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Department of the Treasury Internal Revenue Service

# **Return of Organization Exempt From Income Tax**

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

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

OMB No 1545-0047 Open to Public Inspection

A Fo	r the 2	2008 ca	alendar yea	r, or tax year beg	ginning 01-01-2008	and ending 12-31-2008	}		
<b>B</b> Ch	eck ıf ap	plicable	Please	C Name of organize	ation SP INC co HEALTHFIRST I	NC.		D Employer id	entification number
☐ Ad	dress cha	ange	use IRS label or					13-378373	
┌ Na	me chan	nge	print or	Doing Business As	5			E Telephone n	umber
┌ Ind	al retur	'n	type. See Specific	Number and stree	et (or P.O. hov if mail is n	ot delivered to street addres	s) Room/suite	(212) 801-	6000
Гте	minatioi	n	Instruc- tions.	25 BROADWAY	cc (or r o box ii maii is n	or delivered to street dudies	sy Room, saice	G Gross receip	<b>ts</b> \$ 1,025,747,077
	ended r			City or town stat	te or country, and ZIP + 4				
_				NEW YORK, NY					
I Ap	dication	pending							
				ne and address o CIA J WANG	f Principal Officer			a group returr	n for
				DADWAY			affiliat	es?	ΓYes <b>∨</b> No
				ORK,NY 10004			H(b) Are all	affiliates includ	ed?
I Ta	x-exem	pt status	▼ 501(c)	) ( 3 ) ◀ (ınsert no )	4947(a)(1) or	527			: See instructions )
J W	eb site	e: 🕨 ww	w healthfirs	tny com			H(c) Group	Exemption Nu	ımber ►
<b>К</b> Тур	e of org	anızatıon	Corporat	ıon	ciation other 🟲		L Year of For	mation 1994 M	State of legal domicile NY
-		C							
Pa	rt I	Sum:	•	e organization's	mission or most signi	ficant activities			
		•		-	_	DERSERVED POPULA	TIONS		
ညိ		10 1111	KOVL IIII	I II LALIII AND	WELL-BEING OF ON	DERSERVED FOFULA	110113		
ř	2	Check	this box	ıf the organizatıo	n discontinued its op	erations or disposed of	more than 25	5% of its asset	s
Governance						/I, line 1a)			6
			_	_		, body (Part VI, line 1b			3
Activities &					, line 2a)		,	_	0
1					te if necessary) .			6	0
ą ą				•		line 12, column (C)		- 7a	0
	1				ome from Form 990-			7b	0
							Prio	r Year	Current Year
	8	Contri	butions and	d grants (Part VI	II, line 1h)				0
≗	9						1,0	38,582,860	1,021,061,311
Revenu	10					and 7d)	,	8,238,553	4,685,766
걆	11				(A), lines 5, 6d, 8c,	•			0
	12	Total	revenue—a	dd lines 8 throug	h 11 (must equal Par	t VIII, column (A), lıne			
		12)					1,0	046,821,413	1,025,747,077
	13				(Part IX, column (A),				0
	14				'art IX, column (A), lı				0
<b>\$</b> ?	15	Saları 10)	es, other co	ompensation, em	ployee benefits (Part	IX, column (A), lines 5	-		0
Expenses	16a	•	sional fund	raising fees (Par	t IX, column (A), line	11e)			0
⊕ ⊕	b			penses, Part IX, colu					
Ð	17	,		•	mn (D), line 25 <u>-</u> (A), lines 11a–11d, :	/ 1.1.f_ 2.4.f\	1.0	34,376,771	1,025,935,975
	18			•		line 25, column (A))	· ·	34,376,771	1,025,935,975
	19				line 18 from line 12	inie 25, column (A))	1,0	12,444,642	-188,898
* 07	1	ite v e ii	de less exp	Jenses Subtract	inie 10 nom mie 12		Poginni	ng of Year	End of Year
Net Assets or Fund Balances	20	T - 4 - 1	D000t= /D	+ V lune 161					
98.9 19.96 19.96	20			t X, line 16)				255,525,390	306,701,437
₹ <u>₽</u>	21			Part X, line 26)				.33,955,440	174,804,100
	22				ract line 21 from line	20	1	21,569,950	131,897,337
Pa	rt II		ature Blo						
						m, including accompanying s (other than officer) is based			
Plea	se	****	**				2009-	11-11	
Sigr		Signa	ature of office	r			Date		
Her	е	mary	beth tita PRE	SIDENT/CEO					
			or print nam						
		Dec	parer's k			Date	Check If	Preparer's PTI	N (See Gen Inst )
Paid	d		parer's nature Al	AN WOGHIN			self-	.	
	pare	r's	<u> </u>				empolyed 🕨		
Use	-	Firm	n's name (or s						
Onl	У	if self-employed), address, and ZIP + 4 RSM MCGLADREY INC						EIN Þ	
					OF THE AMERICAS				
								Phone no 🕨	(212) 372-1000
		1		NEW AUDIN	IY 100362602			i	

# Part III Statement of Program Service Accomplishments (See the instructions.)

1	Briefly describe the organization's mission			
See A	dditional Data Table			
2	Did the organization undertake any side the prior Form 990 or 990-EZ?	gnıfıcant program service	s during the year which were not liste	d on
	If "Yes," describe these new services	on Schedule O		
3	Did the organization cease conducting services?		nges in how it conducts any program	
	If "Yes," describe these changes on S	chedule O		
4	Describe the exempt purpose achieve Section 501(c)(3) and (4) organizatio others, the total expenses, and reven	ns and 4947(a)(1) trusts	are required to report the amount of	
<b>4a</b>	RECIPIENTS PURSUANT TO ARTICLE 44 OF T	HEALTH SERVICES PLAN THAT HE NEW YORK STATE PUBLIC SINCE OCTOBER 1992 IN ADD	iding grants of \$ ) (Rev PROVIDES COMPREHENSIVE PREPAID HEALTH HEALTH LAW HEALTHCARE SERVICES HAVE B ITION, AS AT DECEMBER, 2008, THERE ARE 2	EEN PROVIDED ON A PREPAID AND
4b	(Code ) (Expenses \$	39,717,012 ınclı	iding grants of \$ ) (Rev	enue \$ 45,163,870 )
	RECIPIENTS PURSUANT TO ARTICLE 44 OF T	HE NEW YORK STATE PUBLIC	PROVIDES COMPREHENSIVE PREPAID HEALTH HEALTH LAW HEALTHCARE SERVICES HAVE B 2008, THERE ARE 23,290 CHILD HEALTH PLUS	EEN PROVIDED ON A PREPAID AND
4c	RECIPIENTS PURSUANT TO ARTICLE 44 OF T	HEALTH SERVICES PLAN THAT HE NEW YORK STATE PUBLIC NROLLEES AS AT DECEMBER :	ding grants of \$ ) (Rev PROVIDES COMPREHENSIVE PREPAID HEALTH HEALTH LAW HEALTHCARE SERVICES HAVE B 2008, THERE ARE 56,188 FAMILY HEALTH PLU	EEN PROVIDED ON A PREPAID AND
4d	Other program services (Describe ii	n Schedule O)		
-	(Expenses \$	including grants of \$	) (Revenue \$	)
4e	Total program service expenses \$	992,925,306 /	fust equal Part IX, Line 25, column (B).	

Part IV	Check	dist of	Required	Schedules
	CIICCE	11136 01	NC dull Cd	Schodules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		Νο
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		Νο
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4		Νο
5	Section $501(c)(4)$ , $501(c)(5)$ , and $501(c)(6)$ organizations. Is the organization subject to the section $6033(e)$ notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I.	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8		Νο
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9		No
10	Did the organization hold assets in term, permanent,or quasi-endowments? If "Yes," complete Schedule D, Part V	10		No
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	11	Yes	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII.	12	Yes	
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a		Νο
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? If "Yes," complete Schedule F, Part $I$	14b		Νο
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>	15		Νο
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If</i> "Yes," complete Schedule F, Part III	16		Νο
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	17		Νο
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		Νο
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20		Νο
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21		Νο
22	Did the organization report more than \$5,000 on Part IX, column (A), line $2?$ If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25	24a		Νο
ь	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section $501(c)(3)$ and $501(c)(4)$ organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		N o
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26		Νο
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		No

### Part IV Checklist of Required Schedules (Continued)

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
а	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part			
		28a		Νo
b	Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV	28b		Νo
С	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV.	28c		Νo
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If</i> "Yes," complete Schedule M	30		Νo
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		Νo
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If</i> "Yes," complete Schedule N, Part II	32		Νo
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33		Νo
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35		No
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		Νο
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		No

	rt V Statements Regarding Other IRS Filings and Tax Compliance			raye s
			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal			
	of U.S. Information Returns. Enter -0- if not applicable			
	<b>1a</b> 7,885			
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable  1b  0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1</b> c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax  Statements filed for the calendar year ending with or within the year covered by this return			
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a		Νο
ь	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No
b	If "Yes," enter the name of the foreign country			
	See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1,</b> Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
ь	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		Νο
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited  Tax Shelter Transaction?	5c		
6a	Did the organization solicit any contributions that were not tax deductible?	6a		Νο
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts	_		
_	were not tax deductible?	6b		
7	Organizations that may receive deductible contributions under section 170(c).	<b>-</b>		NI -
а	Did the organization provide goods or services in exchange for any quid pro quo contribution of \$75 or more?	7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to			N. o
d	file Form 8282?	7c		N o
_	2. Test, marcate the number of forms of of the daring the year.			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		Νo
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		Νο
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as			
_	required?	7h		
8	Section $501(c)(3)$ and other sponsoring organizations maintaining donor advised funds and section $509(a)(3)$ supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		No
9	Section $501(c)(3)$ and other sponsoring organizations maintaining donor advised funds.			
а	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	Section 501(c)(7) organizations. Enter			
	Initiation fees and capital contributions included on Part VIII, line 12 10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			
11	Section 501(c)(12) organizations Enter			
	Gross income from members or shareholders			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them )			
12~	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	144		

Section A. Governing Body and Management

10

11

Yes

Νo

# Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

must describe in Schedule O the process, if any, the organization uses to review the Form 990 . . . . . . . . . Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . . . . .

			Yes	No
	For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
3	Enter the number of voting members of the governing body 1a 6			
b	Enter the number of voting members that are independent 1b 3			
	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	Yes	
	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
	Did the organization become aware during the year of a material diversion of the organization's assets?	5		Νo
	Does the organization have members or stockholders?	6	Yes	
3	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
а	the governing body?	8a	Yes	
b	each committee with authority to act on behalf of the governing body?	8b	Yes	
3	Does the organization have local chapters, branches, or affiliates?	9a		Νo
ь	If "Yes," does the organization have written policies and procedures governing the activities of such chapters,			

#### Section B. Policies

		Yes	No
Does the organization have a written conflict of interest policy? If "No", go to line 13 $\cdot$ .	12a	Yes	
Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
Does the organization have a written whistleblower policy?	13	Yes	
Does the organization have a written document retention and destruction policy?	14	Yes	
Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision			
The organization's CEO, Executive Director, or top management official?	15a	Yes	
Other officers or key employees of the organization?	15b	Yes	
Describe the process in Schedule O			
Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		Νο
If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		
	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Does the organization have a written conflict of interest policy? If "No", go to line 13 .  Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?

#### Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed NY
- Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available.

own website another's website upon request

- Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

DAVID FALK 25 BROADWAY NEW YORK,NY 10004 (212) 801-6000

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

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed

- \* List all of the organization's current officers, directors, trustees (whether individuals or organizations) and key employees regardless of amount of compensation, and current key employees Enter -0 - in columns (D), (E), and (F) if no compensation was paid
- \* List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- \* List all of the organization's former officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- \* List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if the organization did not compensate any officer, director, trustee or key employee

		Posit t	(C tion ( hat a	chec		II			(E)	(F)
(A) Name and Title	(B) Average hours per week	Individual Trustee or Director	Institutional Trustee	I -	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	Estimated amount of other compensation from the organization and related organizations
MICHAEL H HONIG , CHAIRMAN/COO	1 00	Х				Х		0	569,995	25,818
MARYBETH A TITA , TREASURER	1 00	Х				Х		0	243,367	25,872
JAY A SCHECHTMAN , DIRECTOR	1 00	Х				Х		0	642,140	30,084
RASHA FODA , DIRECTOR	1 00	Х						0	0	0
ELIZABETH R ST CLAIR , DIRECTOR/SECRETARY	1 00	Х				Х		0	192,225	4,700
THOMAS W BERGDALL, SECRETARY	1 00	Х				Х		0	441,237	16,374
PATRICIA J WANG , PRESIDENT/CEO	1 00			Х		Х		0	529,052	11,049
STEVEN SAKOVITS , SVP/CIO	1 00					Х		0	544,853	30,084
GEORGE FRAWLEY , SVP/OPERATIONS	1 00					Х		0	434,602	16,511
KEITH Y GORDON , SVP/SALES & CMO	1 00					Х		0	323,100	29,422
DANIEL P MCCARTHY , EVP/COO	1 00					Х		0	256,253	6,900
GILBERT MARCHANY, SVP/FACILITATED ENROLLME	1 00					Х		0	304,476	24,860
SEAN M NATARO , ASSOCIATE GEN COUNSEL, I	1 00					Х		0	269,708	27,770
-										

#### Part VIII Continued

			( ition that a			all			(E)	(F)
<b>(A)</b> Name and Title	(B) Average hours per week	Individual Trustee or Director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099MISC)	Reportable compensation from related organizations (W- 2/1099- MISC)	Estimated amount of other compensation from the organization and related organizations
					<u> </u>					
					<del>                                     </del>					
1b Total						•	•	(	4,751,008	249,444

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization►163

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

#### 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

<b>(A)</b> Name and business address	<b>(B)</b> Description of services	<b>(C)</b> Compensation
WORKFLOW ONE PO BOX 644039 PITTSBURGH, PA 152644039	PRINTING SERVICES	1,008,707
ROSEN MANDEL AND IMMERMAN 121 VARICK STREET NEW YORK, NY 10013	ADVERTISING	481,849
LAMAR PO BOX 96030 BATON ROUGE, LA 70896	ADVERTISING	432,510
VECTOR MEDIA 708 THIRD AVENUE 14TH FL NEW YORK, NY 10017	ADVERTISING	388,000
VISTA MEDIA PO BOX 51046 LOS ANGELES, CA 900515346	ADVERTISING	354,812
2 Total number of independent contractors (including those in 1) who reconfrom the organization	, ,	10

Form 9°	t :	Statement of Revenue					Page
VIII			Т	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
	1a	Federated campaigns 1a			Revende		312, 313, 01 31
ants	b	Membership dues					
	с	Fundraising events					
gifts ara	d	Related organizations 1d					
ns, ximi	e	Government grants (contributions) 1e					
Contributions, gifts, grants and other similar amounts	f	All other contributions, gifts, grants, and similar amounts not included above					
き	g	<b>1f</b> Noncash contributions included in					
a Cor		lines 1a-1f \$					
	h	Total (Add lines 1a-1f)	<u> </u>				
<u>e</u>	2a	PREMIUM REVENUE Business 0	C o d e 900,099	1,021,061,311	1,021,061,311		
Wen	ь	TREFILOR REVENOE	900,099	1,021,001,311	1,021,001,311		
ው ሜ	с						
3r vi C	d						
Program Serwoe Revenue	e						
ୁଞ୍ଜ	f	All other program service revenue					
Š	g	Total. Add lines 2a-2f					
	3	Investment income (including dividends, inter	rest				
		other sımılar amounts)	· .	4,685,766			4,685,76
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6-	(i) Real (ii) Perso	onal				
	6a b	Less rental					
	С	expenses Rental income					
	d	or (loss)  Net rental income or (loss)	. ,				
		(i) Securities (ii) Oth	ner				
	7a	Gross amount from sales of					
		assets other than inventory					
	b	Less cost or other basis and					
	С	sales expenses Gain or (loss)					
	d	Net gain or (loss)	▶				
	8a	Gross income from fundraising					
d)		events (not including \$					
Other Revenue		of contributions reported on line					
şeve		1c) See Part IV, line 18 Attach Schedule G if total exceeds					
F.	ь	\$15,000					
Ė	c	Less direct expensesb  Net income or (loss) from fundraising events					
_	9a	Gross income from gaming	<u> </u>				
		activities See part IV, line 19 Complete Schedule G if total					
		exceeds \$15,000					
	ь	Less direct expensesb					
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less	-				
		returns and allowances .					
	ь	Less cost of goods sold b					
	С	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue Business (	Code				
	11a b						
	C						
		All other revenue					
	d e	Total. Add lines 11a-11d	.\$				
	12	<b>Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7		1,025,747,077	1,021,061,311		0 4,685,76
		8c, 9c, 10c, and 11e	▶				

# 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).							
			(B)	(B), (C), and (D)	). (D)			
Do	not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	Program service expenses	Management and general expenses	Fundraising expenses			
1	Grants and other assistance to governments and organizations in the U S $$ See Part IV $$ line 21 $$							
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22							
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16							
4	Benefits paid to or for members							
5	Compensation of current officers, directors, trustees, and key employees							
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)							
7	Other salaries and wages							
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)							
9	Other employee benefits							
10	Payroll taxes							
11	Fees for services (non-employees)							
а	Management	103,352,719	70,463,124	32,889,595				
b	Legal							
c	Accounting							
d	Lobbying							
e	Professional fundraising See Part IV, line 17							
f	Investment management fees							
g	Other	38,215	27,725	10,490				
12	Advertising and promotion	3,001,321	3,001,321					
13	Office expenses							
14	Information technology							
15	Royalties							
16	Occupancy							
17	Travel							
18	Payments of travel or entertainment expenses for any Federal, state or local public officials							
19	Conferences, conventions and meetings	816,633	816,133	500				
20	Interest	·	· · · · · ·					
21	Payments to affiliates							
22	Depreciation, depletion, and amortization							
23	Insurance							
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below )							
а	HEALTHCARE SERVICE COST	916,480,528	916,480,528					
ь		1,780,440	1,779,020	1,420				
-		283,515	283,515	2, .23				
d		90,114	233,313	90,114				
•		79,490	73,940	5,550				
	All other expenses	13,000	73,540	13,000				
25	Total functional expenses. Add lines 1 through 24f	1,025,935,975	992,925,306	33,010,669				
26	Joint Costs. Check [ If following SOP 98-2 Complete this	1,023,333,373	332,323,300	33,010,009				
	line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation							

Part X	Balance	Sheet
	Dalalice	SHEEL

				(A) Beginning of year		(B End of	
	1	Cash—non-interest-bearing	ŀ	beginning of year	1	Ella Ol	уеат
	2	Savings and temporary cash investments	•	146,323,377		18	7,963,023
	3	Pledges and grants receivable, net	· ·	0,020,0	3		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	4	Accounts receivable, net	•	54,840,806	-	6	 6,161,868
	5	Receivables from current and former officers, directors, trustees, key employee	s or	- 1,0 10,000			
		other related parties Complete Part II of Schedule L	,		5		
	6	Receivables from other disqualified persons (as defined under section $4958(f)(3)$ persons described in section $4958(c)(3)(B)$ Complete Part II of Schedule L .			6		
	7	Notes and loans receivable, net			7		
	8	Inventories for sale or use			8		
\$	9	Prepaid expenses and deferred charges	. [		9		
Assets	10a	Land, buildings, and equipment cost basis					
	ь	Less accumulated depreciation Complete Part VI of Schedule D			10c		
	11	Investments—publicly traded securities		44,727,239	11	4	7,012,309
	12	Investments—other securities See Part IV, line 11 Complete Part VII of Schedule D	Ì		12		
	13	Investments—program-related See Part IV, line 11 Complete Part VIII			13		
		of Schedule D .	ŀ		14		
	14 15	Intangible assets Other assets See Part IV , line 11 Complete Part IX of Schedule		9,633,968			5,564,237
		D			15		
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)		255,525,390	16	30	6,701,437
	17	Accounts payable and accrued expenses .		128,454,471	17	15	1,603,170
	18	Grants payable	,		18		
	19	Deferred revenue		32,075	19		50,121
(C	20	Tax-exempt bond liabilities			20		
فِ	21	Escrow account liability Complete Part IV of Schedule D			21		
Liabilities	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified					
ä		persons Complete Part II of Schedule L			22		
	23	Secured mortgages and notes payable to unrelated third parties			23		
	24	Unsecured notes and loans payable			24		
	25	Other liabilities Complete Part X of Schedule D		5,468,894	25	2:	3,150,809
	26	Total liabilities. Add lines 17 through 25	ļ	133,955,440	26	17-	4,804,100
φ		Organizations that follow SFAS 117, check here ► $\sqrt{}$ and complete lines 27 through 29, and lines 33 and 34.					
anc	27	Unrestricted net assets		121,569,950	27	13	1,897,337
Balance	28	Temporarily restricted net assets			28		
<u> </u>	29	Permanently restricted net assets			29		
Fund		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete					
ō	30	lines 30 through 34.  Capital stock or trust principal, or current funds	}		30		
ets	31	Paid-in or capital surplus, or land, building or equipment fund	ŀ		31		
Assets	32	Retained earnings, endowment, accumulated income, or other funds	ŀ		32		
	33	Total net assets or fund balances	}	121,569,950	-	13	1,897,337
Net	34	Total liabilities and net assets/fund balances	ŀ	255,525,390			6,701,437
	·		ı				
Pa	rt XI	Financial Statements and Reporting				<u> </u>	
						Yes	No

Dart VI	Einancial	Statements	and D	oporting
7. 1 4 2 . 1 2	FINANCIAL	Statements	ann R	emmetiliki.

1	Accounting method used to prepare the Form 990			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		Νο
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
С	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		Νo
b	If "Yes," did the organization undergo the required audit or audits?	3b		

hospital's name, city, and state

Section 170(b)(1)(A)(iv). (Complete Part II)

described in Section 170(b)(1)(A)(vi) (Complete Part II)

A church, convention of churches, or association of churches described in Section 170(b)(1)(A)(i).

A federal, state, or local government or governmental unit described in Section 170(b)(1)(A)(v).

The organization is not a private foundation because it is (Please check only **one** organization )

A school described in **Section 170(b)(1)(A)(ii).** (Attach Schedule E)

A community trust described in Section 170(b)(1)(A)(vi) (Complete Part II)

## SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury Internal Revenue

Service

1 2

# **Public Charity Status and Public Support**

To be completed by all section 501(c)(3) organizations and section 4947(a)(1)
nonexempt charitable trusts.

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

A hospital or a cooperative hospital service organization described in **Section 170(b)(1)(A)(iii).** (Attach Schedule H) A medical research organization operated in conjunction with a hospital described in **Section 170(b)(1)(A)(iii).** Enter the

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in

An organization that normally receives a substantial part of its support from a governmental unit or from the general public

2008

Open to Public Inspection

Name of the organization HEALTHFIRST PHSP INC co HEALTHFIRST INC **Employer identification number** 

Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

									<b>\</b>	44	1/20/ - 6	
		•		elated to its exempt functions	•		•	, ,	•		•	
			=	estment income and unrelate			-			x ) 11 0111 D	usillesses	•
_	_		=	ion after June 30, 1975 See			-		-			
LO	<u> </u>	_	<del>-</del>	on organized and operated exclusively to test for public safety. See <b>Section 509(a)(4).</b> (See instructions.) on organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes.								
11	,	one or more the box tha	e publicly supp it describes th	oorted organizations describe e type of supporting organiza	d in secti tion and d	on 509(a)	(1) or sec ines 11e t	tion 509(a hrough 11	a)(2) See	Sect ion		. Check
e	Γ	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 Augu following pe		has the organization accepte	d any gıft	or contrib	utıon from	any of the	2			
		(i) a perso	n who directly	or indirectly controls, either	alone or t	ogether wı	th person:	s describe	d ın (ıı)		Yes	No
		and (III) be	low, the govern	ning body of the the supporte	d organıza	ation?				11	g(i)	
		(ii) a famıly	/ member of a	person described in (i) above	?					119	g(ii)	
		(iii) a 35%	controlled ent	tity of a person described in (	(ı) or (ıı) a	bove?				119	g(iii)	
h		Provide the	following info	rmation about the organization	ns the or	ganızatıon	supports				-	
Suppo				(iii) Type of organization	(iv)	Is the	(v) Did y	you notify		s the	1	mount o
	Supp	ame of ported nization	(ii) EIN	(described on lines 1 - 9 above or IRC section (See Instructions))	yourgo	listed in overning ment?	ın col (	i) of your port?	col (i) c			
	Supp	oorted	(ii) EIN	(described on lines 1-9 above or IRC section	col (i) your go	listed in overning	ın col (	i) of your	col (i) c	organized		
	Supp	oorted	(ii) EIN	(described on lines 1-9 above or IRC section	col (i) your go docu	listed in overning ment?	ın col ( sup	i) of your port?	col (i) o ın the	organized US?		
	Supp	oorted	(ii) EIN	(described on lines 1-9 above or IRC section	col (i) your go docu	listed in overning ment?	ın col ( sup	i) of your port?	col (i) o ın the	organized US?		
	Supp	oorted	(ii) EIN	(described on lines 1-9 above or IRC section	col (i) your go docu	listed in overning ment?	ın col ( sup	i) of your port?	col (i) o ın the	organized US?		
	Supp	oorted	(ii) EIN	(described on lines 1-9 above or IRC section	col (i) your go docu	listed in overning ment?	ın col ( sup	i) of your port?	col (i) o ın the	organized US?		
	Supp	oorted	(ii) EIN	(described on lines 1-9 above or IRC section	col (i) your go docu	listed in overning ment?	ın col ( sup	i) of your port?	col (i) o ın the	organized US?		

Part II	Support Schedule for Organizations Described in IRC 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.)

Pι	ıblic Support		, ,	,				
Cale	endar year (or fiscal year beginning in)	(a) 2004	<b>(b)</b> 2005	(c) 2006	(d) 2007	(e)	2008	(f) Total
1	Gifts, grants, contributions, and							
	membership fees received (Do not							
	include any "unusual grants ")							
2	Tax revenues levied for the organization's							
	benefit and either paid to or expended on							
_	its behalf The value of services or facilities					<del> </del>		
3	furnished by a governmental unit to the							
	organization without charge							
4	Total. Add line 1-3					1		
5	The portion of total contribution by each							
5	person (other than a government unit or							
	publicly supported organization) included							
	on line 1 that exceed 2% of the amount							
	shown on line 11, column							
	· (f)							
6	Public Support subtract line 5 from line							
	4							
	otal Support		1		T			
	endar year (or fiscal year beginning in)	(a) 2004	<b>(b)</b> 2005	(c) 2006	(d) 2007	(e) :	2008	(f) Total
7	A mounts 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							
10	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 instructio	ns )		•	12		
13	First Five Years. If the Form 990 is for the	organization's f	irst second thu	d fourth or fifth	ntay vearas a F		3)	
	organization, check this box and <b>stop here</b>		mat, second, tim	u, rouren, or mer	rtax year as a s	/O1(C)(C	• •	<b>▶</b> □
								•
Co	omputation of Public Support Perc	entage						
14	Public Support Percentage for 2008 (line 6	5 column (f) dıvı	ded by line 11 c	olumn (f))		14		
15	Public Support Percentage for 2007 School	dule A , Part IV -	A, line 26f			15		
16a	33 1/3% Test - 2008. If the organization di	d not check the	box on line 13.	and line 14 is 3	3 1/3% or more.		this box	
	and <b>stop here.</b> The organization qualifies a				,			<b>▶</b> □
b	33 1/3% Test - 2007. If the organization d				15 is 33 1/3% d	r more,	check th	
	box and stop here. The organization qualifi	es as a publicly	supported orga	nızatıon				<b>▶</b> □
17a	10% Facts and Circumstances Test - 2008.							
	more, and if the organization meets the "fa		•					· —
	organization meets the "facts and circums							<b>►</b> □
Ь	10% Facts and Circumstances Test - 2007.							
	more, and if the organization meets the "fa		·					_
4.0	the organization meets the "facts and circu							n ▶
18	<b>Private Foundation.</b> If the organization did	not check the b	oux on line 13, 1	oa, 160, 1/a or	1/D, check this	oox an	u see	<b>▶</b> □
	ınstructions							F-1

### Support Schedule for Organizations Described in IRC 509(a)(2)

	(Complete only if you chec	Red the Box o					-
	ction A. Public Support						
Cale	ndar year (or fiscal year beginning in)	(a) 2004	<b>(b)</b> 2005	(c) 2006	(d) 2007	<b>(e)</b> 2008	<b>(f)</b> Total
1	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	6,619					6,619
2	Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's taxexempt purpose	613,526,925	701,398,030	819,207,818	1,038,582,860	1,021,061,311	4,193,776,944
3	Gross receipts from activities that are not an unrelated trade or business under section 513						
4	Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5	The value of services or facilities furnished by a governmental unit to the organization without charge						
6 7a	Total Add lines 1-5 Amounts included on lines 1, 2, and 3	613,533,544	701,398,030	819,207,818	1,038,582,860	1,021,061,311	4,193,783,563
b	received from disqualified persons A mounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c 8	Total of lines 7a and 7b  Public Support (Substract line 7c from						4,193,783,563
	line 6) tal Support						
	lai Subbuil						
		<b>/5)</b> 2004	<b>/b)</b> 2005	(5) 2006	(d) 2007	/a\ 2009	/f) Total
Cale	ndar year (or fiscal year beginning in)	(a) 2004 613 533 544	<b>(b)</b> 2005	(c) 2006 819 207 818	( <b>d)</b> 2007	(e) 2008	(f) Total
		(a) 2004 613,533,544 956,844	<b>(b)</b> 2005 701,398,030 2,928,951	(c) 2006 819,207,818 6,479,400	(d) 2007 1,038,582,860 8,238,553	(e) 2008 1,021,061,311 4,685,766	(f) Total 4,193,783,563 23,289,514
Cale 9	A mounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975	613,533,544 956,844	701,398,030 2,928,951	819,207,818 6,479,400	1,038,582,860 8,238,553	1,021,061,311 4,685,766	4,193,783,563 23,289,514
Cale 9 10a	A mounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975 Add lines 10a and 10b Net income from unrelated business activities not included in line 10b, whether or not the business is regularly	613,533,544	701,398,030	819,207,818	1,038,582,860	1,021,061,311	4,193,783,563
Cale 9 10a b	A mounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975 Add lines 10a and 10b Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets	613,533,544 956,844	701,398,030 2,928,951	819,207,818 6,479,400	1,038,582,860 8,238,553	1,021,061,311 4,685,766	4,193,783,563 23,289,514
Cale 9 10a b c 11	A mounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975 Add lines 10a and 10b Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or	613,533,544 956,844	701,398,030 2,928,951 2,928,951	819,207,818 6,479,400	1,038,582,860 8,238,553	1,021,061,311 4,685,766	4,193,783,563 23,289,514 23,289,514
Cale 9 10a b c 11	A mounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975 Add lines 10a and 10b Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) Total Support (Add lines 9, 10c, 11 and	956,844 956,844	701,398,030 2,928,951 2,928,951 1,677	6,479,400 6,479,400	1,038,582,860 8,238,553 8,238,553	1,021,061,311 4,685,766 4,685,766	4,193,783,563 23,289,514 23,289,514 1,677 4,217,074,754
Cale 9 10a  b  c 11  12  13 14	A mounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975 Add lines 10a and 10b Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV ) Total Support (Add lines 9, 10c, 11 and 12) First Five Years If the Form 990 is for the communication of the same set of the same	956,844 956,844 956,844	701,398,030 2,928,951 2,928,951 1,677	6,479,400 6,479,400	1,038,582,860 8,238,553 8,238,553	1,021,061,311 4,685,766 4,685,766	4,193,783,563 23,289,514 23,289,514 1,677 4,217,074,754 zation,
Cale 9 10a  b  c 11  12  13 14	Amounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975 Add lines 10a and 10b Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV ) Total Support (Add lines 9, 10c, 11 and 12) First Five Years If the Form 990 is for the check this box and stop here	956,844 956,844 956,844 prganization's fire	701,398,030 2,928,951 2,928,951 1,677	6,479,400 6,479,400	1,038,582,860 8,238,553 8,238,553	1,021,061,311 4,685,766 4,685,766	4,193,783,563 23,289,514 23,289,514 1,677 4,217,074,754 zation,
Cale 9 10a b c 11 12 13 14	A mounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975 Add lines 10a and 10b Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) Total Support (Add lines 9, 10c, 11 and 12) First Five Years If the Form 990 is for the check this box and stop here	956,844 956,844 956,844 956,844 entage 8 column (f) divide	701,398,030 2,928,951 2,928,951 1,677 st, second, third	6,479,400 6,479,400	1,038,582,860 8,238,553 8,238,553	1,021,061,311 4,685,766 4,685,766 01(c)(3) organi	4,193,783,563 23,289,514  23,289,514  1,677 4,217,074,754 zation,
Cale 9 10a  b  c 11  12  13 14  Co 15 16	A mounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975 Add lines 10a and 10b Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV ) Total Support (Add lines 9, 10c, 11 and 12) First Five Years If the Form 990 is for the check this box and stop here  mputation of Public Support Percentage for 2008 (line 8) Public Support Percentage for 2007 Sched	956,844  956,844  956,844  956,844  956,844  956,844  Part IV - A	701,398,030 2,928,951 2,928,951 1,677 st, second, third	6,479,400 6,479,400	1,038,582,860 8,238,553 8,238,553	1,021,061,311 4,685,766 4,685,766 01(c)(3) organi	4,193,783,563 23,289,514 23,289,514  1,677 4,217,074,754 zation, 99 450 %
Cale 9 10a  b  c 11  12  13 14  Co 15 16	A mounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975 Add lines 10a and 10b Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) Total Support (Add lines 9, 10c, 11 and 12) First Five Years If the Form 990 is for the check this box and stop here  mputation of Public Support Percentage for 2008 (line 8) Public Support Percentage for 2007 Sched	956,844 956,844 956,844  956,844  Percentage	701,398,030 2,928,951 2,928,951 1,677 	6,479,400 6,479,400 d, fourth, or fifth	1,038,582,860 8,238,553 8,238,553 tax year as a 5	1,021,061,311 4,685,766 4,685,766 01(c)(3) organi	4,193,783,563 23,289,514  23,289,514  1,677 4,217,074,754 zation, 99 450 % 99 570 %
Cale 9 10a  b  c 11  12  13 14  Co 15 16	A mounts from line 6 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975 Add lines 10a and 10b Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV ) Total Support (Add lines 9, 10c, 11 and 12) First Five Years If the Form 990 is for the check this box and stop here  mputation of Public Support Percentage for 2008 (line 8) Public Support Percentage for 2007 Sched	956,844  956,844  956,844  956,844  Percentage  Inle A , Part IV - A	701,398,030 2,928,951 2,928,951 1,677 1,677 Test, second, third	6,479,400 6,479,400 d, fourth, or fifth	1,038,582,860 8,238,553 8,238,553 tax year as a 5	1,021,061,311 4,685,766 4,685,766 01(c)(3) organi	4,193,783,563 23,289,514 23,289,514  1,677 4,217,074,754 zation, 99 450 %

33 1/3% Tests - 2007. 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. The organization qualifies as a publicly supported organization

17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**▶**▼

Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

**Supplemental Information.** Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

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DLN: 93493320041709

SCHEDULE D

(Form 990)

Department of the Treasurv Internal Revenue

# **Supplemental Financial Statements**

► Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. OMB No 1545-0047 Open to Public Inspection

Service Name of the organization **Employer identification number** HEALTHFIRST PHSP INC co HEALTHFIRST INC 13-3783732 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. (a) Donor advised funds (b) Funds and other accounts Total number at end of year Aggregate Contributions to (during year) Aggregate Grants from (during year) Aggregate value at end of year Did the organization inform all donors and donor advisors in writing that the assets held in donor advised ┌ No funds are the organization's property, subject to the organization's exclusive legal control? Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7. Purpose(s) of conservation easements held by the organization (check all that apply) Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically importantly land area Preservation of certified historic structure Protection of natural habitat Preservation of open space Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year Held at the End of the Year 2a Total number of conservation easements 2b Total acreage restricted by conservation easements 2c Number of conservation easements on a certified historic structure included in (a) Number of conservation easements included in (c) acquired after 8/17/06 2d Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during 3 the taxable year 🕨 Number of states where property subject to conservation easement is located Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year 7 A mount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶\$ Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(ı) and 170(h)(4)(B)(ıı)? In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8. If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items (i) Revenues included in Form 990, Part VIII, line 1 (ii) Assets included in Form 990, Part X If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

Revenues included in Form 990, Part VIII, line 1

Assets included in Form 990, Part X

Cat No 52283D

**-**\$

Par	Organizations Maintaining Co	llections of Art	, His	tori	cal Treasur	es, or Othei	Similar Asse	ts (cor	ntınued)
3	Using the organization's accession and othe items (check all that apply)	r records, check any	ofth	ie foll	_	-	se of its collection	ı	
а	Public exhibition		d	Γ	Loan or excha	nge programs			
b	Scholarly research		e	$\Gamma$	Other				
c	Preservation for future generations								
4	Provide a description of the organization's co	ollections and expla	ın hov	v the	further the org	janization's ex	empt purpose in		
5	During the year, did the organization solicit of assets to be sold to raise funds rather than t							Yes	Г No
Par	Trust, Escrow and Custodial A Part IV, line 9, or reported an an	Arrangements.	Com	plete	e if the organi		ered "Yes" to Fo	rm 99	0,
1a	Is the organization an agent, trustee, custod included on Form 990, Part X?	ıan or other ınterme	diary	for c	ontributions or	other assets n	ot	Yes	∏ No
b	If "Yes," explain why in Part XIV and comple	te the following tab	le						
							A mou	nt	
С	Beginning balance					1c			
d	Additions during the year					1d			
е	Distributions during the year					1e			
f	Ending balance					1f			
2a	Did the organization include an amount on Fo	orm 990, Part X, line	21?				Γ,	Yes	┌ No
	If "Yes," explain the arrangement in Part XIV								
Pa	rt V Endowment Funds. Complete								
		(a)Current Year	(b)	Prior \	'ear (c)Two	Years Back (d)T	hree Years Back (e)	Four Ye	ars Back
1a	Beginning of year balance								
b	Contributions								
с	Investment earnings or 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 yea	r end balance held a	is						
а	Board designated or quasi-endowment								
ь	Permanent endowment								
	Term endowment ►								
с За	Are there endowment funds not in the posses organization by	ssion of the organiza	ation	that a	re held and adr	mınıstered for t	:he	Yes	No
	(i) unrelated organizations						3a(i)		
	(ii) related organizations						3a(ii)		
h	If "Yes" to 3a(II), are the related organizatio	•					3b		
ט	Describe in Part XIV the intended uses of th	e organization's end							
4									
4	t VI Investments—Land, Buildings	s, and Equipme	nt. S	ee F	orm 990, Par	t X, line 10.	T		
4	t VI Investments—Land, Buildings  Description of investment	s, and Equipme	nt. S	(;	orm 990, Par a) Cost or other sis (investment)	(b)Cost or other basis (other)	(c) Depreciation	( <b>d</b> ) Bo	ok value
4 Par		s, and Equipme	<u>nt.</u> S	(;	a) Cost or other	(b)Cost or other	(c) Depreciation	( <b>d</b> ) Bo	ok value
4 Par 1a	Description of investment	s, and Equipme	<u>nt. S</u>	(;	a) Cost or other	(b)Cost or other	(c) Depreciation	( <b>d</b> ) Bo	ok value
4 Par 1a b	Description of investment	s, and Equipme	<u>nt.</u> S	(;	a) Cost or other	(b)Cost or other	(c) Depreciation	(d) Bo	ok value
Par Par 1a b c	Description of investment  Land	s, and Equipme	nt. S	(;	a) Cost or other	(b)Cost or other	(c) Depreciation	(d) Bo	ok value
Par 1a b c d	Description of investment  Land		· · ·	(i ba	a) Cost or other sis (investment)	(b)Cost or other basis (other)	(c) Depreciation	(d) Bo	ok value

Part VII Investments-Other Securities. See	e Form 990, Part X, line 1	2.	
(a) Description of security or cateory (including name of security)	(b)Book value		d of valuation · year market value
Financial derivatives and other financial products			
Closely-held equity interests			
Other			
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)			
Part VIII Investments—Program Related. S	ee Form 990, Part X, line	13.	
(a) Description of investment type	(b) Book value	(c) Metho	d of valuation
	· ·	Cost or end-of-	year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)			
Part IX Other Assets. See Form 990, Part X,			
(a) Descr			( <b>b)</b> Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line		<u></u>	
Part X Other Liabilities. See Form 990, Part	T.		
(a) Description of Liability Federal Income Taxes	(b) A mount		
DUE TO AFFILIATE 501(C)(4)	2 700 476		
DUE TO NEW YORK STATE	3,708,476 19,442,333		
DOL TO NEW TORK STATE	19,442,333		
	+		
	+		
	+		
	+		
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	23,150,809		
	23,130,009	j	

1 Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,025,747,077
2 Total expenses (Form 990, Part IX, column (A), line 25)	2	1,025,935,975
3 Excess or (deficit) for the year Subtract line 2 from line 1	3	-188,898
4 Net unrealized gains (losses) on investments	4	308,968
5 Donated services and use of facilities	5	
6 Investment expenses	6	
7 Prior period adjustments	7	
8 Other (Describe in Part XIV)	8	10,207,317
9 Total adjustments (net) Add lines 4 - 8	9	10,516,285
10 Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	10,327,387
Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue	per R	leturn
Total revenue, gains, and other support per audited financial		1,025,747,077
statements	1	
A mounts included on line 1 but not on Form 990, Part VIII, line 12		
a Net unrealized gains on investments		
b Donated services and use of facilities		
c Recoveries of prior year grants		
d Other (Describe in Part XIV) 2d	2-	
e Add lines 2a through 2d	2e	0
3 Subtract line 2e from line 1	3	1,025,747,077
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1  a Investment expenses not included on Form 990, Part VIII, line 7b . 4a		
a Investment expenses not included on Form 990, Part VIII, line 7b . 4a  b Other (Describe in Part XIV)		
c Add lines 4a and 4b	4c	0
5 Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	1,025,747,077
Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses		<u> </u>
1 Total expenses and losses per audited financial statements	1	1,025,935,975
2 A mounts included on line 1 but not on Form 990, Part IX, line 25		
a Donated services and use of facilities		
b Prior year adjustments 2b		
c Losses reported on Form 990, Part IX, line 25		
d Other (Describe in Part XIV) 2d		
e Add lines 2a through 2d	2e	0
3 Subtract line <b>2e</b> from line <b>1</b>	3	1,025,935,975
4 A mounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b 4a		
b Other (Describe in Part XIV) 4b		
c Add lines 4a and 4b	4c	0
5 Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	1,025,935,975
Part XIV Supplemental Information		

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

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

Ident if ier	Return Reference	Explanation
		IN JULY 2006, THE FINANCIAL ACCOUNTING STANDARDS
		BOARD (THE "FASB") ISSUED INTERPRETATION NO 48,
		ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES (FIN
		48) FIN 48 CLARIFIES THE ACCOUNTING FOR
		UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN
		ENTERPRISE FINANCIAL STATEMENTS IN ACCORDANCE
		WITH STATEMENT NO 109, ACCOUNTING FOR INCOME
		TAXES FIN 48 PRESCRIBES A RECOGNITION THRESHOL
		AND MEASUREMENT ATTRIBUTE FOR THE FINANCIAL
		STATEMENT RECOGNITION AND MEASUREMENT OF A TA
		POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX
		RETURN FIN 48 ALSO PROVIDES GUIDANCE ON
		DERECOGNITION OF TAX BENEFITS, CLASSIFICATION O
		THE BALANCE SHEET, INTEREST AND PENALTIES,
		ACCOUNTING IN INTERIM PERIODS, DISCLOSURE, AND
		TRANSITION IN DECEMBER 2008, THE FASB PROVIDED
		FOR A DEFERRAL OF THE EFFECTIVE DATE OF FIN 48 FO
		CERTAIN NONPUBLIC ENTERPRISES TO ANNUAL
		FINANCIAL STATEMENTS FOR FISCAL YEARS BEGINNIN
		AFTER DECEMBER 15, 2008 THE AGENCY HAS ELECTED
		THIS DEFERRAL AND ACCORDINGLY WILL BE REQUIRED
		TO ADOPT FIN 48 IN ITS 2009 ANNUAL FINANCIAL
		STATEMENTS MANAGEMENT IS CURRENTLY ASSESSING
		THE IMPACT OF FIN 48 ON ITS FINANCIAL POSITION A
		RESULTS OF OPERATIONS AND HAS NOT YET
		DETERMINED IF THE ADOPTION OF FIN 48 WILL HAVE A
		MATERIAL EFFECT ON ITS FINANCIAL STATEMENTS Pa
		XI reconciliation of change in net assets from form 990 to
		financial statements - line 8 Retained Hospital Payments -
		\$10,207,317

Part XIV Supplemental Inf	rt XIV Supplemental Information(continued)						
Ident if ier	Return Reference	Explanation					
		IN JULY 2006, THE FINANCIAL ACCOUNTING STANDARDS BOARD (THE "FASB") ISSUED INTERPRETATION NO 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES (FIN 48) FIN 48 CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ENTERPRISE FINANCIAL STATEMENTS IN ACCORDANCE WITH STATEMENT NO 109, ACCOUNTING FOR INCOME TAXES FIN 48 PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN FIN 48 ALSO PROVIDES GUIDANCE ON DERECOGNITION OF TAX BENEFITS, CLASSIFICATION ON THE BALANCE SHEET, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE, AND TRANSITION IN DECEMBER 2008, THE FASB PROVIDED FOR A DEFERRAL OF THE EFFECTIVE DATE OF FIN 48 FOR CERTAIN NONPUBLIC ENTERPRISES TO ANNUAL FINANCIAL STATEMENTS FOR FISCAL YEARS BEGINNING AFTER DECEMBER 15, 2008 THE AGENCY HAS ELECTED THIS DEFERRAL AND ACCORDINGLY WILL BE REQUIRED TO ADOPT FIN 48 IN ITS 2009 ANNUAL FINANCIAL STATEMENTS MANAGEMENT IS CURRENTLY ASSESSING THE IMPACT OF FIN 48 ON ITS FINANCIAL POSITION AND RESULTS OF OPERATIONS AND HAS NOT YET DETERMINED IF THE ADOPTION OF FIN 48 WILL HAVE A MATERIAL EFFECT ON ITS FINANCIAL STATEMENTS PART XI reconciliation of change in net assets from form 990 to financial statements - line 8 Retained Hospital Payments - \$10,207,317					

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Schedule J

**Compensation Information** 

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

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

2008
Open to Public Inspection

Department of the Treasury Internal Revenue Service

(Form 990)

Name of the organization
HEALTHFIRST PHSP INC to HEALTHFIRST INC

13-3783732

Pa	tt I Questions Regarding Compensation	on			
				Yes	Νo
1a		ovided any of the following to or for a person listed in Form II to provide any relevant information regarding these items			
	First class or charter travel	Housing allowance or residence for personal use			
	Travel for companions	Payments for business use of personal residence			
	Tax idemnification and gross-up payments	Health or social club dues or initiation fees			
	Discretionary spending account	Personal services (e.g., maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a v provision of all the expenses described above? If "	written policy regarding payment or reimbursement or No," complete Part III to explain	1b		Νo
2	Did the organization require substantiation prior to				
	officers, directors, trustees, and the CEO/Executiv	e Director, regarding the items checked in line 1a?	2	Yes	
3	Indicate which, if any, of the following the organization's CEO/Executive Director Check all	that apply			
	Compensation committee	Written employment contract			
	☑ Independent compensation consultant	Compensation survey or study			
	Form 990 of other organizations	Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990	, Part VII, Section A , line 1a			
а	Receive a severance payment or change of control	payment?	4a		Νo
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?				
c	Participate in, or receive payment from, an equity-	based compensation arrangement?	4с		Νo
	If "Yes" to any of lines 4a-c, list the persons and p	provide the applicable amounts for each item in Part III			
	501(c)(3) and 501(c)(4) organizations only must c	omplete lines 5-8.			
5	For persons listed in form 990, Part VII, Section A compensation contingent on the revenues of	, line 1a, did the organization pay or accrue any			
а	The organization?		5a		Νo
b	Any related organization?		5b		Νo
	If "Yes," to line 5a or 5b, describe in Part III				
6	For persons listed in form 990, Part VII, Section A compensation contingent on the net earnings of	, line 1a, did the organization pay or accrue any			
а	The organization?		6a		Νo
b	Any related organization?		6b		Νo
	If "Yes," to line 6a or 6b, describe in Part III				
7	For persons listed in form 990, Part VII, Section A payments not described in lines 5 and 6? If "Yes,"	, line 1a, did the organization provide any non-fixed describe in Part III	7		Νο
8	Were any amounts reported in Form 990, Part VII, subject to the initial contract exception described in Part III	paid or accured pursuant to a contract that was in Regs section 53 4958-4(a)(3)? If "Yes," describe	8		Νο

### Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of	f W-2 and/or 1099-MIS	3C compensation	(C) Deferred	(D) Nontaxable	(E) Total of columns	(F) Compensation
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation	compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
MICHAEL H HONIG	(1) (11)	269,059	150,463	150,473	16,100	10,585	596,680	
MARYBETH A TITA	(1) (11)	243,045		322	14,202	12,479	270,048	
JAY A SCHECHTMAN	(ı) (ıı)	352,623	190,211	99,306	16,100	15,076	673,316	
ELIZABETH R ST CLAIR	(ı) (ıı)	190,578		1,647	358	4,979	197,562	
THOMAS W BERGDALL	(ı) (ıı)	170,263	168,787	102,187	12,332	4,594	458,163	
PATRICIA J WANG	(ı) (ıı)	527,942		1,110	4,846	7,879	541,777	
STEVEN SAKOVITS	(ı) (ıı)	293,770	170,896	80,187	16,100	14,925	575,878	
GEORGE FRAWLEY	(ı) (ıı)	187,225	130,475	116,902	13,335	3,255	451,192	
KEITH Y GORDON	(ı) (ıı)	254,796	61,300	7,004	16,100	14,185	353,385	
DANIEL P MCCARTHY	(ı) (ıı)	253,846		2,407	6,900	801	263,954	
GILBERT MARCHANY	(ı) (ıı)	208,781		95,695	15,142	10,404	330,022	
SEAN M NATARO	(ı) (ıı)	221,716	42,329	5,663	16,100	12,465	298,273	
	(i) (ii)							
	(i) (ii)							

#### Part III Supplemental Information

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

See Additional	ee Additional Data Table							
Ident if ier	Return Reference Explanation							
		DAVID GUTWALD RECEIVED ONE TAX GROSS-UP PAYMENT OF \$14,798 IN 2008 IN CONNECTION WITH A REIMBURSEMENT FOR RELOCATION EXPENSES SUPPORTING DOCUMENTATION AVAILABLE UPON REQUEST						
		Part I, Line 4b THOMAS W BERGDALL \$ 79,635 GEORGE FRAWLEY \$ 59,783 KEITH Y GORDON \$ 47,545 MICHAEL H HONIG \$ 95,142 GILBERT MARCHANY \$ 39,316 DANIEL P MCCARTHY \$ 42,151 STEVEN SAKOVITS \$ 55,238 JAY A SCHECHTMAN \$ 64,468 ELIZABETH R ST CLAIR \$ 25,792 MARYBETH A TITA \$ 9,550 PARTICIA J WANG \$150,015						

Software ID: Software Version:

**EIN:** 13-3783732

Name: HEALTHFIRST PHSP INC co HEALTHFIRST INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown o	f W-2 and/or 1099-MIS	SC compensation	(C) Deferred	(D) Nontaxable	(F) Compensation	
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation	compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
MICHAEL H HONIG	(ı) (ıı)		150,463	150,473	16,100	10,585	596,680	
MARYBETH A TITA	(ı) (ıı)			322	14,202	12,479	270,048	
JAY A SCHECHTMAN	(ı) (ıı)		190,211	99,306	16,100	15,076	673,316	
ELIZABETH R ST CLAIR	(ı) (ıı)			1,647	358	4,979	197,562	
THOMAS W BERGDALL	(ı) (ıı)		168,787	102,187	12,332	4,594	458,163	
PATRICIA J WANG	(I) (II)			1,110	4,846	7,879	541,777	
STEVEN SAKOVITS	(I) (II)		170,896	80,187	16,100	14,925	575,878	
GEORGE FRAWLEY	(ı) (ıı)		130,475	116,902	13,335	3,255	451,192	
KEITH Y GORDON	(ı) (ıı)		61,300	7,004	16,100	14,185	353,385	
DANIEL P MCCARTHY	(ı) (ıı)			2,407	6,900	801	263,954	
GILBERT MARCHANY	(I) (II)			95,695	15,142	10,404	330,022	
SEAN M NATARO	(ı) (ıı)	221,716	42,329	5,663	16,100	12,465	298,273	

#### Part III Supplemental Information

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

Ident if ier	Return Reference	Explanation
		DAVID GUTWALD RECEIVED ONE TAX GROSS-UP PAYMENT OF \$14,798 IN 2008 IN CONNECTION WITH A REIMBURSEMENT FOR RELOCATION EXPENSES SUPPORTING DOCUMENTATION AVAILABLE UPON REQUEST
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# SCHEDULE O (Form 990)

Department of the Treasury Internal Revenue Service

# **Supplemental Information to Form 990**

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

ion for tion.

DLN: 93493320041709

OMB No 1545-0047

2008
Open to Public Inspection

Name of the organization HEALTHFIRST PHSP INC CO HEALTHFIRST INC Employer identification number

13-3783732

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 3		The Board of Directors of Healthfirst, Inc. has appointed an Executive Committee and delegated to the Committee the authority to act on its behalf, as reflected in the Resolution of the Board of Directors dated, July 8, 2008, and attached as Exhibit A. The Charter of the Executive Committee is attached to the Resolution. The members of the Executive Committee are named in the Resolution.

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		Healthfirst PHSP, Inc is a New York State not-for -profit membership corporation. Healthfirst PHSP's sole corporate member is Healthfirst, Inc

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		Healthfirst PHSP, Inc. is a New York State not-for-profit membership corporation. Healthfirst PHSP's sole corporate member is Healthfirst, Inc.

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 10		THE 990 IS REVIEWED BY THE TREASURY DIRECTOR AND THE VICE PRESIDENT OF FINANCE REVIEW IS ALSO CONDUCTED BY THE ORGANIZATION'S GENERAL COUNSEL, AND CFO THE FINAL 990 IS PROVIDED TO THE BOARD OF DIRECTORS FOR THEIR REVIEW

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		A copy of the conflict of interest disclosure statement completed annually by each Board member is attached as Exhibit A A copy of the conflict of interest disclosure statement completed annually by each key employee is attached as Exhibit B Each Board member is given a copy of the disclosure statement to complete on an annual basis. A member who does not complete the statement is not allowed to attend Board meetings and will be removed from the Board.

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		The compensation of the CEO, other officers, and key employees is determined by the compensation committee according to processes described in the Committee's charter. The charter was attached to the email

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE GENERAL PUBLIC BY PROVIDING COPIES ON REQUEST FOR INSPECTION AT ITS CORPORATE OFFICES

ldentifier	Return Reference	Explanation
FORM 990, PART XI, LINE 2C		The selection of the Independent auditor is administered by the Audit and Compliance Committee of the Board of Directors

ldentifier	Return Reference	Explanation
FORM 990, PART VII, SECTION A		None of the employees listed earned any compensation form the individual not for profit entities. All of the compensation was paid by HF Management Services, LLC

ldentifier	Return Reference	Explanation
FORM 990, PART VII, SECTION A		AN ESTIMATED WEEKLY AVERAGE HOURS OF THE BOARD OF DIRECTORS, OFFICERS AND 5 HIGHEST PAID EMPLOYEES FROM RELATED ORGANIZATIONS MICHAEL H HONIG - 40 00 AVERAGE HOURS PER WEEK MARYBETH A TITA - 40 00 AVERAGE HOURS PER WEEK JAY A SCHECHTMAN - 40 00 AVERAGE HOURS PER WEEK ELIZABETH R ST CLAIR - 40 00 AVERAGE HOURS PER WEEK THOMAS W BERGDALL - 40 00 AVERAGE HOURS PER WEEK PATRICIA J WANG - 40 00 AVERAGE HOURS PER WEEK STEVEN SAKOVITS - 40 00 AVERAGE HOURS PER WEEK KEITH Y GORDON - 40 00 AVERAGE HOURS PER WEEK GEORGE FRAWLEY - 40 00 AVERAGE HOURS PER WEEK GILBERT MARCHANY - 40 00 AVERAGE HOURS PER WEEK SEAN M NATARO - 40 00 AVERAGE HOURS PER WEEK

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Cat No 51056K

Schedule O (Form 990) 2008

#### DLN: 93493320041709

# SCHEDULE R (Form 990)

# **Related Organizations and Unrelated Partnerships**

2008

Department of the Treasury Internal Revenue Service ► Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.

► See separate instructions.

Open to Public Inspection

Name of the organization HEALTHFIRST PHSP INC co HEALTHFIRST INC				Employer identific	cation number
EXECUTE AND THE CONTENTS INCOME.				13-3783732	
Part I Identification of Disregarded Entities					
(A) Name, address, and EIN of disregarded entity	<b>(B)</b> Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	<b>(E)</b> End-of-year assets	<b>(F)</b> Direct controlling entity
Part II Identification of Related Tax-Exempt Organizati	ons				
(A) Name, address, and EIN of related organization	<b>(B)</b> Primary activity	(C) Legal domicile (state or foreign country)	( <b>D)</b> Exempt Code section	(E) Public charity status (if section 501(c)(3))	<b>(F)</b> Direct controlling entity
MANAGED HEALTH INC					
25 BROADWAY NEW YORK, NY10004 11-3029569	MANAGED CARE	NY	501(C)(4)		N/A
HEALTHFIRST INC  25 BROADWAY NEW YORK, NY10004 13-3714932	MANAGED CARE	NY	501(C)(3)	13	N/A

( <b>A)</b> Name, address, and EIN of related organization	<b>(B</b> Primary	<b>)</b> activity	(C) Legal domicile (state or foreign country)	<b>(D)</b> Direct controlling entity	Predo Income Inves	E) minant (related, tment, lated)	Share of	<b>(F)</b> total income	( <b>G)</b> Share of end- assets	-of-year S	(H Disproj alloca	prtionate	(I) Code V—UBI amount of Box 20 of K-1	Gene man	( <b>J)</b> eral or laging tner?
											Yes	No		Yes	No
HF MANAGEMENT SERVICES LLC  25 BROADWAY NEW YORK, NY10004 13-4069806	3rd party ad & managem to managed organization	ent services care	NY	N/A	RELATED							No			No
Part IV Identification of Re	lated Orga	nizatio	ns Taxab	le as a Corpora	ation or	Trust									
( <b>A)</b> Name, address, and EIN of related orga		(1		(C) Legal domicile (state or foreign country)		( <b>D</b> Direct cor enti	ntrolling	(E) Type of ei (C corp, Soor trust	corp,	<b>(F)</b> of total I	ncome		Share of Per	(H) centage nership	
HF PURCHASING INC 25 BROADWAY NEW YORK, NY10004 02-0537865		LEASING S	ERVICES	NY		N/A		С							
HF ADMINISTRATIVE SERVICES INC 25 BROADWAY NEW YORK, NY10004 13-3873482		ADMINIST AND PROV NETWORK SERVICES	'IDER	NY		N/A		С							

Part V	Transactions with Related Organizations	

	Note. Complete line 1 if any entity is listed in Parts II, III or IV				Yes	No
<b>1</b> Du	ırıng the tax year, dıd the orgranızatıon engage ın any of the following transactıons with one or mo	re related organizations listed in Parts I!	I-IV?			
а	Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity			1a		No
b	Gıft, grant, or capital contribution to other organization(s)			1b		No
c	Gift, grant, or capital contribution from other organization(s)			1c		No
d	Loans or loan guarantees to or for other organization(s)			<b>1</b> d		No
e	Loans or loan guarantees by other organization(s)			1e		No
_				1f		N.
	Sale of assets to other organization(s)					No No
_	Purchase of assets from other organization(s)			1g		
	Exchange of assets			1h		No
i l	Lease of facilities, equipment, or other assets to other organization(s)			1i		No
	Lease of facilities, equipment, or other assets from other organization(s)			1j		No
-	Performance of services or membership or fundraising solicitations for other organization(s)			1k		No
				11	Yes	
	Performance of services or membership or fundraising solicitations by other organization(s)			1m	163	No
	Sharing of facilities, equipment, mailing lists, or other assets			1n		No
n	Sharing of paid employees			-"		140
o	Reimbursement paid to other organization for expenses			10		No
р	Reimbursement paid by other organization for expenses			1р		No
				1-		No
-	O ther transfer of cash or property to other organization(s)			1q 1r		No
r	O ther transfer of cash or property from other organization(s)			1		140
2	If the answer to any of the above is "Yes," see the instructions for information on who must comp	lete this line, including covered relations	ships and transaction thresholds			
	(A)	(B)	(C)			
	Name of other organization(s)	Transaction type(a-r)	Amount Involved			
(1)	HF MANAGEMENT SERVICES LLC	L		103,	352,71	.9
(2)						

(1)	HF MANAGEMENT SERVICES LLC	L	103,352,719
(2)			
(3)			
(4)			
(5)			
(6)			
		I.	

#### Part VI Unrelated Organizations Taxable as a Partnership

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