUSTEES. - SUBSEQUENT REPORTING OF MATERIAL ADDITIONS OR CHANGES TO THE INFORMATION PROVIDED ON THE CONFLICT OF INTEREST DECLARATIONS. THESE ADDITIONS OR CHANGES ARE REVIEWED BY THE AUDIT AND COMPLIANCE COMMITTEE, FOLLOWING THE PROCESS USED FOR ANNUAL DECLARATIONS. - AT EACH BOARD MEETING, DISCLOSURE BY TRUSTEES OF ACTUAL OR POTENTIAL CONFLICTS OF INTEREST WHEN SUCH INTERESTS BECOME A MATTER FOR BOARD ACTION. ANY TRUSTEE HAVING AN ACTUAL CONFLICT OF INTEREST RELATED TO A MATTER AT ISSUE FIRST DISCLOSES THE CONFLICT AND THEN DOES NOT VOTE, TAKE OTHER ACTION, OR USE HIS/HER PERSONAL INFLUENCE ON THE MATTER. GROUP HEALTH OFFICERS, OTHER EMPLOYEES, AND CERTAIN INDEPENDENT CONTRACTORS ACTING ON BEHALF OF GROUP HEALTH SHALL DISCLOSE AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST WHEN SUCH AN INTEREST IS RELEVANT TO A MATTER IN WHICH THEY HAVE A ROLE, EITHER DIRECTLY OR THROUGH SUBORDINATES ACTING AT THEIR DIRECTION. CERTAIN HIGH-LEVEL MANAGEMENT POSITIONS AND OTHER POSITIONS INVOLVING TRANSACTIONS WITH OUTSIDE PARTIES ARE ALSO SUBJECT TO DISCLOSURE PROCEDURES. INDIVIDUALS IN THESE POSITIONS MUST COMPLETE AN

Name of the organization GROUP HEALTH COOPERATIVE	Employer identification number 91-0511770
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ANNUAL DISCLOSURE STATEMENT TO IDENTIFY ANY ACTUAL OR POTENTIAL AREAS OF CONFLICT OF INTEREST. DURING THE YEAR, THESE PERSONS REPORT MATERIAL ADDITIONS OR CHANGES TO THE INFORMATION PROVIDED ON ANNUAL CONFLICT OF INTEREST DECLARATIONS. MANAGERS OF PERSONS NOT REQUIRED UNDER THE POLICY TO COMPLETE AN ANNUAL DISCLOSURE ARE RESPONSIBLE FOR REVIEWING AND RESPONDING TO ANY POTENTIAL CONFLICTS OF INTEREST AMONG THEIR STAFF AND FOR ESCALATING ISSUES AS NECESSARY TO ENSURE THEY ARE ADDRESSED.

ORGANIZATION'S COMPENSATION SETTING PROCESS

FORM 990, PART VI, SECTION B, LINE 15

GROUP HEALTH COOPERATIVE (GHC) IS GOVERNED BY AN INDEPENDENT BOARD OF TRUSTEES ("THE BOARD"), COMPRISED OF 11 CONSUMERS ELECTED BY GHC'S VOTING MEMBERS. THE BOARD HAS DELEGATED TO THE COMPENSATION COMMITTEE OF THE BOARD (THE "COMMITTEE") THE RESPONSIBILITY FOR NEGOTIATING AND APPROVING THE EMPLOYMENT AGREEMENT AND COMPENSATION PACKAGE FOR THE GHC PRESIDENT AND CHIEF EXECUTIVE OFFICER ("CEO"); APPROVING THE EXECUTIVE TOTAL COMPENSATION PHILOSOPHY THAT DRIVES ALL EXECUTIVE COMPENSATION DECISIONS; AND APPROVING COMPENSATION FOR THE EXECUTIVE VICE PRESIDENTS AND VICE PRESIDENTS OF GHC. THE FIVE MEMBERS OF THE COMMITTEE ARE THE CHAIR OF THE BOARD OF TRUSTEES, THE VICE CHAIR, AND THREE ADDITIONAL TRUSTEES SELECTED BY THE CHAIR. AS ADOPTED BY THE COMMITTEE, THE EXECUTIVE TOTAL COMPENSATION PHILOSOPHY PROVIDES THAT GHC WILL MAINTAIN AN EXECUTIVE TOTAL COMPENSATION PROGRAM DESIGNED TO FACILITATE THE ACHIEVEMENT OF ITS CHARITABLE MISSION, VALUES AND ORGANIZATIONAL GOALS. EXECUTIVE COMPENSATION IS SET "AT A LEVEL THAT ENABLES THE ORGANIZATION TO ATTRACT, RETAIN, MOTIVATE AND REWARD THE HIGHEST CALIBER EXECUTIVES AT A COST THAT

Name of the organization GROUP HEALTH COOPERATIVE	Employer identification number 91-0511770
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IS JUSTIFIABLE TO THE BOARD OF TRUSTEES AND OUR MEMBERS AND CONSISTENT WITH OUR CHARITABLE MISSION." BASED UPON THOSE PRINCIPLES, THE PHILOSOPHY CONFIRMS THAT ALTHOUGH COMPENSATION WILL BE COMPETITIVE AS COMPARED TO COMPARABLE HEALTH CARE ORGANIZATIONS, BASE SALARY RANGES WILL BE BUILT AROUND 50TH PERCENTILE MARKET BASE PAY LEVELS, ANNUAL INCENTIVES WILL BE TARGETED AT THE 50TH PERCENTILE (WITH AN OPPORTUNITY TO EARN ABOVE THAT LEVEL BASED ON PERFORMANCE), AND BENEFITS AND PERQUISITES WILL BE ESTABLISHED CONSISTENT WITH MARKET PRACTICES. CONSISTENT WITH THIS PHILOSOPHY, THE COMMITTEE REVIEWS AND APPROVES THE ANNUAL PERFORMANCE GOALS AND CRITERIA TO BE USED IN DETERMINING SALARY INCREASES AND INCENTIVE COMPENSATION CRITERIA FOR THE GHC CEO, EXECUTIVE VICE PRESIDENTS AND VICE PRESIDENTS (WHICH GROUP INCLUDES ALL GHC KEY EMPLOYEES AND GHC OFFICERS, EXCLUDING THE CHAIR OF THE BOARD AND THE VICE CHAIR, WHO ARE NOT EMPLOYED BY GHC). THE COMMITTEE ALSO HIRES A QUALIFIED INDEPENDENT COMPENSATION CONSULTANT (AN INDEPENDENT EXPERT) TO REVIEW, ANALYZE AND PROVIDE BENCHMARKING DATA FOR THE TOTAL COMPENSATION AND BENEFITS PACKAGES OF THE CEO, EXECUTIVE VICE PRESIDENTS AND VICE PRESIDENTS. APPROPRIATE COMPARABILITY DATA IS OBTAINED FROM THE INDEPENDENT EXPERTS, I.E., COMPENSATION PAID BY SIMILARLY SITUATED ORGANIZATIONS (BOTH TAXABLE AND TAX-EXEMPT, OF SIMILAR SIZE AND IN THE SAME INDUSTRY) FOR SIMILAR JOB RESPONSIBILITIES. THE COMMITTEE'S WRITTEN RECORDS AND MINUTES INCLUDE THE (1) TERMS OF THE ARRANGEMENT WITH THE DISQUALIFIED PERSON (INCLUDING THE DATE THE ARRANGEMENT WAS APPROVED); (2) A LIST OF MEMBERS PRESENT DURING THE DEBATE ON THE TRANSACTION (AND HOW THE MEMBERS VOTED WHEN IT WAS APPROVED); AND (3) A DESCRIPTION OF THE

Name of the organization GROUP HEALTH COOPERATIVE	Employer identification number 91-0511770
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COMPARABLE DATA RELIED ON BY THE COMMITTEE. KEY DELIBERATIONS OF THE COMMITTEE ARE ALSO DOCUMENTED IN MINUTES WHICH ARE APPROVED AT THE NEXT COMMITTEE MEETING. THE COMMITTEE'S COMPENSATION DECISIONS ARE SHARED WITH THE FULL BOARD OF TRUSTEES.

THE FOLLOWING ARE THE 2011 OFFICES AND POSITIONS FOR WHICH THE ABOVE-DESCRIBED PROCESS WAS USED TO ESTABLISH COMPENSATION FOR THE PERSONS WHO HELD THESE POSITIONS: PRESIDENT & CEO; VICE PRESIDENT (VP), ACUTE, POST-ACUTE, PHARMACY, LAB AND EPRO (APPLE DIVISION); VP, ADMINISTRATIVE SERVICES DIVISION; VP, FINANCE; INTERIM VP, PRIMARY CARE SERVICES; INTERIM EXECUTIVE VICE PRESIDENT (EVP), GROUP PRACTICE DIVISION; VP, PRIMARY CARE SERVICE; VP, NETWORK SERVICES & CARE MANAGEMENT; EVP, GROUP PRACTICE DIVISION; VP, SALES; EVP, HUMAN RESOURCES; VP, GROUP HEALTH RESEARCH INSTITUTE; VP, CONSULTATIVE SPECIALTY & ACUTE CARE SERVICES; VP, CHIEF TECHNOLOGY OFFICER; EVP, PUBLIC AFFAIRS & GOVERNANCE; VP, MARKETING; EVP, CHIEF FINANCIAL & ADMINISTRATIVE OFFICER; VP, STRATEGIC PLANNING & DEPLOYMENT; EVP, HEALTH PLAN DIVISION; VP, COMMUNITY RESPONSIBILITY; VP, HEALTH PLAN ADMINISTRATION; VP, CLINICAL EXCELLENCE & NURSING OPERATIONS; EVP & GENERAL COUNSEL; VP & DEPUTY GENERAL COUNSEL. THIS PROCESS WAS ALSO USED IN 2010.

ORGANIZATION'S DOCUMENTS AVAILABLE TO THE PUBLIC
FORM 990, PART VI, SECTION C, LINE 19
BYLAWS, CONSOLIDATED AUDITED FINANCIAL STATEMENTS, AND THE FORM 990 AND 990-T ARE MADE AVAILABLE TO THE GENERAL PUBLIC THROUGH GHC'S WEBSITE AND

Name of the organization GROUP HEALTH COOPERATIVE	Employer identification number 91-0511770
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BY PROVIDING PAPER COPIES UPON REQUEST. COPIES OF THE CONFLICT OF INTEREST POLICY ARE MADE AVAILABLE UPON REQUEST.

RECONCILIATION OF NET ASSETS

FORM 990, PART XI, LINE 5, OTHER CHANGES IN NET ASSETS OR FUND BALANCES

MEMBERSHIP (\$63,525)

CAPITAL DUES (\$84,700)

UNREALIZED G/L ON INVESTMENTS (\$41,195,486)

TEMP RESTRICTED (\$852,705)

PERM RESTRICTED \$410,738

OTHER COMPREHENSIVE INCOME (\$88,532,457)

RETAINED EARNINGS \$7,259,863

TOTAL (\$123,058,272)

ATTACHMENT 1FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

GROUP HEALTH COOPERATIVE ("GROUP HEALTH") IS ONE OF THE NATION'S LARGEST CONSUMER GOVERNED HEALTH CARE ORGANIZATIONS. GROUP HEALTH IS GOVERNED BY AN INDEPENDENT BOARD OF TRUSTEES COMPRISED OF 11 CONSUMERS ELECTED BY GROUP HEALTH'S VOTING MEMBERSHIP. ANY PERSON 18 YEARS AND OLDER WHO IS ENROLLED IN A PREPAID HEALTH PLAN OFFERED BY GROUP HEALTH OR A DESIGNATED AFFILIATE OR A SUBSIDIARY ("ENROLLEE") IS ELIGIBLE TO BE A VOTING MEMBER. GROUP HEALTH'S PRIMARY EXEMPT PURPOSE IS TO PROVIDE COMPREHENSIVE, PREVENTION-ORIENTED HEALTH CARE SERVICES TO ITS ENROLLEES AND OTHER PATIENTS IN A MANNER THAT REDUCES COST AS A BARRIER TO CARE, AND TO PROVIDE HEALTH-RELATED EDUCATION AND RESEARCH ACTIVITIES THAT BENEFIT THE BROADER COMMUNITY. TO

Name of the organization

GROUP HEALTH COOPERATIVE

Employer identification number

91-0511770

ATTACHMENT 1 (CONT'D)

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

FULLFILL THIS PURPOSE, GROUP HEALTH PROVIDES OUTPATIENT PRIMARY AND SPECIALTY CARE AS WELL AS INPATIENT ACUTE AND SUB-ACUTE CARE, THROUGH THE SERVICES OF SALARIED PHYSICIANS, NURSES, AND OTHER HEALTH CARE PRACTITIONERS. THE SALARIED PHYSICIANS ARE EMPLOYED BY GROUP HEALTH PERMANENTE, P.C., AN ORGANIZATION WITH WHOM GROUP HEALTH HAS AN EXCLUSIVE CONTRACT. IN 2011, GROUP HEALTH OPERATED ONE HOSPITAL, 25 PRIMARY CARE MEDICAL CENTERS, SIX SPECIALTY CARE UNITS, SEVEN BEHAVIORAL HEALTH CLINICS, 13 EYE CARE CLINICS, FIVE AUDIOLOGY/HEAR CENTERS, AND EIGHT SPEECH, LANGUAGE AND LEARNING CLINICS. GROUP HEALTH ALSO CONTRACTS WITH COMMUNITY HEALTH CARE PROVIDERS FOR SERVICES WHERE GROUP HEALTH DOES NOT OPERATE ITS OWN FACILITIES AND FOR SUB-SPECIALTY MEDICAL SERVICES NOT PROVIDED AT GROUP HEALTH FACILITIES.

ATTACHMENT 2

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

<u>DESCRIPTION</u>	<u>GRANTS</u>	<u>EXPENSES</u>	<u>REVENUE</u>
HEALTHY COMMUNITIES	0	1,368,742.	0
TOTALS	<u>0</u>	<u>1,368,742.</u>	<u>0</u>

ATTACHMENT 3

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

<u>NAME AND TITLE</u>	<u>HOURS DEVOTED FOR RELATED ORGANIZATION</u>
ROSEMARY DASZKIEWICZ TRUSTEE-CHAIR	0
PORSCHÉ EVERSON TRUSTEE-VICE CHAIR	0

Name of the organization GROUP HEALTH COOPERATIVE	Employer identification number 91-0511770
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ATTACHMENT 3 (CONT'D)

CHANGMOOK SOHN	
TRUSTEE	0
IRA M FIELDING	
TRUSTEE	0
TRACY E GARLAND	
TRUSTEE	0
HARRY HARRISON, JR	
TRUSTEE	0
ROBERT J MARGULIS	
TRUSTEE	0
JENNIFER A JOLY	
TRUSTEE	0
DOROTHY RUZICKI	
TRUSTEE	0
ROBERT WATT	
TRUSTEE	0
SUSAN J BYINGTON	
TRUSTEE	1.00
SCOTT E ARMSTRONG	
PRESIDENT & CEO	1.00
RICHARD E MAGNUSON	
TREASURER, EVP, CFO	0
RICK D WOODS	
SECRETARY/EVP, GENERAL COUNSEL	0
PAMELA A MACEWAN	
ASST. SECRETARY/EVP, PUB AFFRS	0
BRETON C MYERS	
ASSISTANT TREASURER	0
MICHAEL ERIKSON	
VP, PRIMARY CARE SERVICE ADMIN	0
ROBERT O'BRIEN	
EVP, HEALTH PLAN DIVISION	0
CYNTHIA JOHNSON	
EVP, HR	0
RANDY BARKER	
VP, APPLE DIVISION ADMIN.	0
JOEL SUELZLE	
VP, HLTH PLAN ADMINISTRATION	0
SCOTT BOYD	
VP, FINANCE	0
ERIC LARSON	
VP, GROUP HEALTH RESEARCH INST	1.00
LINDA MACMASTER	
VP MARKETING	0
LAURA REHRMANN	
VP; COMMUNITY RESPONSIBILITY	20.00
BARBARA BELT LLOYD	
CONTROLLER & EXEC DIR. FIN OPS	0
JAMES HERFORD	
EVP, STRATEGIC SVCS & QUALITY	0
BRIAN HARRIS	
VP, NETWORK SVC & CARE MGMT	0

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Name of the organization GROUP HEALTH COOPERATIVE	Employer identification number 91-0511770
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ATTACHMENT 4

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
VIRGINIA MASON MEDICAL CENTER PO BOX 91046 SEATTLE, WA 98111	HOSPITAL SERVICES	95,309,107.
ST JOSEPH MEDICAL CENTER PO BOX 34936 SEATTLE, WA 98124	HOSPITAL SERVICES	74,232,771.
OVERLAKE HOSPITAL 1035 116TH AVE NE BELLEVUE, WA 98004	HOSPITAL SERVICES	62,459,082.
PROVIDENCE HEALTH SERVICES-W PO BOX 34954 SEATTLE, WA 98124-1954	HOSPITAL SERVICES	57,547,960.
GROUP HEALTH PERMANENTE 320 WESTLAKE AVE N. STE 100 SEATTLE, WA 98109-5233	MEDICAL PROFESSIONAL	321,511,428.
TOTAL COMPENSATION		<u>611,060,348.</u>

ATTACHMENT 5

FORM 990, PART VIII - INVESTMENT INCOME

<u>DESCRIPTION</u>	<u>(A) TOTAL REVENUE</u>	<u>(B) RELATED OR EXEMPT REVENUE</u>	<u>(C) UNRELATED BUSINESS REV.</u>	<u>(D) EXCLUDED REVENUE</u>
INVESTMENT INCOME	30,055,777.			30,055,777.
BOND SWAP INCOME	2,016,631.			2,016,631.
TOTALS	<u>32,072,408.</u>			<u>32,072,408.</u>

ATTACHMENT 6

FORM 990, PART X - NOTES AND LOANS RECEIVABLE

BORROWER:	FORMER OWNERS OF COLUMBIA MED ASSOC. LLC
ENDING BALANCE DUE	<u>2,653,418.</u>

Name of the organization GROUP HEALTH COOPERATIVE	Employer identification number 91-0511770
<u>ATTACHMENT 6 (CONT'D)</u>	
TOTAL ENDING NOTES AND LOANS RECEIVABLES	<u>2,653,418.</u>

ATTACHMENT 7

FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>
PREPAID EXPENSE AND DEFF CHGS	24,995,036.	25,833,382.
TOTALS	<u>24,995,036.</u>	<u>25,833,382.</u>

ATTACHMENT 8

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>COST OR FMV</u>
PIMCO	186,245,295.	145,234,183.	FMV
CLEARWATER	26,951,748.	72,443,286.	FMV
SUTTER		40,178,332.	FMV
PRIME ADVISORS	101,665,507.	131,941,675.	FMV
FIDELITY	16,883,847.	7,374,290.	FMV
BNYM EQUITIES	207,962,211.	133,928,394.	FMV
GOLDMAN SACHS	145,203,953.		FMV
TOTALS	<u>684,912,561.</u>	<u>531,100,160.</u>	

SCHEDULE R (Form 990)

Related Organizations and Unrelated Partnerships

2011

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37. Attach to Form 990. See separate instructions.

Open to Public Inspection

Name of the organization

GROUP HEALTH COOPERATIVE

Employer identification number

91-0511770

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

Table with 6 columns: (a) Name, address, and EIN of disregarded entity; (b) Primary activity; (c) Legal domicile; (d) Total income; (e) End-of-year assets; (f) Direct controlling entity. Row 1: COLUMBIA MEDICAL ASSOCIATES, SPOKANE, WA 99202, 20-0986848, COMP MED CARE, WA, 2,323,305. Other rows are blank.

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

Table with 7 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Exempt Code section; (e) Public charity status; (f) Direct controlling entity; (g) Section 512(b)(13) controlled entity? (Yes/No). Row 1: GROUP HEALTH FOUNDATION, SEATTLE, WA 98109, 91-1246278, FOUNDATION, WA, 470BIAVI, 7, N/A, X. Row 2: AUXILIARY OF GROUP HEALTH COOPERATIVE, SEATTLE, WA 98109, 23-7438071, AUXILIARY, WA, 509A3-TYPEI, N/A, N/A, X. Row 3: GROUP HEALTH NORTHWEST, SEATTLE, WA 98109, 91-121-6856, INACTIVE, WA, 509A3-TYPEI, N/A, N/A, X. Other rows are blank.

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

Schedule R (Form 990) 2011

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

Table with 10 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Direct controlling entity; (e) Predominant income; (f) Share of total income; (g) Share of end-of-year assets; (h) Disproportionate allocations; (i) Code V-UBI amount; (j) General or managing partner?; (k) Percentage ownership.

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

Table with 7 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Direct controlling entity; (e) Type of entity; (f) Share of total income; (g) Share of end-of-year assets; (h) Percentage ownership.

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

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

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

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

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.

Table with 4 columns: (a) Name of other organization, (b) Transaction type (a-r), (c) Amount involved, (d) Method of determining amount involved. Rows include GROUP HEALTH OPTIONS, INC; KPS HEALTH PLANS; GROUP HEALTH FOUNDATION; GROUP HEALTH OPTIONS, INC; COLUMBIA MEDICAL ASSOCIATES, LLC.

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													
(2) -----													
(3) -----													
(4) -----													
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Part VII **Supplemental Information**

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

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