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B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return

☐ Amended return

☐ Application pending

Please use IRS label or print or type. See Specific Instructions.	C Name of organization HEALTHFIRST PHSP INC co HEALTHFIRST INC	
	Number and street (or P O box if mail is not delivered to street address) 25 BROADWAY	Room/suite
	City or town, state or country, and ZIP + 4 NEW YORK, NY 10004	

D Employer identification number
13-3783732

E Telephone number
(212) 801-6000

F Accounting method ☐ Cash ☒ Accrual
☐ Other (specify) ☐

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

G Web site: HEALTHFIRSTNY.COM

Organization type (check only one) ☒ 501(c) (3) ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

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? ☐ Yes ☐ No
(If "No," attach a list See instructions)

H(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 12 704,328,658

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)	
1	Revenue
2	Expenses
3	Changes in Net Assets or Fund Balances
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Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a			
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)			1d	
	2	Program service revenue including government fees and contracts (from Part VII, line 93) .			2	701,398,030
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	2,928,951
	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		
8a	Gross amount from sales of assets	(A) Securities		(B) Other		
	other than inventory		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	1,677	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	704,328,658	
Expenses	13	Program services (from line 44, column (B))			13	676,980,411
	14	Management and general (from line 44, column (C))			14	25,403,576
	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	702,383,987
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	1,944,671
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	50,776,740
	20	Other changes in net assets or fund balances (attach explanation) <input checked="" type="checkbox"/>			20	12,396,623
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	65,118,034

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 the instructions)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$0_____ noncash \$0_____) If this amount includes foreign grants, check here <input type="checkbox"/>	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				
26 Other salaries and wages	26				
27 Pension plan contributions	27	0			
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	77,954	77,954		
34 Telephone	34				
35 Postage and shipping	35	135,320	135,320		
36 Occupancy	36				
37 Equipment rental and maintenance	37				
38 Printing and publications	38	1,655,755	1,654,083	1,672	
39 Travel	39				
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42				
43 Other expenses not covered above (itemize)					
a See Additional Data Table	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	702,383,987	676,980,411	25,403,576	0

Joint Costs. Check ☐ if you are following SOP 98-2

Are 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 the instructions.)

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.

What is the 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		Program Service Expenses (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others)
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.)		
a 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 RECEIPENTS, PURSUANT TO ARTICLE 44 OF NEW YORK STATE PUBLIC HEALTH LAW		
(Grants and allocations \$)	If this amount includes foreign grants, check here ► <input type="checkbox"/>	676,980,411
b 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. AS OF DECEMBER 31, 2005, MEDICAID RECIPIENTS ARE 239,812 AND 67 REGIONAL HOSPITALS ARE PARTICIPATING TO PROVIDE SERVICES.		
(Grants and allocations \$)	If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c HEALTHFIRST PHSP HAS FURTHER EXPANDED THE SOCIAL WELFARE OF AFFORDABLE AND QUALITY HEALTH CARE BY ADDING CHILD HEALTH PLUS, FAMILY HEALTH PLUS, FIDELIS AND HIV SPECIAL NEEDS PLAN TO THE COMMUNITIES. AS OF DECEMBER 31, 2005, CHILD HEALTH PLUS ENROLLEES ARE 26,614. FAMILY HEALTH PLUS ENROLLEES ARE 67,644 AND FIDELIS ENROLLEES ARE 37,459.		
(Grants and allocations \$)	If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d		
(Grants and allocations \$)	If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)		
(Grants and allocations \$)	If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		676,980,411

Part IV

Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.				(A) Beginning of year		(B) End of year		
Assets	45	Cash—non-interest-bearing			45			
	46	Savings and temporary cash investments		69,347,039	46	86,990,649		
	47a	Accounts receivable	47a	54,143,370				
	b	Less allowance for doubtful accounts	47b	7,409,000	32,728,486	47c	46,734,370	
	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 <input type="checkbox"/> _____)		7,264,306	58	<input type="checkbox"/>	10,765,808	
59		Total assets (must equal line 74) Add lines 45 through 58		109,339,831	59		144,490,827	
Liabilities		60	Accounts payable and accrued expenses		51,961,872	60		62,986,212
		61	Grants payable			61		
	62	Deferred revenue		130,152	62		162,248	
	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 <input type="checkbox"/> _____)		6,471,067	65	<input type="checkbox"/>	16,224,333	
66	Total liabilities Add lines 60 through 65		58,563,091	66		79,372,793		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74							
	67	Unrestricted		50,776,740	67		65,118,034	
	68	Temporarily restricted			68			
	69	Permanently restricted			69			
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74							
	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	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		50,776,740	73		65,118,034	
	74	Total liabilities and net assets / fund balances Add lines 66 and 73 . . .		109,339,831	74		144,490,827	

Part IV-A

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	704,328,658
b	Amounts included on line a but not on line 12		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify) _____	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	704,328,658
d	Amounts included on line 12, but not on line a		
1	Investment expenses not included on line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	
e	Total revenue (line 12) Add lines c and d	e	704,328,658

Part IV-B


Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	702,383,987
b	Amounts included on line a but not on line 17		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on line 20	b2	
3	Losses reported on line 20	b3	
4	Other (specify) _____	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	702,383,987
d	Amounts included on line 17, but not on line a:		
1	Investment expenses not included on line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (line 17) Add lines c and d	e	702,383,987

Part V-A

Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)


(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
DICKSTEIN PAUL 25 BROADWAY 9TH FLOOR NEW YORK, NY 10004	PRESIDENT 1	0	0	
BERGDALL THOMAS 25 BROADWAY 9TH FLOOR NEW YORK, NY 10004	GEN COUNSEL/SECRETAR 1	0		
HONIG MICHAEL 25 BROADWAY 9TH FLOOR NEW YORK, NY 10004	DIRECTOR 1	0		
JAY SCHECHTMAN MD 25 BROADWAY 9TH FLOOR NEW YORK, NY 10004	DIRECTOR 1	0		
BOOTHE JAMES 25 BROADWAY 9TH FLOOR NEW YORK, NY 10004	VICE PRESIDENT 1	0		
PHILLIPS DAN 25 BROADWAY 9TH FLOOR NEW YORK, NY 10004	TREASURER 1	0		
GELEIN KELLY 25 BROADWAY 9TH FLOOR NEW YORK, NY 10004	SECRETARY 1	0		
FODA RASHA 25 BROADWAY 9TH FLOOR NEW YORK, NY 10004	DIRECTOR 1	0		

Part V-A		Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>		Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings			5	
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) .			75b	No
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? 			75c	Yes
Note. Related organizations include section 509(a)(3) supporting organizations					
If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization					
d	Does the organization have a written conflict of interest policy?			75d	Yes

Part V-B

Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances

Part VI		Other Information <i>(See the instructions.)</i>		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity			76	No
77	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			77	No
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?			78a	No
b	If "Yes," has it filed a tax return on Form 990-T for this year?			78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement			79	No
80a	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?			80a	Yes
b	If "Yes," enter the name of the organization  See Additional Data Table _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt				
81a	Enter direct or indirect political expenditures (See line 81 instructions)			81a	
b	Did the organization file Form 1120-POL for this year?			81b	No

Part VI

Other Information (continued)

Yes

No

82a

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?

82a

No

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).

82b

83a

Did the organization comply with the public inspection requirements for returns and exemption applications?

83a

Yes

b

Did the organization comply with the disclosure requirements relating to quid pro quo contributions?

83b

84a

Did the organization solicit any contributions or gifts that were not tax deductible?

84a

No

b

If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

84b

85

501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?

85a

b

Did the organization make only in-house lobbying expenditures of \$2,000 or less?

85b

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 the prior year.

c

Dues assessments, and similar amounts from members

85c

d

Section 162(e) lobbying and political expenditures

85d

e

Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices

85e

f

Taxable amount of lobbying and political expenditures (line 85d less 85e)

85f

g

Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?

85g

h

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?

85h

86

501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12

86a

0

b

Gross receipts, included on line 12, for public use of club facilities

86b

0

87

501(c)(12) orgs. Enter a Gross income from members or shareholders

87a

0

b

Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)

87b

0

88

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.

88

No

89a

501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 0, section 4912 0, section 4955 0

b

501(c)(3) and 501(c)(4) orgs. 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.

89b

No

c

Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958

d

Enter Amount of tax on line 89c, above, reimbursed by the organization

90a

List the states with which a copy of this return is filed NY

b

Number of employees employed in the pay period that includes March 12, 2005 (See instructions).

90b

91a

The books are in care of DAVID FALK Telephone no (212) 801-6000

25 BROADWAY

Located at NEW YORK, NY ZIP + 4 10004

b

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)?

91b

Yes

No

If "Yes," enter the name of the foreign country

See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

c

At any time during the calendar year, did the organization maintain an office outside of the United States?

91c

No

If "Yes," enter the name of the foreign country

92

Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year

92

Part VII

Analysis of Income-Producing Activities (See 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	PREMIUM REVENUE					190,539,948
b						
c						
d						
e						
f	Medicare/Medicaid payments					510,858,082
g	Fees and contracts from government agencies					
94	Membership dues and assessments					
95	Interest on savings and temporary cash investments			14	2,928,951	
96	Dividends and interest from securities . . .					
97	Net rental income or (loss) from real estate					
a	debt-financed property					
b	non 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 OTHER INCOME			03	1,677	
b						
c						
d						
e						
104	Subtotal (add columns (B), (D), and (E)) . .				2,930,628	701,398,030
105	Total (add line 104, columns (B), (D), and (E))					704,328,658

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 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)
	See Additional Data Table

Part IX

Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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
	%			
	%			
	%			
	%			

Part X

Information Regarding Transfers Associated with Personal Benefit Contracts (See 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

2006-11-09

Date

Daniel Phillips CHIEF FINANCIAL OFFICER

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Alan Woghin

Date

Check if self-employed ☒

Preparer's SSN or PTIN (See Gen Inst W)

Firm's name (or yours if self-employed), address, and ZIP + 4

RSM MCGLADREY INC


1185 AVENUE OF THE AMERICAS

NEW YORK, NY 10036

EIN

Phone no (212) 372-1608

SCHEDULE A
(Form 990 or 990EZ)



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 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

2005

Name of the organization
HEALTHFIRST PHSP INC
co 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
None				
Total number of other employees paid over \$50,000 ▶				

Part II-A

Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individual 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
None		
Total number of others receiving over \$50,000 for professional services ▶		

Part II-B

Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page X for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services ▶		

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, include 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 1 of Part VI-B)	1	No
	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.) ☞	2a	No
	a Sale, exchange, or leasing property?	2b	No
	b Lending of money or other extension of credit?	2c	Yes
	c Furnishing of goods, services, or facilities?	2d	Yes
	d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2e	No
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	No
	b Do you have a section 403(b) annuity plan for your employees?	3b	No
	c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c	No
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a	No
	b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	No

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 Support Schedule 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 Support Schedule in Part IV-A)	
11b	<input type="checkbox"/> A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule 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 Support Schedule 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) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) Check the box that describes the type of supporting organization ► <input type="checkbox"/> Type 1 <input type="checkbox"/> Type 2 <input type="checkbox"/> Type 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 5 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15	Gifts, grants, and contributions received (Do not include unusual grants See line 28)	6,619	1,636		628,856	637,111
16	Membership fees received					0
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	613,526,925	406,743,691	244,119,316	170,330,279	1,434,720,211
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	956,844	654,508	805,404	2,176,109	4,592,865
19	Net income from unrelated business activities not included in line 18					0
20	Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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					0
22	Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
23	Total of lines 15 through 22	614,490,388	407,399,835	244,924,720	173,135,244	1,439,950,187
24	Line 23 minus line 17	963,463	656,144	805,404	2,804,965	5,229,976
25	Enter 1% of line 23	6,144,904	4,073,998	2,449,247	1,731,352	
26	Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24				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 2001 through 2004 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 (2004) 0 (2003) 0 (2002) 0 (2001) 0					
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 (2004) 0 (2003) 0 (2002) 0 (2001) 0					
c	Add Amounts from column (e) for lines 15 637,111 16 0 17 1,434,720,211 20 0 21 0				27c	1,435,357,322
d	Add Line 27a total 0 and line 27b total 0				27d	0
e	Public support (line 27c total minus line 27d total)				27e	1,435,357,322
f	Total support for section 509(a)(2) test Enter amount from line 23, column (e)				27f	1,439,950,187
g	Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g	99 68 %
h	Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h	0 32 %
28	Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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)

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?		Yes	No
		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 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)

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

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) 	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 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 11 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
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i 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			

Exempt Organizations (See page 11 of the instructions.)

501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

Yes	No
-----	----

- | | | |
|---------------|--|----|
| 51a(i) | | No |
| a(ii) | | No |

--	--	--

- | | | |
|---------------|-----|----|
| b(i) | | No |
| b(ii) | | No |
| b(iii) | | No |
| b(iv) | | No |
| b(v) | | No |
| b(vi) | Yes | |

c		No
----------	--	----

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]

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]

Additional Data

Software ID:
Software Version:
EIN: 13-3783732
Name: HEALTHFIRST PHSP INC
co HEALTHFIRST INC

Form 990, Part II, Line 43 - Other expenses not covered above (itemize):

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
a DUES & SUBSCRIPTIONS	43a	77,067		77,067	
b HEALTH PROMOTION	43b	2,387,796	2,387,796		
c SERVICE FEE & BANK CHARGES	43c	112,573	60,255	52,318	
d CONSULTANTS	43d	19,264	19,264		
e HEALTH PROMOTION EVENTS	43e	732,595	732,595		
f HFMS MANAGEMENT FEES	43f	95,825,649	70,553,130	25,272,519	
g STORAGE	43g	4,491	4,491		
h MARKETING PREMIUM	43h	159,505	159,505		
i HEALTHCARE SERVICE COSTS	43i	601,196,018	601,196,018		

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
BOOTHE JAMES	HF MANAGEMENT SERVICES LLC			478,283	101,077		
PHILLIPS DAN	HF MANAGEMENT SERVICES LLC			153,461	4,675		

Form 990, Part VI, Line 80b - If "Yes", enter the name of the organization and whether it is exempt or nonexempt:

Name of the Organization	Exempt	Nonexempt
MANAGED HEALTH INC	X	
HEALTHFIRST INC	X	
HF ADMINISTRATIVE SERVICES INC		
HF SERVICES INC		
HEALTHFIRST HMO INC		
HEALTHFIRST IPA INC		
HR MANAGEMENT SERVICES LLC		
HF PURCHASING INC		

TY 2005 Other Assets Schedule

Name: HEALTHFIRST PHSP INC

co HEALTHFIRST INC

EIN: 13-3783732

Description	Beginning of Year Amount	End of Year Amount
DUE FROM AFFILIATE(A 501(C)(4)	9,486	1,006,778
ORGANIZATION EIN#11-3029569)		
OTHER RECEIVABLES	7,254,820	9,759,030

Form 990, Part VIII - Relationship of Activities to the Accomplishment of Exempt Purposes:

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

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2005 Compensation
Schedule

Name: HEALTHFIRST PHSP INC
co HEALTHFIRST INC
EIN: 13-3783732

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
DICKSTEIN PAUL	HF MANAGEMENT SERVICES LLC			780,666	610,728	20,829	
BERGDALL THOMAS	HF MANAGEMENT SERVICES LLC			344,683	122,216		
HONIG MICHAEL	HF MANAGEMENT SERVICES LLC			267,691	93,428		
JAY SCHECHTMAN MD	HF MANAGEMENT SERVICES LLC			349,990	74,886		

TY 2005 Other Changes in Net Assets Schedule

Name: HEALTHFIRST PHSP INC

co HEALTHFIRST INC

EIN: 13-3783732

Description	Amount
RETAINED HOSPITAL PAYMENTS	12,444,165
FINANCIAL SECURITY DEPOSITS RETURNED	-47,542

TY 2005 Other Liabilities Schedule

Name: HEALTHFIRST PHSP INC

co HEALTHFIRST INC

EIN: 13-3783732

Description	Beginning of Year Amount	End of Year Amount
UNCLAIMED VENDOR PAYABLES		
DUE TO AFFILIATES (501(C)(4))		
DUE TO NEW YORK STATE	6,471,067	16,224,333

TY 2005 Self Dealing Statement

Name: HEALTHFIRST PHSP INC
co HEALTHFIRST INC

EIN: 13-3783732

Line Number	Explanation
2c	HF MANAGEMENT SERVICES, LLC, MANAGEMENT FEE, \$95,825,649

Line Number	Explanation
2d	SEE FORM 990 #75

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2005 Supplemental Support Schedule

Name: HEALTHFIRST PHSP INC
co HEALTHFIRST INC
EIN: 13-3783732

Year	Gifts, Grants and Contributions Received	Membership Fees Received	Gross Receipts From Admissions, Etc.	Gross Investment Income And Post 1975UBI	Net UBI Pre 1975	Tax Revenues Levied For Organization's Benefit	Value Of Services, Facilities Furnished By Government	Other Income	Total
2005	6,619		613,526,925	956,844					614,490,388
2004	1,636		406,743,691	654,508					407,399,835
2003			244,119,316	805,404					244,924,720
2002	628,856		170,330,279	2,176,109					173,135,244