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EXTENSION ATTACHED

Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except 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

**2003**Open to Public  
Inspection**A For the 2003 calendar year, or tax year beginning , 2003, and ending**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>HEALTHFIRST PHSP, INC.</b> <b>C/O HEALTHFIRST, INC.</b> Number and street (or P O box if mail is not delivered to street address) Room/suite <b>25 BROADWAY</b> City or town, state or country, and ZIP + 4 <b>NEW YORK, NY 10004</b>	<b>D</b> Employer identification number <b>13-3783732</b> <b>E</b> Telephone number <b>(212) 801-6000</b>
	<b>F</b> Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify) ▶	
	<b>G</b> Website: ▶ <b>HEALTHFIRSTNY.COM</b>	
	<b>J</b> Organization type (check only one) <input checked="" type="checkbox"/> 501(c) ( 3 ) ◀ (insert no ) 4947(a)(1) or 527	

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? (If "No," attach a list. See instructions.) ☐ Yes ☒ NoH(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶

M Check ☒ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **407,399,835.****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 18 of the instructions.)

Revenue	1	Contributions, gifts, grants, and similar amounts received			
	a	Direct public support	1a		
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c	1,636.	
	d	Total (add lines 1a through 1c) (cash \$ 1,636. noncash \$ )	1d	1,636.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)		2	406,743,691.
	3	Membership dues and assessments		3	
	4	Interest on savings and temporary cash investments		4	654,508.
	5	Dividends and interest from securities		5	
	6a	Gross rents	6a		
b	Less rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)		6c		
7	Other investment income (describe ▶ )		7		
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	
	b	Less cost or other basis and sales expenses	8b		
	c	Gain or (loss) (attach schedule)	8c		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))		8d	
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a			
b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)		9c		
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)		10c		
11	Other revenue (from Part VII, line 103)		11		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)		12	407,399,835.	
13	Program services (from line 44, column (B))		13	384,461,245.	
14	Management and general (from line 44, column (C))		14	22,281,846.	
15	Fundraising (from line 44, column (D))		15		
16	Payments to affiliates (attach schedule)		16		
17	Total expenses (add lines 16 and 44, column (A))		17	406,743,091.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)		18	656,744.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))		19	24,091,351.	
20	Other changes in net assets or fund balances (attach explanation) STMT 1		20	11,386,578.	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)		21	36,134,673.	

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2003)JSA  
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**Part II Statement of Functional Expenses**

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	(cash \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25	NONE		
26	Other salaries and wages . . . . .	26			
27	Pension plan contributions . . . . .	27			
28	Other employee benefits . . . . .	28			
29	Payroll taxes . . . . .	29			
30	Professional fundraising fees . . . . .	30			
31	Accounting fees . . . . .	31			
32	Legal fees . . . . .	32			
33	Supplies . . . . .	33	614,457.	594,575.	19,882.
34	Telephone . . . . .	34			
35	Postage and shipping . . . . .	35	5,404.	5,404.	
36	Occupancy . . . . .	36			
37	Equipment rental and maintenance . . . . .	37	608,599.		608,599.
38	Printing and publications . . . . .	38	1,324,583.	1,310,542.	14,041.
39	Travel . . . . .	39			
40	Conferences, conventions, and meetings . . . . .	40	35,304.	35,304.	
41	Interest . . . . .	41			
42	Depreciation, depletion, etc (attach schedule) . . . . .	42			
43	Other expenses not covered above (itemize) <b>STMT 2</b>	43a	404,154,744.	382,515,420.	21,639,324.
b	_____	43b			
c	_____	43c			
d	_____	43d			
e	_____	43e			
44	<b>Total functional expenses</b> (add lines 22 through 43) <b>Organizations completing columns (B)-(D), carry these totals to lines 13-15 . . . . .</b>	44	406,743,091.	384,461,245.	22,281,846.

Joint Costs. Check ☐ if you are following SOP 98-2Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,

(iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)**What is the organization's primary exempt purpose? **STMT 3**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses  
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

a	<b>STMT 4</b>	
	(Grants and allocations \$ _____)	384,461,245.
b		
	(Grants and allocations \$ _____)	
c		
	(Grants and allocations \$ _____)	
d		
	(Grants and allocations \$ _____)	
e	Other program services (attach schedule)	(Grants and allocations \$ _____)
f	<b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) . . . . .	384,461,245.

**Part IV Balance Sheets** (See page 25 of the instructions.)

		(A) Beginning of year		(B) End of year
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only				
<b>Assets</b>	45 Cash - non-interest-bearing . . . . .		45	
	46 Savings and temporary cash investments . . . . .	55,661,229.	46	65,539,566.
	47a Accounts receivable . . . . .	47a 49,266,740.		
	b Less: allowance for doubtful accounts . . . . .	47b 6,632,886.	18,015,374.	47c 42,633,854.
	48a Pledges receivable . . . . .	48a		
	b Less: allowance for doubtful accounts . . . . .	48b		48c
	49 Grants receivable . . . . .		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .		50	
	51a Other notes and loans receivable (attach schedule) . . . . .	51a		
	b Less: allowance for doubtful accounts . . . . .	51b		51c
	52 Inventories for sale or use . . . . .		52	
	53 Prepaid expenses and deferred charges . . . . .		53	
	54 Investments - securities (attach schedule) . . . . .	► <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55a Investments - land, buildings, and equipment basis . . . . .	55a		
	b Less: accumulated depreciation (attach schedule) . . . . .	55b		55c
56 Investments - other (attach schedule) . . . . .		56		
57a Land, buildings, and equipment basis . . . . .	57a 595,383.			
b Less: accumulated depreciation (attach schedule) . . . . .	57b 595,383.		57c	
58 Other assets (describe ► )	53,374.	58	NONE	
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .	73,729,977.	59	108,173,420.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses . . . . .	47,805,526.	60	67,172,155.
	61 Grants payable . . . . .		61	
	62 Deferred revenue . . . . .	57,978.	62	103,238.
	63 Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .		63	
	64a Tax-exempt bond liabilities (attach schedule) . . . . .		64a	
	b Mortgages and other notes payable (attach schedule) . . . . .		64b	
	65 Other liabilities (describe ► STMT 5 )	1,775,122.	65	4,763,354.
66 <b>Total liabilities</b> (add lines 60 through 65) . . . . .	49,638,626.	66	72,038,747.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 67 through 69 and lines 73 and 74</b>			
	67 Unrestricted . . . . .	24,091,351.	67	36,134,673.
	68 Temporarily restricted . . . . .		68	
	69 Permanently restricted . . . . .		69	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 70 through 74</b>			
	70 Capital stock, trust principal, or current funds . . . . .		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund . . . . .		71	
	72 Retained earnings, endowment, accumulated income, or other funds . . . . .		72	
	73 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19, column (B) must equal line 21) . . . . .	24,091,351.	73	36,134,673.
	74 <b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73) . . . . .	73,729,977.	74	108,173,420.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

<b>Part IV-B</b>	<b>Reconciliation of Expenses per Audited Financial Statements with Expenses per Return</b>
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<b>a</b> Total revenue, gains, and other support per audited financial statements . . . ▶	<b>a</b> <u>407,399,835.</u>	<b>a</b> Total expenses and losses per audited financial statements . . . . ▶	<b>a</b> <u>406,743,091.</u>
<b>b</b> Amounts included on line <b>a</b> but not on line 12, Form 990. <b>(1)</b> Net unrealized gains on investments . . \$ _____ <b>(2)</b> Donated services and use of facilities \$ _____ <b>(3)</b> Recoveries of prior year grants . . . . \$ _____ <b>(4)</b> Other (specify) _____ _____ \$ _____ Add amounts on lines <b>(1)</b> through <b>(4)</b> ▶	<b>b</b>	<b>b</b> Amounts included on line <b>a</b> but not on line 17, Form 990. <b>(1)</b> Donated services and use of facilities \$ _____ <b>(2)</b> Prior year adjustments reported on line 20, Form 990 . . . . \$ _____ <b>(3)</b> Losses reported on line 20, Form 990 \$ _____ <b>(4)</b> Other (specify) _____ _____ \$ _____ Add amounts on lines <b>(1)</b> through <b>(4)</b> . . ▶	<b>b</b>
<b>c</b> Line <b>a</b> minus line <b>b</b> . . . . . ▶	<b>c</b> <u>407,399,835.</u>	<b>c</b> Line <b>a</b> minus line <b>b</b> . . . . . ▶	<b>c</b> <u>406,743,091.</u>
<b>d</b> Amounts included on line 12, Form 990 but not on line <b>a</b> : <b>(1)</b> Investment expenses not included on line 6b, Form 990 . . . \$ _____ <b>(2)</b> Other (specify) _____ _____ \$ _____ Add amounts on lines <b>(1)</b> and <b>(2)</b> . . ▶	<b>d</b>	<b>d</b> Amounts included on line 17, Form 990 but not on line <b>a</b> : <b>(1)</b> Investment expenses not included on line 6b, Form 990 . . . \$ _____ <b>(2)</b> Other (specify) _____ _____ \$ _____ Add amounts on lines <b>(1)</b> and <b>(2)</b> . . ▶	<b>d</b>
<b>e</b> Total revenue per line 12, Form 990 (line <b>c</b> plus line <b>d</b> ) . . . . . ▶	<b>e</b> <u>407,399,835.</u>	<b>e</b> Total expenses per line 17, Form 990 (line <b>c</b> plus line <b>d</b> ) . . . . . ▶	<b>e</b> <u>406,743,091.</u>

**Part V** **List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated, see page 27 of the instructions.)

[illegible]

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ☒ Yes ☐ No  
If "Yes," attach schedule - see page 28 of the instructions *See Attachment A*

**Part VI Other Information** (See page 28 of the instructions.)

	Yes	No
<b>76</b> Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity . . .	<b>76</b>	<b>X</b>
<b>77</b> Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . . If "Yes," attach a conformed copy of the changes	<b>77</b>	<b>X</b>
<b>78a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	<b>78a</b>	<b>X</b>
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .	<b>78b</b>	<b>N/A</b>
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .	<b>79</b>	<b>X</b>
<b>80a</b> Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . . . .	<b>80a</b>	<b>X</b>
<b>b</b> If "Yes," enter the name of the organization <u>HEALTHFIRST, INC.</u> and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
<b>81a</b> Enter direct and indirect political expenditures. See line 81 instructions. . . . . <b>81a</b> <u>NONE</u>	<b>81a</b>	<b>NONE</b>
<b>b</b> Did the organization file <b>Form 1120-POL</b> for this year? . . . . .	<b>81b</b>	<b>N/A</b>
<b>82a</b> Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? . . . . .	<b>82a</b>	<b>X</b>
<b>b</b> If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III) . . . . . <b>82b</b> <u>N/A</u>	<b>82b</b>	<b>N/A</b>
<b>83a</b> Did the organization comply with the public inspection requirements for returns and exemption applications? . . . . .	<b>83a</b>	<b>X</b>
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions? . . . . .	<b>83b</b>	<b>N/A</b>
<b>84a</b> Did the organization solicit any contributions or gifts that were not tax deductible? . . . . .	<b>84a</b>	<b>X</b>
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	<b>84b</b>	<b>N/A</b>
<b>85 501(c)(4), (5), or (6) organizations</b> <b>a</b> Were substantially all dues nondeductible by members? . . . . .	<b>85a</b>	<b>N/A</b>
<b>b</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less? . . . . .	<b>85b</b>	<b>N/A</b>
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
<b>c</b> Dues, assessments, and similar amounts from members . . . . . <b>85c</b> <u>N/A</u>	<b>85c</b>	<b>N/A</b>
<b>d</b> Section 162(e) lobbying and political expenditures . . . . . <b>85d</b> <u>N/A</u>	<b>85d</b>	<b>N/A</b>
<b>e</b> Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices . . . . . <b>85e</b> <u>N/A</u>	<b>85e</b>	<b>N/A</b>
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e) . . . . . <b>85f</b> <u>N/A</u>	<b>85f</b>	<b>N/A</b>
<b>g</b> Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? . . . . .	<b>85g</b>	<b>N/A</b>
<b>h</b> If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? . . . . .	<b>85h</b>	<b>N/A</b>
<b>86 501(c)(7) orgs</b> Enter <b>a</b> Initiation fees and capital contributions included on line 12 . . . . . <b>86a</b> <u>N/A</u>	<b>86a</b>	<b>N/A</b>
<b>b</b> Gross receipts, included on line 12, for public use of club facilities . . . . . <b>86b</b> <u>N/A</u>	<b>86b</b>	<b>N/A</b>
<b>87 501(c)(12) orgs</b> Enter <b>a</b> Gross income from members or shareholders . . . . . <b>87a</b> <u>N/A</u>	<b>87a</b>	<b>N/A</b>
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . . . . <b>87b</b> <u>N/A</u>	<b>87b</b>	<b>N/A</b>
<b>88</b> At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX . . . . .	<b>88</b>	<b>X</b>
<b>89a 501(c)(3) organizations</b> Enter Amount of tax imposed on the organization during the year under section 4911 <u>NONE</u> , section 4912 <u>NONE</u> , section 4955 <u>NONE</u>		
<b>b 501(c)(3) and 501(c)(4) orgs</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction . . . . .	<b>89b</b>	<b>X</b>
<b>c</b> Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . . . <u>NONE</u>		<b>NONE</b>
<b>d</b> Enter Amount of tax on line 89c, above, reimbursed by the organization . . . . . <u>NONE</u>		<b>NONE</b>
<b>90a</b> List the states with which a copy of this return is filed <u>NEW YORK</u>		
<b>b</b> Number of employees employed in the pay period that includes March 12, 2003 (See instructions) . . . . . <b>90b</b> <u>NONE</u>	<b>90b</b>	<b>NONE</b>
<b>91</b> The books are in care of <u>DAVID FALK</u> Telephone no <u>212-801-6000</u> Located at <u>25 BROADWAY, NEW YORK, NY</u> ZIP + 4 <u>10004</u>		
<b>92</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year . . . . . <b>92</b> <u>N/A</u>	<b>92</b>	<b>N/A</b>

Form 990 (2003)

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a <b>PREMIUM REVENUE</b>					118,512,414.
b					
c					
d					
e					
f Medicare/Medicaid payments					288,231,277.
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	654,508.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				654,508.	406,743,691.
105 Total (add line 104, columns (B), (D), and (E))					407,398,199.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	STMT 8

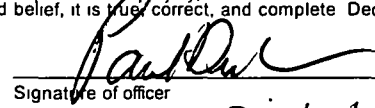
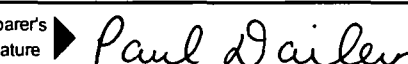
**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	 Signature of officer		9/30/04 Date	
Paid Preparer's Use Only	Paul Dickstein Type or print name and title		President	
	Preparer's signature  Date 8/6/04		Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN (See Gen. Inst. W) 099-48-5699	
Firm's name (or yours if self-employed), address, and ZIP + 4 AMER EXP TAX & BUS SVCS INC 1185 AVENUE OF THE AMERICAS NEW YORK, NY 10036		EIN 41-1795707 Phone no 212 372 1335		

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

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information - (See separate instructions.)**

► **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

**2003**

Name of the organization **HEALTHFIRST PHSP, INC.**  
**C/O HEALTHFIRST, INC.**

Employer identification number

**13-3783732**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<b>NONE</b>				
Total number of other employees paid over \$50,000 . . . . . ►	<b>NONE</b>			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<b>NONE</b>		
Total number of others receiving over \$50,000 for professional services . . . . . ►	<b>NONE</b>	

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

Schedule A (Form 990 or 990-EZ) 2003

JSA



**Part III Statements About Activities** (See page 2 of the instructions.)

Yes No

1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) . . . . .	1		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.				
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)			
a	Sale, exchange, or leasing of property? . . . . .	2a		X
b	Lending of money or other extension of credit? . . . . .	2b		X
c	Furnishing of goods, services, or facilities? . . . . .	2c	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . .	2d	X	
e	Transfer of any part of its income or assets? . . . . .	2e		X
3a	Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments) . . . . .	3a		X
b	Do you have a section 403(b) annuity plan for your employees? . . . . .	3b		X
4	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? . . . . .	4		X

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions.)The organization is not a private foundation because it is (Please check only **ONE** applicable box.)

5	<input type="checkbox"/> A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
6	<input type="checkbox"/> A school Section 170(b)(1)(A)(ii) (Also complete Part V)
7	<input type="checkbox"/> A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii).
8	<input type="checkbox"/> A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
9	<input type="checkbox"/> A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ _____
10	<input type="checkbox"/> An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the <b>Support Schedule</b> in Part IV-A)
11a	<input type="checkbox"/> An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)
11b	<input type="checkbox"/> A community trust Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)
12	<input checked="" type="checkbox"/> An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the <b>Support Schedule</b> in Part IV-A)
13	<input type="checkbox"/> An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

14	<input type="checkbox"/> An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)
----	--

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.****Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) . . . . .	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.) . . . . .		628,856.			628,856.
16 Membership fees received . . . . .					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose . . . . .	244119316.	170330279.	164570345.	162020415.	741040355.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 . . . . .	805,404.	2,176,109.	2,886,633.	3,226,814.	9,094,960.
19 Net income from unrelated business activities not included in line 18 . . . . .					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf . . . . .					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge . . . . .					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets . . . . .	NONE	NONE	NONE	NONE	NONE
23 Total of lines 15 through 22 . . . . .	244924720.	173135244.	167456978.	165247229.	750764171.
24 Line 23 minus line 17 . . . . .	805,404.	2,804,965.	2,886,633.	3,226,814.	9,723,816.
25 Enter 1% of line 23 . . . . .	2,449,247.	1,731,352.	1,674,570.	1,652,472.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 <b>NOT APPLICABLE</b> . . . . .					26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts . . . . .					26b
c Total support for section 509(a)(1) test. Enter line 24, column (e) . . . . .					26c
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____ . . . . .					26d
e Public support (line 26c minus line 26d total) . . . . .					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) . . . . .					26f %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2002) _____ (2001) _____ (2000) _____ (1999) _____ b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2002) _____ (2001) _____ (2000) _____ (1999) _____ c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 <b>741,040,355.</b> 20 _____ 21 _____ . . . . .					27c 741,669,211.
d Add: Line 27a total _____ and line 27b total _____ . . . . .					27d
e Public support (line 27c total minus line 27d total) . . . . .					27e 741,669,211.
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) . . . . .					27f 750,764,171.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) . . . . .					27g 98.7886 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . . . . .					27h 1.2114 %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

**Part V Private School Questionnaire** (See page 7 of the instructions.)(To be completed **ONLY** by schools that checked the box on line 6 in Part IV)**NOT APPLICABLE**

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? . . . . .	29	
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? . . . . .	30	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? . . . . . If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement.) ----- ----- -----	31	
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .	32d	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement ) ----- ----- -----		
33	Does the organization discriminate by race in any way with respect to.		
a	Students' rights or privileges? . . . . .	33a	
b	Admissions policies? . . . . .	33b	
c	Employment of faculty or administrative staff? . . . . .	33c	
d	Scholarships or other financial assistance? . . . . .	33d	
e	Educational policies? . . . . .	33e	
f	Use of facilities? . . . . .	33f	
g	Athletic programs? . . . . .	33g	
h	Other extracurricular activities? . . . . .	33h	
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.) ----- ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency? . . . . .	34a	
b	Has the organization's right to such aid ever been revoked or suspended? . . . . . If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation . . . . .	35	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)(To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**Check ☐ a if the organization belongs to an affiliated group Check ☐ b if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) . . .	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying) . . .	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37) . . . . .	<b>38</b>		
<b>39</b> Other exempt purpose expenditures . . . . .	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39) . . . . .	<b>40</b>		
<b>41</b> Lobbying nontaxable amount Enter the amount from the following table -			
<b>If the amount on line 40 is -</b>			
Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . .			
Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000			
Over \$1,000,000 but not over \$1,500,000 . . . \$175,000 plus 10% of the excess over \$1,000,000	<b>41</b>		
Over \$1,500,000 but not over \$17,000,000 . . . \$225,000 plus 5% of the excess over \$1,500,000			
Over \$17,000,000 . . . . . \$1,000,000 . . . . .			
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41) . . . . .	<b>42</b>		
<b>43</b> Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36 . . . . .	<b>43</b>		
<b>44</b> Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38 . . . . .	<b>44</b>		

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below

See the instructions for lines 45 through 50 on page 11 of the instructions.)

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
<b>Calendar year (or fiscal year beginning in) ▶</b>	<b>(a) 2003</b>	<b>(b) 2002</b>	<b>(c) 2001</b>	<b>(d) 2000</b>	<b>(e) Total</b>
<b>45</b> Lobbying nontaxable amount . . . . .					
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) . . . . .					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots nontaxable amount . . . . .					
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) . . . . .					
<b>50</b> Grassroots lobbying expenditures . . . . .					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
<b>a</b> Volunteers . . . . .		<b>X</b>	
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h) . . . . .		<b>X</b>	
<b>c</b> Media advertisements . . . . .		<b>X</b>	
<b>d</b> Mailings to members, legislators, or the public . . . . .		<b>X</b>	
<b>e</b> Publications, or published or broadcast statements . . . . .		<b>X</b>	
<b>f</b> Grants to other organizations for lobbying purposes . . . . .		<b>X</b>	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .		<b>X</b>	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .		<b>X</b>	
<b>i</b> Total lobbying expenditures (Add lines c through h.) . . . . .			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

**Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions )**

**51** Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

'a Transfers from the reporting organization to a noncharitable exempt organization of.

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

(i) Cash

(i) Cash

(ii) Other assets

**b Other transactions:**

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

**(iv) Reimbursement arrangements** .....

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

**c Sharing of facilities, equipment, mailing lists, other assets, or paid employees** .....

**d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

[illegible]

**52a** Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

**b** If "Yes," complete the following schedule

[illegible]

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES  
=====DESCRIPTION  
-----AMOUNT  
-----

RETAINED HOSPITAL PAYMENTS	10,859,699.
FINANCIAL SECURITY DEPOSITS RECEIVED FROM MEMBERS	526,879.
	-----
TOTAL	11,386,578.
	=====

## FORM 990, PART II - OTHER EXPENSES

=====

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
-----	----	-----	-----
DUES & SUBSCRIPTIONS	49,000.		49,000.
HEALTH PROMOTION	2,422,029.	2,422,029.	
SERVICE FEE & BANK CHARGES	146,423.	40,115.	106,308.
CONSULTANTS	145,750.	145,650.	100.
CONTRIBUTIONS & DONATIONS	41,500.	6,500.	35,000.
EVENTS	573,992.	573,992.	
HFMS MANAGEMENT FEES	72031383.	50582467.	21448916.
STORAGE	12,002.	12,002.	
OTHER	47,989.	47,989.	
HEALTHCARE SERVICE COSTS	328684676.	328684676.	
	-----	-----	-----
TOTALS	404154744.	382515420.	21639324.
	=====	=====	=====

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE  
=====

THE ORGANIZATION PROVIDES COMPREHENSIVE HEALTH SERVICES, AS DEFINED  
IN ARTICLE 44 OF THE PUBLIC HEALTH LAW OF NEW YORK STATE ON A PREPAID  
AND CAPITATED BASIS, TO AN ENROLLED POPULATION SUBSTANTIALLY COMPOSED  
OF MEDICAID AND CHILD HEALTH PLUS AND FAMILY HEALTH PLUS RECEIPENTS.



## FORM 990, PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

## DESCRIPTION

## EXPENSES

HEALTHFIRST PHSP IS A LICENSED, PREPAID HEALTH SERVICES PLAN THAT PROVIDES COMPREHENSIVE PREPAID HEALTH CARE COVERAGE TO MEDICAID, CHILD HEALTH PLUS, FAMILY HEALTH PLUS AND HIV SPECIAL NEEDS PLAN RECIPIENTS, PURSUANT TO ARTICLE 44 OF NEW YORK STATE PLUS HEALTH LAW, IN NEW YORK CITY AND LONG ISLAND.

384,461,245.

HEALTHCARE SERVICES HAVE BEEN PROVIDED ON A PREPAID AND CAPITATED BASIS TO MEDICAID ENROLLEES SINCE OCTOBER 1994. IN ADDITION, THE ORGANIZATION HAS FORMULATED VARIOUS MARKETING STRATEGIES AND PROCEDURES TO ADD MORE MEMBERS. HEALTHFIRST PHSP HAS FURTHER EXPANDED THE SOCIAL WELFARE OF AFFORDABLE AND QUALITY HEALTH CARE BY ADDING CHILD HEALTH PLUS, FAMILY HEALTH PLUS AND HIV SPECIAL NEEDS PLAN TO THE COMMUNITIES. AS OF DECEMBER 31, 2003, MEDICAID, FAMILY HEALTH PLUS AND CHILD HEALTH PLUS ENROLLEES ARE 160,749, 32,879 AND 32,057, RESPECTIVELY AND 29 REGIONAL HOSPITALS ARE PARTICIPATING TO PROVIDE SERVICES.

## TOTAL

384,461,245.

FORM 990, PART IV - OTHER LIABILITIES  
=====DESCRIPTION  
-----ENDING  
BOOK VALUE  
-----

UNCLAIMED VENDOR PAYABLES

4,756,979.

DUE TO AFFILIATES (501(C)(4))

6,375.

TOTALS

-----  
4,763,354.  
=====

## FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
DICKSTEIN, PAUL 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	PRESIDENT 1 HOUR/WK.	NONE	NONE	NONE
BERGDALL, TOM 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	GEN COUNSEL/SECRETAR 1 HOUR/WK.	NONE	NONE	NONE
ERYN KANTOR 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	TREASURER 1 HOUR/WK.	NONE	NONE	NONE
HONIG, MICHAEL 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	BOARD OF DIRECTOR 1 HOUR/WK.	NONE	NONE	NONE
JAY SCHECHTMAN, MD 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	BOARD OF DIRECTOR 1 HOUR/WK.	NONE	NONE	NONE
RASHA FODA 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	BOARD OF DIRECTOR 1 HOUR/WK.	NONE	NONE	NONE
KELLY GELEIN 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	SECRETARY 1 HOUR/WK.	NONE	NONE	NONE
BOOTHE, JAMES 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	VICE PRESIDENT 1 HOUR/WK.	NONE	NONE	NONE

13-3783732

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
	GRAND TOTALS	NONE	NONE	NONE

HEALTHFIRST PHSP, INC.  
13-3783732

990 QUESTION #75 DID ANY OFFICER, DIRECTOR, TRUSTEE, OR KEY EMPLOYEE RECEIVE AGGREGATE COMPENSATION OF MORE THAN \$100,000 FROM YOUR ORGANIZATION AND ALL RELATED ORGANIZATIONS, OF WHICH MORE THAN \$10,000 WAS PROVIDED BY THE RELATED ORGANIZATION

	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACT AND OTHER ALLOWANCES</u>
HF MANAGEMENT SERVICES, LLC 13-4069806			
PAUL DICKSTEIN 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	607,455	14,000	35,806
THOMAS BERGDALL 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	264,998	14,000	1,085
MICHAEL HONIG 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	213,395	13,076	1,160
JAY SCHECHTMAN 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	307,399	14,000	NONE
JAMES BOOTHE 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	341,415	14,000	NONE
KANTOR, ERYN 25 BROADWAY, 9TH FLOOR NEW YORK, NY 10004	141,201	9,884	409
	<u>1,875,863</u>	<u>78,960</u>	<u>38,460</u>

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES  
=====

LINE NO. ---	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES -----
--------------------	---

93A	THE CAPITATION PREMIUM REVENUES REPRESENT PREPAID AMOUNTS PAID BY THE NEW YORK STATE DEPARTMENT OF SOCIAL SERVICES TO THE ORGANIZATION FOR ITS HEALTH CARE PROVIDERS. THE ORGANIZATION IS THEN OBLIGATED TO PROVIDE HEALTH CARE SERVICES TO ITS ENROLLEES, WHO ARE COMPOSED OF MEDICAID AND CHILD HEALTH PLUS AND FAMILY HEALTH PLUS RECEIPENTS.
-----	---

SCHEDULE A, PART III - EXPLANATION FOR LINE 2C

=====

HF MANAGEMENT SERVICES, LLC, MANAGEMENT FEE, \$72,031,384  
HF PURCHASING SERVICES, INC, RENTAL EQUIPMENT, \$608,599

# 2003

—

[illegible]

\*Assets Retired  
JSA  
3X9024 2 000



# Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ☒
  - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)
- Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

## Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print  File by the due date for filing your return. See instructions.	Name of Exempt Organization <b>HEALTHFIRST PHSP, Inc.</b>	Employer identification number <b>13-3783732</b>
	Number, street, and room or suite no. If a P.O. box, see instructions <b>c/o HEALTHFIRST, INC. 25 Broadway</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>New York, NY 10004</b>	

Check type of return to be filed (file a separate application for each return).

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box ☐ . If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until 08/15, 2004, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☒ calendar year 2003, or
  - ☐ tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ \_\_\_\_\_
- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ \_\_\_\_\_
- c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ \_\_\_\_\_

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ► [Signature]  
For Paperwork Reduction Act Notice, see instruction

Title ► Controller

Date ► 5/1/04  
Form 8868 (12-2000)

Cat. No. 27918D

Form 8868 (12-2000)

Page 2

• If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box ☒ **X**

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

**Part II Additional (not automatic) 3-Month Extension of Time - Must File Original and One Copy.**

Type or print  File by the extended due date for filing the return. See instructions.	Name of Exempt Organization <b>HEALTHFIRST PHSP, INC.</b>	Employer identification number <b>13-3783792</b>
	C/O <b>HEALTHFIRST, INC.</b>	For IRS use only
	Number, street, and room or suite no. If a P.O. box, see instructions <b>25 BROADWAY</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>NEW YORK, NY 10004</b>	

Check type of return to be filed (File a separate application for each return)

☒ Form 980 ☐ Form 990-EZ ☐ Form 990-T (sec. 401(a) or 408(a) trust) ☐ Form 1041-A ☐ Form 5227 ☐ Form 8870  
☐ Form 990-BL ☐ Form 990-PF ☐ Form 990-T (trust other than above) ☐ Form 4720 ☐ Form 6069

**STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until **11/15/2004**
- 5 For calendar year **2003**, or other tax year beginning ☐ and ending ☐
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension **ADDITIONAL TIME IS NEEDED IN ORDER TO PREPARE AND FILE A COMPLETE AND ACCURATE RETURN.**

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions ☐ \$
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 ☐ \$
- c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions ☐ \$

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  Title **SENIOR MANAGER** Date **8/14/04**

**Notice to Applicant - To Be Completed by the IRS**

- ☐ We have approved this application. Please attach this form to the organization's return
- ☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- ☐ We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- ☐ Other \_\_\_\_\_

By \_\_\_\_\_

Director \_\_\_\_\_

Date \_\_\_\_\_

**Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above**

Type or print	Name
	<b>AMER EXP TAX &amp; BUS SVCS INC</b>
	Number and street (include suite, room, or apt. no.) Or a P.O. box number <b>1185 AVENUE OF THE AMERICAS</b>
	City or town, province or state, and country (including postal or ZIP code) <b>NEW YORK, NY 10036</b>

JSA  
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Form 8868 (12-2000)

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