

Department of the Treasury
Internal Revenue Service

For calendar year 2011 or other tax year beginning _____, 2011, and
ending _____, 20____. See separate instructions.

Open to Public Inspection for
501(c)(3) Organizations Only

A Check box if address changed

Name of organization (Check box if name changed and see instructions.)

D Employer identification number
(Employees' trust, see instructions.)

B Exempt under section
 501(C)(3) 408(e) 220(e) 408A 530(a) 529(a)

Print or Type

GROUP HEALTH COOPERATIVE
Number, street, and room or suite no. If a P.O. box, see instructions.

91-0511770

320 WESTLAKE AVE N
City or town, state, and ZIP code
SEATTLE, WA 98109-5233

E Unrelated business activity codes
(See instructions.)

541900 541700

C Book value of all assets at end of year

F Group exemption number (See instructions.) ▶
1665696117.

G Check organization type ▶ 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. ▶ ATTACHMENT 1

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ MARTIN DOPPS Telephone number ▶ 206-448-5146

Part I Unrelated Trade or Business Income				(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales	1,487,669.				
b	Less returns and allowances		1c	1,487,669.		
2	Cost of goods sold (Schedule A, line 7)		2	82,228.		
3	Gross profit. Subtract line 2 from line 1c		3	1,405,441.		1,405,441.
4a	Capital gain net income (attach Schedule D)		4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b			
c	Capital loss deduction for trusts		4c			
5	Income (loss) from partnerships and S corporations (attach statement)		5	1,119.	ATCH 2	1,119.
6	Rent income (Schedule C)		6			
7	Unrelated debt-financed income (Schedule E)		7			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)		8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9			
10	Exploited exempt activity income (Schedule I)		10			
11	Advertising income (Schedule J)		11			
12	Other income (See instructions; attach schedule.)		12			
13	Total. Combine lines 3 through 12		13	1,406,560.		1,406,560.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)				
14	Compensation of officers, directors, and trustees (Schedule K)		14	
15	Salaries and wages		15	451,495.
16	Repairs and maintenance		16	23.
17	Bad debts		17	-164.
18	Interest (attach schedule)		18	
19	Taxes and licenses		19	60,323.
20	Charitable contributions (See instructions for limitation rules.)		20	
21	Depreciation (attach Form 4562)		21	1,350.
22	Less depreciation claimed on Schedule A and elsewhere on return		22a	
			22b	1,350.
23	Depletion		23	
24	Contributions to deferred compensation plans		24	
25	Employee benefit programs		25	111,376.
26	Excess exempt expenses (Schedule I)		26	
27	Excess readership costs (Schedule J)		27	
28	Other deductions (attach schedule)	ATTACHMENT 3	28	909,196.
29	Total deductions. Add lines 14 through 28		29	1,533,599.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	-127,039.
31	Net operating loss deduction (limited to the amount on line 30)		31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32	-127,039.
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)		33	1,000.
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	-127,039.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here [X] See instructions and:
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
(1) \$ 0 (2) \$ 0 (3) \$ 0
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ 0
(2) Additional 3% tax (not more than \$100,000) \$ 0
c Income tax on the amount on line 34 ATCH 4 35c 0
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: [] Tax rate schedule or [] Schedule D (Form 1041), 36 0
37 Proxy tax. See instructions 37 0
38 Alternative minimum tax 38 0
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies. 39 0

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a
b Other credits (see instructions) 40b
c General business credit. Attach Form 3800 (see instructions) 40c
d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d
e Total credits. Add lines 40a through 40d 40e
41 Subtract line 40e from line 39. 41
42 Other taxes. Check if from: [] Form 4255 [] Form 8611 [] Form 8697 [] Form 8866 [] Other (attach schedule), 42
43 Total tax. Add lines 41 and 42 43 0
44 a Payments: A 2010 overpayment credited to 2011 44a
b 2011 estimated tax payments 44b
c Tax deposited with Form 8868 44c
d Foreign organizations: Tax paid or withheld at source (see instructions) 44d
e Backup withholding (see instructions) 44e
f Credit for small employer health insurance premiums (Attach Form 8941) 44f
g Other credits and payments: [] Form 2439 [] Form 4136 [] Other Total 44g
45 Total payments. Add lines 44a through 44g 45
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached, [] 46
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48
49 Enter the amount of line 48 you want: Credited to 2012 estimated tax Refunded 49

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2011 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here [] Yes [X] No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? [] Yes [X] No
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

1 Inventory at beginning of year 1
2 Purchases 2 82,228.
3 Cost of labor 3
4 a Additional section 263A costs (attach schedule) 4a
b Other costs (attach schedule) 4b
5 Total. Add lines 1 through 4b 5 82,228.
6 Inventory at end of year 6
7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2, 7 82,228.
8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? [] Yes [X] No

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here [Signature] 11/18/12 [Signature] ASST. TREASURER
Signature of officer Date Title
May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No

Paid Preparer Use Only
Print/Type preparer's name Sue W Robison
Preparer's signature [Signature]
Date 10/31/2012
Check [] if self-employed PTIN P00560072
Firm's name KPMG LLP
Firm's EIN 13-5565207
Firm's address 801 SECOND AVENUE, SUITE 900
Phone no. 206-913-6517

SEATTLE, WA 98104

Form 990-T (2011)

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

Table with 4 rows for property description (1-4).

2. Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3(a) Deductions directly connected with the income.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A).

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B).

Schedule E - Unrelated Debt-Financed Income (see instructions)

Table with 5 columns: 1. Description of debt-financed property, 2. Gross income from or allocable to debt-financed property, 3. Deductions directly connected with or allocable to debt-financed property, 4. Amount of average acquisition debt, 5. Average adjusted basis, 6. Column 4 divided by column 5, 7. Gross income reportable, 8. Allocable deductions.

Totals. Total dividends-received deductions included in column 8.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Table for Exempt Controlled Organizations with 6 columns: 1. Name of controlled organization, 2. Employer identification number, 3. Net unrelated income, 4. Total of specified payments made, 5. Part of column 4 that is included in the controlling organization's gross income, 6. Deductions directly connected with income in column 5.

Nonexempt Controlled Organizations

Table for Nonexempt Controlled Organizations with 5 columns: 7. Taxable Income, 8. Net unrelated income, 9. Total of specified payments made, 10. Part of column 9 that is included in the controlling organization's gross income, 11. Deductions directly connected with income in column 10.

Totals

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

Table with 5 columns: 1. Description of income, 2. Amount of income, 3. Deductions directly connected, 4. Set-asides, 5. Total deductions and set-asides. Includes rows (1)-(4) and a Totals row.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

Table with 7 columns: 1. Description of exploited activity, 2. Gross unrelated business income, 3. Expenses directly connected, 4. Net income (loss), 5. Gross income from activity, 6. Expenses attributable, 7. Excess exempt expenses. Includes rows (1)-(4) and a Totals row.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1. Name of periodical, 2. Gross advertising income, 3. Direct advertising costs, 4. Advertising gain or (loss), 5. Circulation income, 6. Readership costs, 7. Excess readership costs. Includes rows (1)-(4) and a Totals row.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

Table with 7 columns: 1. Name of periodical, 2. Gross advertising income, 3. Direct advertising costs, 4. Advertising gain or (loss), 5. Circulation income, 6. Readership costs, 7. Excess readership costs. Includes rows (1)-(4) and a Totals row.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

Table with 4 columns: 1. Name, 2. Title, 3. Percent of time devoted to business, 4. Compensation attributable to unrelated business. Includes rows (1)-(4) and a Total row.

**SCHEDULE O
(Form 1120)**

Department of the Treasury
Internal Revenue Service

**Consent Plan and Apportionment Schedule
for a Controlled Group**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ See separate instructions.

OMB No. 1545-0123

2011

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

Part I Apportionment Plan Information

- 1 Type of controlled group:
 - a Parent-subsidiary group
 - b Brother-sister group
 - c Combined group
 - d Life insurance companies only

- 2 This corporation has been a member of this group:
 - a For the entire year.
 - b From _____, 20_____, until _____, 20_____.

- 3 This corporation consents and represents to:
 - a Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, 20_____, and for all succeeding tax years.
 - b Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending _____, 20_____, and for all succeeding tax years.
 - c Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
 - d Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, 20_____, and for all succeeding tax years.

- 4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:
 - a Elected by the component members of the group.
 - b Required for the component members of the group.

- 5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).
 - a No apportionment plan is in effect and none is being adopted.
 - b An apportionment plan is already in effect. It was adopted for the tax year ending DECEMBER 31, 2006, and for all succeeding tax years.

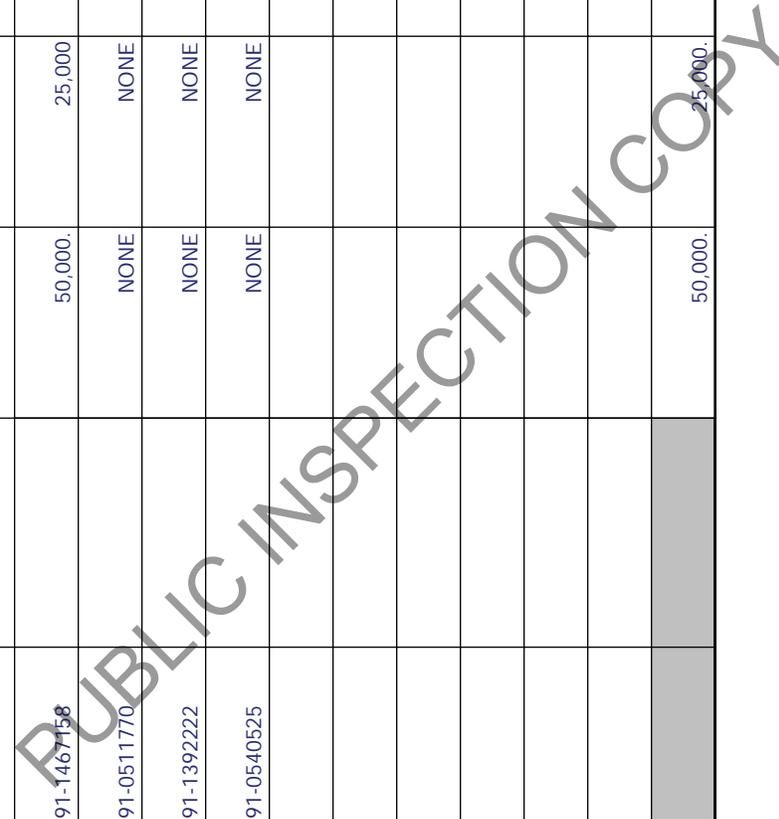
- 6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency?
See instructions.
 - a Yes.
 - (i) The statute of limitations for this year will expire on _____, 20_____.
 - (ii) On _____, 20_____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____, 20_____.
 - b No. The members may not adopt or amend an apportionment plan.

- 7 Required information and elections for component members. Check the applicable box(es) (see instructions).
 - a The corporation will determine its tax liability by applying the maximum tax rate imposed by section 11 to the entire amount of its taxable income.
 - b The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the additional taxes for the group imposed by section 11(b)(1).
 - c The corporation has a short tax year that does not include December 31.

Part II Taxable Income Apportionment (See instructions)

Caution: Each total in Part II, column (g) for each component member must equal taxable income from Form 1120, page 1, line 30 or the comparable line of such member's tax return.

	(a) Group member's name and employer identification number	(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket					(g) Total (add columns (c) through (f))
			(c) 15%	(d) 25%	(e) 34%	(f) 35%	(g) Total (add columns (c) through (f))	
1	GROUP HEALTH OPTIONS, INC. 91-1467158		50,000.	25,000	9,581,185	NONE	9,656,185	
2	GROUP HEALTH COOPERATIVE 91-0511770		NONE	NONE	NONE	NONE	NONE	
3	GROUP HEALTH SERVICES, INC. 91-1392222		NONE	NONE	NONE	NONE	NONE	
4	KPS HEALTH PLANS 91-0540525		NONE	NONE	NONE	NONE	NONE	
5								
6								
7								
8								
9								
10								
Total			50,000.	25,000.	9,581,185	NONE	9,656,185.	



Part III Income Tax Apportionment (See instructions)

Income Tax Apportionment

(a) Group member's name	(b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	(h) Total income tax (combine lines (b) through (g))
1 GROUP HEALTH OPTIONS, INC.	7,500.	6,250.	3,257,603.	NONE	11,750.	NONE	3,283,103
2 GROUP HEALTH COOPERATIVE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
3 GROUP HEALTH SERVICES, INC.	NONE	NONE	NONE	NONE	NONE	NONE	NONE
4 KPS HEALTH PLANS	NONE	NONE	NONE	NONE	NONE	NONE	NONE
5 _____							
6 _____							
7 _____							
8 _____							
9 _____							
10 _____							
Total	7,500.	6,250.	3,257,603.	NONE	11,750.	NONE	3,283,103



Part IV Other Apportionments (See instructions)

Other Apportionments

(a) Group member's name	(b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 GROUP HEALTH OPTIONS, INC.	NONE	NONE	NONE	NONE	NONE
2 GROUP HEALTH COOPERATIVE	NONE	NONE	NONE	NONE	NONE
3 GROUP HEALTH SERVICES, INC.	NONE	NONE	NONE	NONE	NONE
4 KPS HEALTH PLANS	NONE	NONE	NONE	NONE	NONE
5 _____					
6 _____					
7 _____					
8 _____					
9 _____					
10 _____					
Total	NONE	NONE	NONE	NONE	NONE



ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY.

OPTICAL, HEARING AID, INTERNET SALES OF MEDICAL APPLIANCES/PRODUCTS AND LAB SERVICES ARE OFFERED TO NON-MEMBERS.

GROUP HEALTH IS ALSO A MEMBER OF A PURCHASING PARTNERSHIP THAT GENERATES UNRELATED BUSINESS INCOME.

GROUP HEALTH RESEARCH INSTITUTE IS A DEPARTMENT OF GROUP HEALTH THAT CONDUCTS RESEARCH SUPPORTING GROUP HEALTH IN ITS MISSION TO "TRANSFORM HEALTH CARE." GROUP HEALTH RESEARCH INSTITUTE RECEIVED GRANTS FROM PHARMACEUTICAL COMPANIES TO PERFORM MEDICAL STUDIES.

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FORM 990T - LINE 5 -INCOME (LOSS) FROM PARTNERSHIPS

PREMIER PURCHASING PARTNERSHIP	1,119.
INCOME (LOSS) FROM PARTNERSHIPS	<u>1,119.</u>

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FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

BOOKS & PUBLICATIONS	60.
TELECOM-OTHER	949.
OCCUPANCY	252.
SUPPLIES	20,509.
ADVERTISING	979.
PHONE AND RENTAL	358.
OTHER EXPENSES	3,102.
OUTSIDE PROFESSIONAL SERVICES	4,385.
POSTAGE	16,360.
PRINTING, COPIES AND PRINTS	5,942.
REGISTRATION/TRAINING	3,355.
TRAVEL	9,790.
MEALS AT 50%	662.
MILEAGE	2,776.
MISCELLANEOUS	4,734.
OVERHEAD	11,444.
ACTIVITY BURDEN	389,339.
FACILITIES SERVICES PURCHASED	110,512.
SERVICES PURCHASED-GRANTS	323,677.
SMALL EQUIPMENT - SOFTWARE	11.
PART II - LINE 28 - OTHER DEDUCTIONS	<u>909,196.</u>

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FORM 990T - ORGANIZATIONS TAXABLE AS CORPORATIONS - TAX COMPUTATION

1	TAXABLE INCOME FROM LINE 34, PAGE 1, 990-T	-127,039.
2	LINE 1 OR THE CORPORATION'S SHARE OF THE \$50,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	-127,039.
3	SUBTRACT LINE 2 FROM LINE 1	
4	LINE 3 OR THE CORPORATION'S SHARE OF THE \$25,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	
5	SUBTRACT LINE 4 FROM LINE 3	
6	LINE 5 OR THE CORPORATION'S SHARE OF THE \$9,925,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	
7	SUBTRACT LINE 6 FROM LINE 5	
8	ENTER 15% OF LINE 2	
9	ENTER 25% OF LINE 4	
10	ENTER 34% OF LINE 6	
11	ENTER 35% OF LINE 7	
12	MEMBER'S SHARE OF ADDITIONAL TAX: (A) 5% OF THE EXCESS OVER \$100,000 OR (B) \$11,750	
13	MEMBER'S SHARE OF ADDITONAL TAX: (A) 3% OF THE EXCESS OVER \$15 MILLION OR (B) \$100,000	
14	TOTAL OF LINES 8 THROUGH 13. ENTER THIS AMOUNT ON LINE 35C, PAGE 2, 990-T	

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