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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 private foundations)

▶ Do not enter social security numbers on this form as it may be made public
▶ Information about Form 990 and its instructions is at *www IRS gov/form990*

OMB No 1545-0047

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning 07-01-2016 , and ending 06-30-2017

B Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization
Essentia Health

Doing business as

Number and street (or P O box if mail is not delivered to street address) | Room/suite
502 E 2nd St

City or town, state or province, country, and ZIP or foreign postal code
Duluth, MN 55805

D Employer identification number
20-0360007

E Telephone number
(218) 786-8376

G Gross receipts $ 367,134,683

F Name and address of principal officer
DAVID HERMAN MD
502 E 2nd St
Duluth, MN 55805

H(a) Is this a group return for subordinates? ☐ Yes ☑ No
H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www essentiahealth org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 2003

M State of legal domicile MN

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
We are called to make a healthy difference in people's lives

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	2,003
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	-1,030,250
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-1,047,068

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	585,160	335,994
	9	Program service revenue (Part VIII, line 2g)	148,936,887	169,449,948
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-5,252,371	8,633,102
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,840,591	1,760,265
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	148,110,267	180,179,309
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	126,085	3,450
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	117,011,986	128,179,286
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	35,000,041	46,795,548
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	152,138,112	174,978,284
	19	Revenue less expenses Subtract line 18 from line 12	-4,027,845	5,201,025
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	300,148,119	372,799,250
	21	Total liabilities (Part X, line 26)	184,425,974	221,288,550
	22	Net assets or fund balances Subtract line 21 from line 20	115,722,145	151,510,700

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date 2018-05-07

▶ Traci Morris CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ RSM US LLP — Firm's EIN ▶ 42-0714325

Firm's address ▶ 227 W 1st St Ste 700
duluth, MN 558021926 — Phone no

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

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☑

1 Briefly describe the organization's mission

We are called to make a healthy difference in people's lives

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ **Yes** ☑ **No**

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 64,697,417 including grants of $ 3,450) (Revenue $ 169,449,948)

See Additional Data

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 64,697,417

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I* (see instructions)	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No

Part IV **Checklist of Required Schedules** *(continued)*

			Yes	No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25a*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V . . . . . ☑

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a** 1,018			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b** 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	**2a** 2,003			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		**2b**	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .		**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .		**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . .		**4a**	Yes	
b	If "Yes," enter the name of the foreign country ▶CJ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .		**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		**5b**		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .		**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		**7h**		
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		**8**		
9a	Did the sponsoring organization make any taxable distributions under section 4966? . . .		**9a**		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . .		**9b**		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		**13a**		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .		**14b**		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions*

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year **1a** 16			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent **1b** 13			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	**5**		No
6	Did the organization have members or stockholders?	**6**		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed▶ MN

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, address, and telephone number of the person who possesses the organization's books and records
▶TRACI MORRIS 502 E 2nd St Duluth, MN 55805 (218) 786-8376

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

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☐

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

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

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

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

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
See Additional Data Table										
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								9,002,218	5,470,518	1,995,474

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 103

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
Boldt Company 2525 N Roemer Rd Appleton, WI 54911	Construction Services	10,356,714
Epic Systems Corporation 1979 Milky Way Verona, WI 53593	Software Support Services	9,332,335
Olaf Anderson & Son Inc PO Box 2766 Fargo, ND 58108	Construction Services	7,313,536
Max Gray Construction Inc 2501 5th Ave W Hibbing, MN 55746	Construction Services	7,053,978
Duluth Electrical Contracting Inc 5051 Miller Trunk Hwy Duluth, MN 55811	Electrician Services	6,809,848

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 171

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	34,771			
	e Government grants (contributions)	1e	190,535			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	110,688			
	g Noncash contributions included in lines 1a-1f $ _____					
	h **Total.** Add lines 1a-1f ▶		335,994			
Program Service Revenue		Business Code				
	2a Support Revenue	541610	169,449,948	169,449,948		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f ▶		169,449,948			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		2,367,093		-1,038,138	3,405,231
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real	(ii) Personal			
	6a Gross rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	193,221,383				
	b Less cost or other basis and sales expenses	186,863,325	92,049			
	c Gain or (loss)	6,358,058	-92,049			
	d Net gain or (loss) ▶		6,266,009			6,266,009
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b Less direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities See Part IV, line 19 a					
	b Less direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Business Code				
	11a System Access/Use Revenue	900099	1,488,480		7,888	1,480,592
	b Settlement	900099	258,841			258,841
	c Garnishment Fees	900099	5,555			5,555
	d All other revenue		7,389			7,389
	e **Total.** Add lines 11a–11d ▶		1,760,265			
	12 **Total revenue.** See Instructions ▶		180,179,309	169,449,948	-1,030,250	11,423,617

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☑

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraisingexpenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21	3,450	3,450		
2 Grants and other assistance to domestic individuals See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, line 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	7,862,948	918,685	6,944,263	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	527,975		527,975	
7 Other salaries and wages	92,875,979	41,431,421	51,444,558	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	4,192,411	1,909,349	2,283,062	
9 Other employee benefits	15,853,876	6,339,275	9,514,601	
10 Payroll taxes	6,866,097	2,971,530	3,894,567	
11 Fees for services (non-employees)				
a Management				
b Legal	524,292		524,292	
c Accounting	527,323		527,323	
d Lobbying	219,336	2,599	216,737	
e Professional fundraising services See Part IV, line 17				
f Investment management fees	949,302		949,302	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	23,741,599	4,283,116	19,458,483	
12 Advertising and promotion	1,667,063	1,309,234	357,829	
13 Office expenses	5,828,639	431,767	5,396,872	
14 Information technology	2,711,955	1,207,333	1,504,622	
15 Royalties . .				
16 Occupancy	47,541	26,520	21,021	
17 Travel	1,818,004	764,143	1,053,861	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials .				
19 Conferences, conventions, and meetings	777,383	325,655	451,728	
20 Interest	1,858,592	1,858,592		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization . .	785,480	86,263	699,217	
23 Insurance . . .				
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Unrelated Business Tax	-45,965		-45,965	
b Asset Impairment Loss	2,422,021		2,422,021	
c Loss on Refinancing	740,662		740,662	
d Program Cost	642,948	1,019	641,929	
e All other expenses	1,579,373	827,466	751,907	
25 **Total functional expenses.** Add lines 1 through 24e	174,978,284	64,697,417	110,280,867	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		4,001,440	1	4,792,890
	2	Savings and temporary cash investments		54,576,050	2	43,530,957
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		8,011,613	4	8,566,537
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	166,667
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		2,704,852	9	4,963,873
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 10,994,264			
	b	Less accumulated depreciation	10b 7,442,065	2,689,229	10c	3,552,199
	11	Investments—publicly traded securities		114,399	11	84,072
	12	Investments—other securities See Part IV, line 11		106,979,847	12	176,479,006
	13	Investments—program-related See Part IV, line 11		58,094,679	13	55,672,658
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		62,976,010	15	74,990,391
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		300,148,119	16	372,799,250
Liabilities	17	Accounts payable and accrued expenses		93,246,564	17	98,192,511
	18	Grants payable			18	
	19	Deferred revenue		12,453	19	934,168
	20	Tax-exempt bond liabilities		17,565,772	20	16,498,147
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		16,125,883	23	34,417,034
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		57,475,302	25	71,246,690
	26	**Total liabilities.** Add lines 17 through 25		184,425,974	26	221,288,550
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		115,722,145	27	151,510,700
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		115,722,145	33	151,510,700
	34	Total liabilities and net assets/fund balances		300,148,119	34	372,799,250

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	180,179,309
2	Total expenses (must equal Part IX, column (A), line 25)	2	174,978,284
3	Revenue less expenses Subtract line 2 from line 1	3	5,201,025
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	115,722,145
5	Net unrealized gains (losses) on investments	5	13,483,568
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	219,798
9	Other changes in net assets or fund balances (explain in Schedule O)	9	16,884,164
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	151,510,700

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

Additional Data

Software ID:

Software Version:

EIN: 20-0360007

Name: Essentia Health

Form 990 (2016)

Form 990, Part III, Line 4a:

Essentia Health is organized and shall be operated exclusively for charitable, educational, scientific, and religious purposes exclusively for the benefit of, to perform the functions of, or to carry out the purposes of Critical Access Group, a Minnesota nonprofit corporation, Brainerd Lakes Integrated Health System dba Essentia Health Central, a Minnesota nonprofit corporation, St Mary's Duluth Clinic Health System dba Essentia Health East, a Minnesota nonprofit corporation, and Innovis Health, LLC dba Essentia Health West, a Delaware limited liability company and in support of Critical Access Group, Essentia Health Central, Essentia Health East, and Essentia Health West and each of the tax-exempt entities identified as supported organizations in their articles of incorporation all of which are organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 Essentia Health is an integrated health system serving patients in Minnesota, Wisconsin, North Dakota and Idaho Headquartered in Duluth, Minnesota, Essentia Health combines the strengths and talents of 15,000 employees, including more than 1,900 physicians and advanced practitioners, who serve its patients and communities through the mission of being called to make a healthy difference in people's lives Essentia Health, which includes many Catholic facilities, is guided by the values of quality, hospitality, respect, justice, stewardship and teamwork The organization delivers on its promise to be "Here With You" in 15 hospitals, 75 clinics, six long-term care facilities, three assisted living facilities, three independent living facilities, five ambulance services, and one research institute Essentia Health provides services predominantly in rural communities and is committed to eliminating geographic barriers to care Many of Essentia Health's hospitals and clinics are located in communities that are federally recognized as being medically underserved Essentia Health is accredited as an Accountable Care Organization by the National Committee for Quality Assurance The legal entities comprising Essentia Health file separate Form 990's At fiscal year ended June 30, 2017, Essentia Health's consolidated total revenue was $1,990,367,000 and consolidated income from operations was $33,368,000 Essentia Health's hospitals have a total of 1,194 licensed beds which provided over 189,000 hospital patient days and over 661,000 outpatient visits during the fiscal year ended June 30, 2017 The clinics had over 1 6 million encounters during the same time period During the fiscal year ended June 30, 2017, Essentia Health system provided total community benefits of over $137 million which included costs of providing charity care, costs in excess of Medicaid payments, Medicaid surcharge, MinnesotaCare tax, community services, health profession education, research, and cash and in-kind contributions

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
David Gaddie Board Chair	6 00 0 00	X		X				22,500	0	0
James Anderson Board Vice Chair	4 00 4 00	X		X				23,750	0	0
Sister Kathleen Hofer Board Director	3 00 3 00	X						0	0	0
Dean Ager Board Director	4 00 0 00	X						22,500	0	0
Richard Blair Board Director	3 00 1 00	X						33,750	0	0
Laura Boehlke-Bray MD Board Director	3 00 57 00	X						22,500	205,520	18,616
Lori Collard Board Director	3 00 1 00	X						15,000	0	0
Linda Dunham Board Director	3 00 0 00	X						11,250	0	0
Joel Haugen MD Board Director	3 00 37 00	X						19,500	293,521	41,721
Alan Hodnik Board Director	3 00 0 00	X						11,250	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Walter Leino MD Board Director	3 00 1 00	X						15,000	0	0
Kevin Moug Board Director	4 00 1 00	X						4,900	0	0
Sister Beverly Raway Board Director	3 00 4 00	X						0	0	0
Thomas Russ MD Board Director	4 00 36 00	X						15,000	311,342	33,938
Kimberley Stokes Board Director	3 00 0 00	X						0	0	0
Sister Clare Marie Trettel Board Director	4 00 0 00	X						0	0	0
Neal Hessen Board Director thru 12/16	3 00 2 00	X						19,500	0	0
James Seitz Board Director thru 12/16	4 00 0 00	X						22,500	0	0
David Herman MD Chief Executive Officer	60 00 0 00			X				1,398,741	0	226,467
Robert Norman Chief Financial Officer	59 00 1 00			X				777,967	0	115,238

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Jeffrey Korsmo EVP, Operations & Administration	60 00 0 00				X			766,334	0	84,237
Teresa O'Toole Chief Legal Officer	60 00 0 00				X			656,855	0	89,104
Peter Henry MD Chief Medical Officer	3 00 57 00				X			0	480,747	84,635
Patrick Twomey MD Chief Medical Officer thru 7/16	3 00 57 00				X			535,595	0	81,495
Dennis Dassenko Chief Information Officer	60 00 0 00				X			431,511	0	76,487
Diane Davidson Chief Human Resource Officer	60 00 0 00				X			410,744	0	74,310
Kristi Schmidt Chief Marketing & Communications Officer	60 00 0 00				X			218,551	0	24,054
Gregory Glasner MD President, EH West	3 00 57 00				X			0	728,030	96,131
Scott Johnson MD Chief Medical Officer, EH West	3 00 57 00				X			0	501,847	45,714
Steven Jorgensen Chief Operating Officer, EH East	3 00 57 00				X			0	537,612	105,024

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Daniel Nikcevich MD President, EH East	3 00 57 00				X			0	821,108	140,802
Adam Rees President, EH Central	3 00 57 00				X			0	421,063	74,404
Timothy Sayler Chief Operating Officer, EH West	3 00 57 00				X			0	470,877	91,637
Anne Stephen MD Chief Medical Officer, EH East	3 00 57 00				X			0	346,211	70,755
Richard Ziegler Executive Director, EIRH	3 00 57 00				X			0	352,640	87,143
Deborah Welle-Powell SVP, Accountable Care	60 00 0 00				X			496,991	0	76,988
Michael Mahoney Vice President, Public Policy	60 00 0 00				X			277,020	0	45,469
Thomas Patnoe MD Medical Director - Physician Leadership	24 00 0 00					X		400,787	0	19,869
Martin Sinclair Deputy Chief Legal Officer	60 00 0 00					X		296,981	0	31,475
Sheila Hart SVP Integrated Care Delivery	60 00 0 00					X		279,032	0	63,708

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Michael Whitcomb MD Chief Med Informatics Officer	60 00 0 00					X		252,410	0	40,514
Thomas Crook VP Treasury	60 00 0 00					X		233,513	0	34,692
John Smylie Former Chief Operating Officer	0 00 0 00						X	1,310,286	0	20,847

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Essentia Health

Employer identification number
20-0360007

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

The organization is not a private foundation because it is (For lines 1 through 12, check only one box)

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

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ))

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170 (b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university

10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

11 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

12 ☑ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g

a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c ☑ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f Enter the number of supported organizations 4

g Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
(A) Innovis Health LLC	261175213	3	Yes		47,609,510	0
Total 4					47,609,510	0

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, 8, or 9 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part VI)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2015 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2016.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test—2015.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10%-facts-and-circumstances test—2016.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

b **10%-facts-and-circumstances test—2015.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part VI)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2015 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2016** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2015** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2016.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests—2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supporting Organizations**

(Complete only if you checked a box on line 12 of Part I If you checked 12a of Part I, complete Sections A and B If you checked 12b of Part I, complete Sections A and C If you checked 12c of Part I, complete Sections A, D, and E If you checked 12d of Part I, complete Sections A and D, and complete Part V)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in **Part VI** how the supported organizations are designated If designated by class or purpose, describe the designation If historic and continuing relationship, explain*	1	Yes	
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in **Part VI** how the organization determined that the supported organization was described in section 509(a)(1) or (2)*	2	Yes	
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below*	3a		No
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in **Part VI** when and how the organization made the determination*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in **Part VI** what controls the organization put in place to ensure such use*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below*	4a		No
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in **Part VI** how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in **Part VI** what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable) Also, provide detail in **Part VI,** including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document)*	5a		No
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in **Part VI.***	6	Yes	
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ)*	7		No
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ)*	8		No
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in **Part VI.***	9a		No
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in **Part VI.***	9b		No
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in **Part VI.***	9c		No
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer line 10b below*	10a		No
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings)*	10b		

Part IV **Supporting Organizations** (continued)

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	**11a**		**No**
b	A family member of a person described in (a) above?	**11b**		**No**
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in Part VI*	**11c**		**No**

Section B. Type I Supporting Organizations

			Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in **Part VI** how the supported organization(s) effectively operated, supervised, or controlled the organization's activities If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year*	**1**		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in **Part VI** how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization*	**2**		

Section C. Type II Supporting Organizations

			Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in **Part VI** how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s)*	**1**		

Section D. All Type III Supporting Organizations

			Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	**1**	**Yes**	
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization (s) or (ii) serving on the governing body of a supported organization? *If "No," explain in **Part VI** how the organization maintained a close and continuous working relationship with the supported organization(s)*	**2**	**Yes**	
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in **Part VI** the role the organization's supported organizations played in this regard*	**3**	**Yes**	

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year **(see instructions)**

- **a** ☐ The organization satisfied the Activities Test Complete **line 2** below
- **b** ☑ The organization is the parent of each of its supported organizations Complete **line 3** below
- **c** ☐ The organization supported a governmental entity Describe in **Part VI** how you supported a government entity (see instructions)

			Yes	No
2	Activities Test **Answer (a) and (b) below.**			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in **Part VI identify those supported organizations and explain** how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities*	**2a**		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in **Part VI** the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement*	**2b**		
3	Parent of Supported Organizations **Answer (a) and (b) below.**			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in **Part VI.***	**3a**	**Yes**	
b	Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? *If "Yes," describe in **Part VI.** the role played by the organization in this regard*	**3b**	**Yes**	

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov 20, 1970 **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income

			(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1		
2	Recoveries of prior-year distributions	2		
3	Other gross income (see instructions)	3		
4	Add lines 1 through 3	4		
5	Depreciation and depletion	5		
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7	Other expenses (see instructions)	7		
8	**Adjusted Net Income** (subtract lines 5, 6 and 7 from line 4)	8		

Section B - Minimum Asset Amount

			(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1		
a	Average monthly value of securities	1a		
b	Average monthly cash balances	1b		
c	Fair market value of other non-exempt-use assets	1c		
d	**Total** (add lines 1a, 1b, and 1c)	1d		
e	**Discount** claimed for blockage or other factors (explain in detail in Part VI)			
2	Acquisition indebtedness applicable to non-exempt use assets	2		
3	Subtract line 2 from line 1d	3		
4	Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6	Multiply line 5 by 035	6		
7	Recoveries of prior-year distributions	7		
8	**Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount

				Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2	Enter 85% of line 1	2		
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4	Enter greater of line 2 or line 3	4		
5	Income tax imposed in prior year	5		
6	**Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		

7 ☐ Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)

Part V **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**

Section D - Distributions	**Current Year**
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 **Total annual distributions.** Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2016 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	**(i) Excess Distributions**	**(ii) Underdistributions Pre-2016**	**(iii) Distributable Amount for 2016**
1 Distributable amount for 2016 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2016 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2016			
a			
b			
c From 2013.			
d From 2014.			
e From 2015.			
f **Total** of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2016 distributable amount			
i Carryover from 2011 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2016 from Section D, line 7 $			
a Applied to underdistributions of prior years			
b Applied to 2016 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2016, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2016 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 **Excess distributions carryover to 2017.** Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b Excess from 2013.			
c Excess from 2014.			
d Excess from 2015.			
e Excess from 2016.			

Part VI **Supplemental Information.**

Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

990 Schedule A, Supplemental Information

Return Reference	Explanation
SCHEDULE A, PART I, LINE 12G	SUPPORTED ORGANIZATIONS ESSENTIA HEALTH ALSO SUPPORTS THREE 509(A)(3) ENTITIES WHO ARE LI STED IN ESSENTIA HEALTH'S GOVERNING DOCUMENTS BRAINERD LAKES INTEGRATED HEALTH SYSTEM (EI N 37-1532145), CRITICAL ACCESS GROUP (EIN 26-1219624), AND ST MARY'S DULUTH CLINIC HEAL TH SYSTEM (EIN 41-1836633) ESSENTIA HEALTH PROVIDED MONETARY SUPPORT IN THE AMOUNTS OF $ 18,909,050 TO BRAINERD LAKES INTEGRATED HEALTH SYSTEM, $3,842,514 TO CRITICAL ACCESS GROUP , AND $104,617,210 TO ST MARY'S DULUTH CLINIC HEALTH SYSTEM, FOR AN OVERALL TOTAL OF $174 ,978,284 IN MONETARY SUPPORT ESSENTIA HEALTH ALSO SUPPORTS THE TAX-EXEMPT SUBSIDIARIES OF ESSENTIA HEALTH'S SUPPORTED ORGANIZATIONS, SUBSTANTIALLY ALL OF WHICH ARE PUBLICLY SUPPOR TED ENTITIES UNDER IRC SECTION 509(A) SCHEDULE A, Part I, Line 12G, Column V Amount of Su pport THE AMOUNT OF SUPPORT INCLUDES ESSENTIA HEALTH'S FUNCTIONAL EXPENSES WHICH ARE INCU RRED FOR THE BENEFIT OF ESSENTIA HEALTH'S SUPPORTED ORGANIZATIONS

990 Schedule A, Supplemental Information

Return Reference	Explanation
SCHEDULE A, Part IV, Section A, Line 2	Determination of Status of Supported Organizations Three of Essentia Health's supported o rganizations (Brainerd lakes Integrated Health System, Critical Access Group, and St Mary 's Duluth Clinic Health System) are Type II supporting organizations under IRC Section 509 (a)(3) Brainerd lakes Integrated Health System, Critical Access Group, and St Mary's Dul uth Clinic Health System support tax-exempt organizations organized under IRC Section 509(a)(1) or 509(a)(2)

990 Schedule A, Supplemental Information

Return Reference	Explanation
SCHEDULE A, Part IV, Section A, Line 6	Support to Other Organizations Essentia Health made contributions to unrelated organizati ons that align with Essentia Health's supported organizations' missions These contributio ns created a healthy difference in peoples' lives by providing resources to families in ne ed Essentia Health also supports the tax-exempt subsidiaries of Essentia Health's support ed organizations by providing various services and monetary support

990 Schedule A, Supplemental Information

Return Reference	Explanation
SCHEDULE A, Part IV, Section D, Line 3	Supported Organizations' Voice and Direction There are multiple directors that serve on E ssentia Health's board of directors, as well as, on Essentia Health's supported organizati ons' board of directors In addition, the officers and other key employees of Essentia Hea lth and its supported organizations maintain close and continuous working relationships by sitting on the same leadership committees and teams First at the supported organization level and then at the supporting organization level, Essentia Health's investments and use of income and assets are discussed and approved resulting in Essentia Health's supported organizations having a significant voice in directing the activities of Essentia Health

990 Schedule A, Supplemental Information

Return Reference	Explanation
SCHEDULE A, Part IV, Section E, Line 3a	Power to Appoint or Elect Directors Essentia Health approves the election of its supporte d organizations' board of directors and may remove, with or without cause, these same dire ctors at any time

990 Schedule A, Supplemental Information

Return Reference	Explanation
SCHEDULE A, Part IV, Section E, Line 3b	Direction Over the Policies, Programs, and Activities of the Supported Organizations As t he parent of its supported organizations, Essentia Health has various financial, operation al, and advisory powers, known as reserved powers, with respect to its supported organizat ions and their subsidiaries creating a substantial degree of direction over the policies, programs, and activities of Essentia Health's supported organizations Essentia Health est ablishes and oversees various policies and programs including policies related to but not limited to administration, human resources, finance, compliance, information services, pat ient relations/risk management, safety, emergency preparedness & services, revenue service s, Essentia Health medical group, physician/provider services, research and education, and the Essentia Health Foundation Essentia Health has the following authority over its supp orted organizations and their subsidiaries create and approve strategic business plans, c reate and approve the mission, purpose and vision statements, create and approve amendment s of the articles of incorporation and bylaws and/or certificates of formation and operati ng agreements, and cause and approve the discontinuance of services and service locations

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.
▶Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2016

Open to Public Inspection

If the organization answered "Yes" on Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then
- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" on Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then
- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" on Form 990, Part IV, Line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then
- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
Essentia Health	20-0360007

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

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

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	**The lobbying nontaxable amount is:**
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2013	**(b)** 2014	**(c)** 2015	**(d)** 2016	**(e)** Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		132,250
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		219,336
j	Total Add lines 1c through 1i			351,586
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV **Supplemental Information**

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, lines 1 and 2 (see instructions), and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
Part II-B, Line 1	Essentia Health employs one full-time in-house public policy individual and during 2017 contracted with two consultant firms to monitor state legislative activities of interest, three consultant firms to monitor federal legislative activities of interest related to Health and Human Services issues, and one legal firm to provide legislative representation services Essentia Health's public policy activities occur on a multi state and national level Essentia Health public policy activities included in person, telephonic, electronic communication and information relay with legislators and staff, administrative officials, government agencies and departments on both the state and federal levels The primary issues of interest and concern include Critical Access Hospital designation, status and reimbursement Physician and Hospital Services Reimbursement Medicare and Medicaid Reimbursement Policies Disproportionate Share Hospital Funding Sole Community Hospital Status and Funding Graduate Medical Education/Indirect Medical Education Funding Health Information Technology Funding and Privacy Issues Cybersecurity State and Federal Health Care Reform State and Federal Shared Savings Demonstration Projects Medicare Reimbursement for Rehab Facilities Medicare 340B Prescription Drug Discount Program Multi-State Nurse Licensure Compact Multi-State Advanced Practice Registered Nurse Licensure Compact Multi-State Physician Licensure Compact Multi-State Physical Therapy Compact Mandated Nurse Staffing Quotas Electronic Medical Record Interoperability/Health Information Technology Medicare Recovery Audit Contractor Audits (RAC) Health Information Exchange Medical Education and Research Costs (MERC) State Children's Health Insurance Program Workforce Development Issues Public Health Initiatives Community Benefits Workers Compensation System Tax Exempt Status Constitutional Ballot Questions Impacting Public Bond Financing Environmental Protection & Solid Waste Advanced Care Planning Telemedicine Mental Health Issues Essentia Health also pays dues to certain organizations related to the industry which have lobbying expenses The amount included in the total is the percentage of the dues paid that were used for lobbying

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Essentia Health

Employer identification number
20-0360007

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenue included on Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenue included on Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

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

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

a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Temporarily restricted endowment ▶

The percentages on lines 2a, 2b, and 2c should equal 100%

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

	Yes	No
(i) unrelated organizations . . . . . 3a(i)		
(ii) related organizations . . . . . 3a(ii)		
b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? 3b		

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

Part VI **Land, Buildings, and Equipment.**
Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c)Accumulated depreciation	(d)Book value
1a Land . . .				
b Buildings		10,880	4,292	6,588
c Leasehold improvements				
d Equipment . . .		10,854,192	7,437,773	3,416,419
e Other . . .		129,192		129,192
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c))* . . ▶				3,552,199

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives	301,375	F
(2) Closely-held equity interests		
(3) Other		
(A) Pooled Investment Funds	176,177,631	F
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	176,479,006	

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Investment in Benedictine Health System	55,672,658	C
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶	55,672,658	

Part IX **Other Assets.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) Deferred Debt Financing Costs - Line of Credit	33,554
(2) Deferred Compensation Fund	68,322,853
(3) Reinsurance Receivable	6,633,984
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15)* ▶	74,990,391

Part X **Other Liabilities.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
Non Current Swap Liability	492,798
Benefit Plan Liability	68,322,853
PAYABLES TO RELATED ORGS	2,431,039
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	71,246,690

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI **Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains (losses) on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

Part XII **Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

Part XIII **Supplemental Information**

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

Return Reference	Explanation

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule F (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Essentia Health

Employer identification number
20-0360007

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) See Add'l Data					
(2)					
(3)					
(4)					
(5)					
3a Sub-total	0	0			164,414,824
b Total from continuation sheets to Part I	0	0			0
c **Totals** (add lines 3a and 3b)	0	0			164,414,824

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	**(b)** Region	**(c)** Number of recipients	**(d)** Amount of cash grant	**(e)** Manner of cash disbursement	**(f)** Amount of non-cash assistance	**(g)** Description of non-cash assistance	**(h)** Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

1 Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes,"the organization may be required to file Form 926, Return by a U S Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* ☑ Yes ☐ No

2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U S Owner (see Instructions for Forms 3520 and 3520-A)* ☐ Yes ☑ No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U S Persons with Respect to Certain Foreign Corporations (see Instructions for Form 5471)* ☑ Yes ☐ No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* ☐ Yes ☑ No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U S Persons with Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* ☐ Yes ☑ No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713)* ☐ Yes ☑ No

Additional Data

Software ID:
Software Version:
EIN: 20-0360007
Name: Essentia Health

Part V **Supplemental Information**

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
Central America and the Caribbean - Antigua & Barbuda, Aruba, Bahamas,	0	0	Investments		146,608,227
Central America and the Caribbean - Antigua & Barbuda, Aruba, Bahamas,	0	0	Program Services	Self Indemnity	17,800,933
North America	0	0	Send Agents to Seminar		3,001

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
Central America and the Caribbean - Antigua & Barbuda, Aruba, Bahamas,	0	0	SEND AGENTS TO SEMINAR		2,663

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990.
▶ Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Essentia Health

Employer identification number
20-0360007

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," on line 5a or 5b, describe in Part III			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," on line 6a or 6b, describe in Part III			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported on Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**	Yes	
9	If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**	Yes	

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

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

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

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation in column(B) reported as deferred on prior Form 990
	Base **(i)** compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

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

Return Reference	Explanation
Part I, Line 1a	Benefits Provided DURING CALENDAR YEAR 2016, CHARTER TRAVEL WAS USED BY TWO OFFICERS, SEVEN KEY EMPLOYEES, AND TWO HIGHEST COMPENSATED EMPLOYEES FOR TRAVEL BETWEEN ESSENTIA HEALTH'S OFFICE IN DULUTH, MN AND OTHER ORGANIZATIONS THE USE OF CHARTER TRAVEL IS NOT TREATED AS TAXABLE COMPENSATION TO THESE INDIVIDUALS AS ALL TRAVEL WAS BUSINESS RELATED During tax year 2016, as new employees relocating from another area, Chief Executive Officer, David Herman, MD, and key employee, Jeffrey Korsmo, received housing allowances David Herman, MD also received reimbursement for personal services related to his prior home and for travel expenses for a companion These benefits were treated as taxable compensation to both individuals
Part I, Lines 4a-b	SEVERANCE PAYMENT Former key employee, John Smylie, received payment totaling $610,566 in calendar year 2016 related to his termination The termination terms are from January 5, 2016 to May 5, 2017 Mr Smylie will receive pay totaling $839,931 & benefits totaling $22,252 related to his termination SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN Essentia Health's nonqualified retirement plan is offered to designated Essentia Health executives There is a minimum four year vesting date, or vesting is automatic upon reaching retirement age, death, disability or involuntary termination without cause Benefits are subject to income taxes upon vesting and payable from Essentia Health's general assets Reported as Other Reportable Compensation in Schedule J, Part II, Column B (iii), the following individuals listed in Form 990, Part VII, Section A, Line 1a received payment of the vested benefit from the supplemental nonqualified retirement plan during the year Robert Norman $140,267 Teresa O'Toole $54,625 Dennis Dassenko $28,467 Diane Davidson $26,939 Kristi Schmidt $4,177 Gregory Glasner, MD $186,580 Daniel Nikcevich, MD $28,913 Michael Mahoney $10,169 Thomas Patnoe, MD $265,558 Martin Sinclair $32,124 Thomas Crook $4,335 John Smylie $684,983 Reported as Retirement and Other Deferred Compensation in Schedule J, Part II, Column C, Essentia Health made contributions, subject to the vesting terms, during the year into the supplemental nonqualified retirement plan on behalf of the following individuals listed in Form 990, Part VII, Section A, Line 1a David Herman, MD $200,457 Robert Norman $69,072 Jeffrey Korsmo $72,908 Teresa O'Toole $55,970 Peter Henry, MD $44,561 Patrick Twomey, MD $26,745 Dennis Dassenko $33,712 Diane Davidson $31,110 Kristi Schmidt $6,929 Gregory Glasner, MD $51,520 Steven Jorgensen $52,608 Daniel Nikcevich, MD $87,496 Adam Rees $32,128 Timothy Sayler $42,801 Anne Stephen, MD $18,214 Richard Ziegler $34,830 Deborah Welle-Powell $44,721 Michael Mahoney $8,465 Martin Sinclair $8,204 Sheila Hart $19,601 Thomas Crook $6,580
Part I, Line 8	Initial contract exception Essentia Health's Executive Vice President of Operations and Administration, Jeffrey Korsmo, and Senior Vice President of Accountable Care, Deborah Welle-Powell, each received compensation during the year under an initial employment agreement subject to the initial contract exception Through the Essentia Health Executive Compensation Committee, these compensation arrangements were reviewed and approved by independent persons using comparability data and deliberations and decisions were documented Essentia Health's Chief Medical Informatics Officer, Michael Whitcomb, MD, received compensation during the year under an initial employment agreement subject to the initial contract exception Through an authorized body of the organization, this compensation arrangement was reviewed and approved by independent persons using comparability data and the basis for determination was documented

Additional Data

Software ID:
Software Version:
EIN: 20-0360007
Name: Essentia Health

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
1 Laura Boehlke-Bray MD Board Director	(i)	22,500	0	0	0	0	22,500	0
	(ii)	204,809	0	711	16,114	2,502	224,136	0
1 Joel Haugen MD Board Director	(i)	19,500	0	0	0	0	19,500	0
	(ii)	291,538	0	1,983	19,532	22,189	335,242	0
2 Thomas Russ MD Board Director	(i)	15,000	0	0	0	0	15,000	0
	(ii)	309,411	0	1,931	21,200	12,738	345,280	0
3 David Herman MD Chief Executive Officer	(i)	1,079,802	284,985	33,954	221,657	4,810	1,625,208	0
	(ii)	0	0	0	0	0	0	0
4 Robert Norman Chief Financial Officer	(i)	515,061	115,038	147,868	90,272	24,966	893,205	52,337
	(ii)	0	0	0	0	0	0	0
5 Jeffrey Korsmo EVP, Operations & Administration	(i)	436,604	310,000	19,730	72,908	11,329	850,571	0
	(ii)	0	0	0	0	0	0	0
6 Teresa O'Toole Chief Legal Officer	(i)	471,734	119,417	65,704	74,596	14,508	745,959	50,227
	(ii)	0	0	0	0	0	0	0
7 Peter Henry MD Chief Medical Officer	(i)	0	0	0	0	0	0	0
	(ii)	375,267	98,051	7,429	65,761	18,874	565,382	0
8 Patrick Twomey MD Chief Medical Officer thru 7/16	(i)	399,012	133,608	2,975	47,945	33,550	617,090	0
	(ii)	0	0	0	0	0	0	0
9 Dennis Dassenko Chief Information Officer	(i)	332,949	62,475	36,087	54,912	21,575	507,998	28,898
	(ii)	0	0	0	0	0	0	0
10 Diane Davidson Chief Human Resource Officer	(i)	314,429	61,893	34,422	50,168	24,142	485,054	27,473
	(ii)	0	0	0	0	0	0	0
11 Kristi Schmidt Chief Marketing & Communications Off	(i)	193,988	19,421	5,142	22,228	1,826	242,605	5,367
	(ii)	0	0	0	0	0	0	0
12 Gregory Glasner MD President, EH West	(i)	0	0	0	0	0	0	0
	(ii)	455,128	82,744	190,158	68,439	27,692	824,161	46,160
13 Scott Johnson MD Chief Medical Officer, EH West	(i)	0	0	0	0	0	0	0
	(ii)	499,608	0	2,239	21,200	24,514	547,561	0
14 Steven Jorgensen Chief Operating Officer, EH East	(i)	0	0	0	0	0	0	0
	(ii)	450,312	80,447	6,853	73,808	31,216	642,636	0
15 Daniel Nikcevich MD President, EH East	(i)	0	0	0	0	0	0	0
	(ii)	666,067	118,466	36,575	108,696	32,106	961,910	79,570
16 Adam Rees President, EH Central	(i)	0	0	0	0	0	0	0
	(ii)	318,171	98,051	4,841	48,028	26,376	495,467	0
17 Timothy Sayler Chief Operating Officer, EH West	(i)	0	0	0	0	0	0	0
	(ii)	390,334	74,588	5,955	64,001	27,636	562,514	0
18 Anne Stephen MD Chief Medical Officer, EH East	(i)	0	0	0	0	0	0	0
	(ii)	344,780	0	1,431	39,414	31,341	416,966	0
19 Richard Ziegler Executive Director, EIRH	(i)	0	0	0	0	0	0	0
	(ii)	342,085	0	10,555	56,030	31,113	439,783	0

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
21 Deborah Welle-Powell SVP, Accountable Care	(i)	404,469	82,501	10,021	64,737	12,251	573,979	0
	(ii)	0	0	0	0	- 0	- 0	0
1 Michael Mahoney Vice President, Public Policy	(i)	235,627	29,996	11,397	27,767	17,702	322,489	6,482
	(ii)	0	0	0	0	- 0	- 0	0
2 Thomas Patnoe MD Medical Director - Physician Leaders	(i)	133,239	0	267,548	9,789	10,080	420,656	0
	(ii)	0	0	0	0	- 0	- 0	0
3 Martin Sinclair Deputy Chief Legal Officer	(i)	237,560	22,014	37,407	28,651	2,824	328,456	5,812
	(ii)	0	0	0	0	- 0	- 0	0
4 Sheila Hart SVP Integrated Care Delivery	(i)	242,937	34,592	1,503	39,149	24,559	342,740	0
	(ii)	0	0	0	0	- 0	- 0	0
5 Michael Whitcomb MD Chief Med Informatics Officer	(i)	250,916	0	1,494	19,566	20,948	292,924	0
	(ii)	0	0	0	0	- 0	- 0	0
6 Thomas CrookVP Treasury	(i)	200,480	24,051	8,982	22,105	12,587	268,205	0
	(ii)	0	0	0	0	- 0	- 0	0
7 John Smylie Former Chief Operating Officer	(i)	14,017	0	1,296,269	1,551	19,296	1,331,133	196,377
	(ii)	0	0	0	0	- 0	- 0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990.
▶Information about Schedule K (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Essentia Health

Employer identification number
20-0360007

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	Cass County ND	45-6002205	148047AU7	02-25-2010	59,573,111	SRS 2008A REOFF (SEE PART VI)		X		X		X
B	WI Health & Edu Fac Auth	39-1337855	97710BSD5	02-25-2010	12,854,722	SRS 2008B REOFF (SEE PART VI)		X		X		X
C	MN Ag & Econ Devel Brd	41-6007162	6049202H0	02-25-2010	165,717,405	SRS 2008C REOFF (SEE PART VI)		X		X		X
D	MN Ag & Econ Devel Brd	41-6007162	000000000	07-29-2014	29,480,000	SRS 2014-MN BONDS (SEE PART VI)		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired			2,398,175	254,130
2	Amount of bonds legally defeased				
3	Total proceeds of issue	3,872,252	835,557	10,771,632	4,173,741
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds			123,454	26,020
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				3,600,077
11	Other spent proceeds	3,872,252	835,557	10,648,178	547,644
12	Other unspent proceeds				
13	Year of substantial completion	2010	2010	2010	2015

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X		X		X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

Part III **Private Business Use** (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %		0 %		0 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %	
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

Part IV **Arbitrage**

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		X
b	Exception to rebate?	X		X		X		X	
c	No rebate due?		X		X		X		X
	If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X		X		X	X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV **Arbitrage** (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148? . . .	X		X		X		X	

Part V **Procedures To Undertake Corrective Action**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X		X	

Part VI **Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
Schedule K	Additional information/comments relating to the reporting of liabilities by related organi zations Essentia Health has an Obligated Group created under the Master Indenture which i s composed of the following Members Essentia Health, Critical Access Group, Essentia Heal th East, Essentia Health St Joseph's Medical Center, Essentia Health St Mary's-Detroit L akes, Essentia Health St Mary's Medical Center, Essentia Health Duluth, Essentia Health P olinsky Medical Rehabilitation Center, Essentia Health St Mary's Hospital-Superior, Essen tia Health Brainerd Specialty Clinic, Essentia Health Central, St Mary's Innovis Health, The Duluth Clinic, Ltd and Essentia Health West (the "Obligated Group Members or the "Mem bers of the Obligated Group") The Members of the Obligated Group are jointly and severall y obligated on all indebtedness evidenced or secured by Notes issued under the Master Inde nture The Series 2008A reoffered bonds are secured by Notes issued under the Master Inden ture Essentia Health is the conduit borrower of the Series 2008A reoffered bonds and has recorded a portion of the bond liability on its balance sheet The Obligated Group Members , Essentia Health West, The Duluth Clinic, Ltd , and Essentia Health St Mary's-Detroit La kes, are indirect beneficiaries of the Series 2008A reoffered borrowing and have recorded a portion of the bond liability on their balance sheets which are consolidated with Essent ia Health The Series 2008B reoffered bonds are secured by Notes issued under the Master I ndenture The Obligated Group Members The Duluth Clinic, Ltd , Essentia Health and Essent ia Health St Mary's Hospital-Superior are the conduit borrowers of the Series 2008B reoff ered bonds The conduit borrowers, The Duluth Clinic, Ltd and Essentia Health, have recor ded a portion of the bond liability on their balance sheets which are consolidated with Es sentia Health The Obligated Group Members, Essentia Health West and Essentia Health St M ary's-Detroit Lakes, are indirect beneficiaries of a portion of the Series 2008B reoffered borrowing and have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health The Series 2008C reoffered bonds are secured by No tes issued under the Master Indenture The Obligated Group Members Essentia Health East, Essentia Health St Joseph's Medical Center, Essentia Health St Mary's-Detroit Lakes, The Duluth Clinic, Ltd , Essentia Health, and Essentia Health St Mary's Medical Center are t he conduit borrowers of the Series 2008C reoffered bonds The conduit borrowers, Essentia Health St Mary's-Detroit Lakes, Essentia Health, and The Duluth Clinic, Ltd , have record ed a portion of the bond liability on their balance sheets which are consolidated with Ess entia Health The Obligated Group Member, Essentia Health West is an indirect beneficiary of a portion of the Series 2008C reoffered borrowing and has recorded a portion of the bon d liability on its balance she

Return Reference	Explanation
Schedule K	et which is consolidated with Essentia Health The Series 2014-MN bonds are secured by Not es issued under the Master Indenture The Obligated Group Members Essentia Health, Essent ia Health East, Essentia Health Central, Essentia Health Brainerd Specialty Clinic, Essent ia Health St Joseph's Medical Center, and Essentia Health St Mary's-Detroit Lakes are th e conduit borrowers of the Series 2014-MN bonds The conduit borrowers, Essentia Health, E ssentia Health St Mary's-Detroit Lakes, and Essentia Health St Joseph's Medical Center, have recorded a portion of the bond liability on their balance sheets which are consolidat ed with Essentia Health

Return Reference	Explanation
SCHEDULE K, PART 1, COLUMN (F)	DESCRIPTION OF PURPOSE SERIES 2008A REOFFERED REOFFER SERIES 2008 A-1 AND A-2 BONDS ISSUED MARCH 4, 2008 TO REFINANCE A PORTION OF THE ACQUISITION OF CERTAIN ASSETS OF ESSENTIA HEALTH WEST IN CONNECTION WITH THE AFFILIATION OF ESSENTIA HEALTH WITH ESSENTIA HEALTH WEST SERIES 2008B REOFFERED REOFFER SERIES 2008 B-1 BONDS ISSUED MARCH 4, 2008 TO REFUND SERIES 1999B BONDS ISSUED MAY 18, 1999 FOR CONSTRUCTION PROJECTS AND EQUIPMENT PURCHASES IN SUPERIOR, WI AND VARIOUS DULUTH CLINIC LOCATIONS IN NORTHWESTERN WISCONSIN SERIES 2008C REOFFERED REOFFER SERIES 2008 C-5 AND 2008 C-4A BONDS ISSUED MARCH 4, 2008 TO REFUND SERIES 2004 BONDS ISSUED MARCH 19, 2004 FOR VARIOUS ACQUISITIONS, CONSTRUCTION PROJECTS, CAPITAL IMPROVEMENTS AND EQUIPMENT PURCHASES IN DULUTH, BRAINERD, AND DETROIT LAKES, MN AND REFUND SERIES 1999A BONDS ISSUED MAY 18, 1999 FOR VARIOUS ACQUISITIONS, CONSTRUCTION PROJECTS, CAPITAL IMPROVEMENTS AND EQUIPMENT PURCHASES IN BRAINERD, DETROIT LAKES AND DULUTH, MN AND VARIOUS DULUTH CLINIC SITES IN NORTHERN MINNESOTA SERIES 2014-MN BONDS Refinance prior note used for capital improvements to skilled nursing facility located in Detroit Lakes, MN and various construction projects and equipment purchases in Baxter, Frazee, and Pelican Rapids, MN and finance capital expenditures to replace the chiller unit for Essentia Health Virginia, renovate approximately 118,000 square feet of clinic space for Essentia Health Brainerd Specialty Clinic, remodel and equip existing clinic space in Emily, MN for Essentia Health St Joseph's Medical Center, and expand and remodel the imaging area in the emergency room of Essentia Health St Mary's-Detroit Lakes' hospital

Return Reference	Explanation
Schedule K, Part II Line 3	Issue Price The Series 2008A Reoffered, Series 2008B Reoffered, Series 2008C Reoffered, and Series 2014-MN Bonds were issued by the Essentia Health Obligated Group The issue price listed in Essentia Health Schedule K Part I, Column (e) represents the Essentia Health Obligated Group's total borrowing In addition, the Series 2014-MN total proceeds are not identical to the issue price listed in Part I, Column (e) due to investment earnings

Return Reference	Explanation
Schedule K, Part II, Lines 3 through 12	Proceeds The Series 2008A Reoffered, Series 2008B Reoffered, Series 2008C Reoffered, and Series 2014-MN Bonds were issued by the Essentia Health Obligated Group A portion of the Series 2008A Reoffered, Series 2008B Reoffered, Series 2008C Reoffered, and Series 2014-MN Bonds borrowings were allocated to Essentia Health, an Essentia Health Obligated Group Member The proceeds listed in Essentia Health's Schedule K Part II Lines 3 through 12 represent Essentia Health's allocated portion of the proceeds

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ.
▶Information about Schedule L (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Essentia Health

Employer identification number
20-0360007

Part I **Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only)
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	(d) Corrected? No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $
3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II **Loans to and/or From Interested Persons.**
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	(d) Loan to or from the organization? From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) In default? No	(h) Approved by board or committee? Yes	(h) Approved by board or committee? No	(i) Written agreement? Yes	(i) Written agreement? No
(1) Jeffrey Korsmo	Key Employee	Sign-on Bonus		X	300,000	166,667		No	Yes		Yes	
Total					▶ $	166,667						

Part III **Grants or Assistance Benefiting Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV **Business Transactions Involving Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

Part V **Supplemental Information**
Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Essentia Health

Employer identification number
20-0360007

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART V, LINE 1A	1099 Reporting CERTAIN VENDOR PAYMENTS AND FORM 1099'S WERE PROCESSED THROUGH ESSENTIA HEALTH ON BEHALF OF CERTAIN LEGAL ENTITIES COMPRISING ESSENTIA HEALTH

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART V, LINE 1C	NO GAMING (GAMBLING) WINNINGS

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 7b	MEMBER WITH RIGHT TO APPROVE GOVERNING BODY DECISIONS THE BENEDICTINE SISTERS BENEVOLENT ASSOCIATION ("BSBA") HAS CERTAIN RESERVED POWERS OVER ESSENTIA HEALTH'S CATHOLIC FACILITIE S BSBA'S RESERVED POWERS ARE AS FOLLOWS MISSION AUTHORITY TO APPROVE THE MISSION AND PU RPOSE STATEMENTS FOR CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYSTEM *ADHERENCE TO ETH ICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES (ERDS) AUTHORITY TO APPRO VE THE METHODS, POLICIES AND PROCEDURES PERTAINING TO THE ADHERENCE OF CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYSTEM TO THE ERDS *OFFICIAL CATHOLIC DIRECTORY AUTHORITY TO OV ERSEE THE LISTING OF QUALIFIED ENTITIES AND FACILITIES WITHIN THE SYSTEM IN THE OFFICIAL C ATHOLIC DIRECTORY, SUBJECT TO THE APPROVAL OF APPLICABLE CATHOLIC AUTHORITIES *CATHOLIC H EALTH ASSOCIATION AUTHORITY TO REQUIRE CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYSTEM TO JOIN THE MEMBERSHIP OF THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES ALIENATIO N OF STABLE PATRIMONY OR ECCLESIASTICAL GOODS AUTHORITY TO APPROVE ALIENATION OF EITHER S TABLE PATRIMONY OR OTHER ECCLESIASTICAL GOODS WITHIN THE SYSTEM IF SUCH GOODS INVOLVED IN A SPECIFIC TRANSACTION APPROVED BY ESSENTIA HEALTH PURSUANT TO THE AFFILIATION AGREEMENT, HAVE A DOLLAR VALUE EQUAL TO OR GREATER THAN 70% OF THE AMOUNT ESTABLISHED FROM TIME TO TI ME THAT REQUIRES APPROVAL FROM THE HOLY SEE, PROVIDED, HOWEVER, THAT IT IS THE INTENT OF T HE PARTIES THAT THIS PROVISION NOT BE APPLIED TO RESTRICT OR TO IMPEDE ESSENTIA HEALTH FRO M ACTING AND MAKING DECISIONS ON BEHALF OF THE SYSTEM IN THE ORDINARY COURSE OF BUSINESS B UT BE APPLIED TO PREVENT THE TRANSFER OF SUBSTANTIAL ASSETS OF CATHOLIC ENTITIES WITHIN TH E SYSTEM TO SUPPORT THE SECULAR ENTITIES WITHIN THE SYSTEM WITHOUT THE PRIOR APPROVAL OF B SBA *MISSION EFFECTIVENESS AUTHORITY TO APPROVE ANNUAL PLANS AND EVALUATIONS RELATING TO MISSION EFFECTIVENESS AND CHAPLAINCY FOR CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYST EM, INCLUDING THE USE OF RELIGIOUS SYMBOLS AND PRAYERS AMENDMENTS AUTHORITY TO APPROVE A NY AMENDMENTS TO THE GOVERNING DOCUMENTS OF ESSENTIA HEALTH, ESSENTIA HEALTH EAST (SMDC), ESSENTIA HEALTH CENTRAL (BLIHS), ESSENTIA HEALTH WEST (INNOVIS) OR CRITICAL ACCESS GROUP (CAG) THAT WOULD ALTER THE NUMBER OF DULUTH BENEDICTINES OR BSBA BOARD OF DIRECTOR MEMBERS OR OTHER APPOINTEES OF THE DULUTH BENEDICTINES SERVING AS MEMBERS OF SUCH ENTITY'S BOARD O F DIRECTORS, AUTHORITY TO APPROVE ANY AMENDMENTS TO THE GOVERNING DOCUMENTS OF THE CATHOLI C CAG SUBSIDIARIES, THE CATHOLIC SMDC SUBSIDIARIES, THE CATHOLIC BLIHS SUBSIDIARIES OR THE CATHOLIC SUBSIDIARIES OF INNOVIS, WHICH COULD MATERIALLY AFFECT SUCH ENTITY'S IDENTITY AS A CATHOLIC INSTITUTION, INCLUDING WITHOUT LIMITATION ANY AMENDMENT THAT WOULD ALTER THE N UMBER OF DULUTH BENEDICTINES OR BSBA BOARD OF DIRECTOR MEMBERS OR OTHER APPOINTEES OF THE DULUTH BENEDICTINES SERVING AS MEMBERS OF SUCH ENTITY'S BOARD OF DIRECTORS, AND AUTHORITY TO CAUSE ESSENTIA HEALTH TO MA

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 7b	KE AMENDMENTS TO THE GOVERNING DOCUMENTS OF THE CATHOLIC SUBSIDIARIES OF ESSENTIA HEALTH'S DIRECT SUBSIDIARIES, WHICH AMENDMENTS BSBA DETERMINES IN GOOD FAITH ARE NECESSARY TO PRES ERVE SUCH ENTITY'S IDENTITY AS A CATHOLIC INSTITUTION MERGERS AND DISSOLUTION SUBJECT TO THE APPROVAL OF THE DULUTH BENEDICTINES, AUTHORITY TO APPROVE A PROPOSED MERGER, CONSOLID ATION, LIQUIDATION, OR DISSOLUTION OF ST MARY'S MEDICAL CENTER (SMMC) AND ST JOSEPH'S ME DICAL CENTER (SJMC) OR THE DISPOSITION OF ALL OR SUBSTANTIALLY ALL THE ASSETS OF SMMC AND SJMC BSBA SPONSORSHIP AUTHORITY TO ESTABLISH, ACCEPT, TRANSFER OR TERMINATE BSBA SPONSOR SHIP OR CO-SPONSORSHIP OF A HEALTHCARE FACILITY *RESERVED POWER CURRENTLY DELEGATED TO TH E SPONSORSHIP COUNCIL NOTE SOME OF THE RESERVED POWERS OF THE BSBA BOARD LISTED ABOVE MA Y ALSO BE RESERVED TO THE BENEDICTINE SISTERS OF ST SCHOLASTICA MONASTERY OF DULUTH (THE "CHAPTER OR "DULUTH BENEDICTINES") PRIOR TO THESE MATTERS GOING TO THE CHAPTER, ORDINARIL Y THEY WILL BE CONSIDERED AND ACTED UPON BY THE BSBA BOARD THE FOLLOWING ACTIONS OF THE B SBA BOARD ARE SUBJECT TO APPROVAL BY THE CHAPTER 1 APPROVE MERGERS, CONSOLIDATIONS, LIQU IDATIONS, OR DISSOLUTIONS INVOLVING SMMC OR SJMC 2 APPROVE THE ACQUISITION OR DISPOSITIO N OF REAL ESTATE OWNED BY BSBA 3 APPROVE DISPOSITION OF ALL, OR SUBSTANTIALLY ALL, ASSET S OF SMMC OR SJMC 4 APPROVE INDEBTEDNESS THAT WILL BE GUARANTEED BY BSBA

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 11b	FORM 990 REVIEW PROCESS THE 2016 FORM 990, INCLUDING ALL SCHEDULES, WAS REVIEWED BY ESSENTIA HEALTH'S MANAGEMENT AND Executive Committee PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE EACH CURRENT DIRECTOR OF THE GOVERNING BODY RECEIVED A COPY OF THE 2016 FORM 990 ESSENTIA HEALTH'S CHIEF FINANCIAL OFFICER LED THE REVIEW OF THE FORM AND SCHEDULES AND ANY QUESTIONS WERE DISCUSSED

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	Monitoring and Enforcing Conflict of Interest policy Essentia Health's comprehensive conf lict of interest program prevents, detects and resolves actual conflicts of interests or t he actual or potential appearance of such Fiduciaries, defined as an Essentia Health boar d member/trustee, officer, board committee member, senior management employee, or any othe rs considered to be in a position of influence, are covered under Essentia Health's confli ct of interest program Upon initial appointment, each fiduciary must complete an initial conflict of interest statement and disclosure questionnaire At the conclusion of each cal endar year, each fiduciary must complete an annual conflict of interest statement and disc losure questionnaire As needed, a fiduciary will update his/her most recently completed q uestionnaire each time the fiduciary becomes aware of a financial interest, a potential co nflict, or change to any information that the fiduciary previously reported Essentia Heal th's Chief Compliance Officer will collect the questionnaires and evaluate the disclosures If a fiduciary has a potential conflict of interest, the Chief Compliance Officer or des ignee may request additional information from the fiduciary, the management team, and othe rs During the evaluation process, the Chief Compliance Officer may also consult with Esse ntia Health's Board and Audit Committee Chairs, senior management, legal department, or ap propriate representatives from Essentia Health The Chief Compliance Officer reports to th e Essentia Health Audit Committee and the Essentia Health Board of Directors any actual or potential conflicts of interest disclosed by the fiduciary, along with recommended action s The Essentia Health Board of Directors (or designee) will then determine whether to app rove the situation or to implement special controls to manage the potential conflict of in terest The Chief Compliance Officer will then officially notify the fiduciary in writing of the board's decision The decision of whether or not the disclosure constitutes a confl ict will be at the Essentia Health Board of Director's (or designee) sole discretion, and its concern must be the welfare of Essentia Health and its affiliate(s) and the advancemen t of its purposes When the Essentia Health Board of Directors (or designee) considers a F iduciary's disclosure as a Conflict of Interest, special controls will be identified to ma nage, eliminate or reduce the likelihood and/or appearance of a conflict arising Controls may include, but are not limited to A If the conflict involves an on-going matter or re lationship, the Fiduciary must not participate in Board, Board committee or management dis cussions related to the conflict and must recuse themselves and if appropriate, withdraw, from any Board meeting or portion thereof where the matter is being discussed and during t he vote on the potential Conflict of Interest The Fiduciary may answer questions at the B oard's or the Board Committee'

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	s request B If the conflict involves a specific transaction or decision, the Fiduciary w ill fully disclose their interest and all related material facts The Board or committee o f the Board will determine whether the contemplated transaction may be authorized as just, fair, and reasonable to Essentia Health or its affiliate(s) If the Board determines a co nflict does not exist, the Fiduciary may proceed with the transaction, however, he or she will not be eligible to vote on related issues should they arise If the Board determines a conflict does exist, the Fiduciary will be notified of the decision regarding whether th e contemplated transaction will be authorized as just, fair, and reasonable

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	PROCESS FOR DETERMINING COMPENSATION The independent Executive Compensation Committee of Essentia Health's board of directors is authorized to fulfill the board's responsibilities regarding executive compensation consistent with Essentia's mission, values and tax-exempt status, and the Executive Compensation Committee's Charter The Executive Compensation Committee meets at least twice annually to carry out its responsibilities, which include, but are not limited to, establishing, reviewing and modifying, as appropriate, reasonable compensation and benefits for designated Essentia executives who are officers or key employees of Essentia or any of its affiliates which may be paid by related organizations The Executive Compensation Committee engages qualified independent compensation advisors to provide objective and impartial comparative data and to express opinions on total compensation reasonableness The Executive Compensation Committee may request its independent advisors to monitor comparability data and marketplace trends, make appropriate recommendations regarding salary ranges, and periodically review the market competitiveness of Essentia executive compensation packages Prior to establishing or adjusting executive compensation, the Executive Compensation Committee will obtain and rely upon appropriate data as to comparability of the proposed compensation or adjustments The Executive Compensation Committee will adequately document the basis for its determination concurrently with making those determinations The Executive Compensation Committee minutes will include the terms of the approved compensation and the date approved, the Executive Compensation Committee members present during the review, discussion and approval of the proposed compensation and those who voted on the proposed compensation, identification of the comparability data obtained and relied upon by the Executive Compensation Committee and how the data was obtained, any actions by a member of the Executive Compensation Committee having a conflict of interest, and documentation of the basis for the determination The year this process was last undertaken for Essentia Health's Chief Executive Officer, Chief Financial Officer, Executive Vice President of Operations and Administration, Chief Legal Officer, Chief Medical Officer, Chief Information Officer, Chief Human Resource Officer, Chief Marketing and Communications Officer, Senior Vice President of Accountable Care, and Vice President of Public Policy, Essentia Health West's President, Chief Medical Officer and Chief Operating Officer, Essentia Health East's President, Chief Medical Officer, and Chief Operating Officer, and Essentia Health Central's President was 2017 The year this process was last undertaken for Essentia Institute of Rural Health's Executive Director was 2016

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	Availability of governing documents, conflict of interest policy, & financial statements to the public Governing documents, conflict of interest policy, and financial statements are made available to the public upon request for the same period of disclosure as set forth in section 6104(d)

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part IX, line 11g	Purchased Services Program service expenses 2,766,575 Management and general expenses 12,616,015 Fundraising expenses 0 Total expenses 15,382,590 Consultant Fees Program service expenses 697,552 Management and general expenses 2,827,951 Fundraising expenses 0 Total expenses 3,525,503 Patient Loan Program Fees Program service expenses 0 Management and general expenses 2,363,717 Fundraising expenses 0 Total expenses 2,363,717 Collection Agency Fees Program service expenses 0 Management and general expenses 1,539,933 Fundraising expenses 0 Total expenses 1,539,933 Temp Agency fees Program service expenses 814,407 Management and general expenses 125,543 Fundraising expenses 0 Total expenses 939,950 Contract Service Maintenance Program service expenses 4,582 Management and general expenses 7,717 Fundraising expenses 0 Total expenses 12,299 Intercompany Services Program service expenses 0 Management and general expenses -22,393 Fundraising expenses 0 Total expenses -22,393

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XI, line 9	NET ASSET TRANSFERS WITH RELATED ORGS 15,845,750 BOOK/TAX DIFFERENCE RELATED TO PARTNERSHIP INVESTMENTS 1,038,414

990 Schedule O, Supplemental Information

Return Reference	Explanation
Part XII Line 3	Consolidated A-133 Essentia Health, as part of Essentia Health's consolidated financial statements, was required and underwent a consolidated audit set forth in the Single Audit Act and OMB Circular A-133 The consolidated audit is reviewed by the Essentia Health Audit Committee

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990. ▶ Information about Schedule R (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Essentia Health

Employer identification number
20-0360007

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

See Additional Data Table

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) PMC-Gateway Imaging LLC 705 Lundorff Dr S Sandstone, MN 55072 26-1634764	Imaging Services	MN	N/A	N/A				No			No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1) Essentia Health Insurance Services SPC Ltd PO Box 1159 Grand Cayman K71-1102 CJ 000000000	Self Indemnity	CJ	N/A	C	11,322,063	48,745,988	100 000 %	Yes	

Part V **Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest, **(ii)**annuities, **(iii)** royalties, or**(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s	Yes	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

See Additional Data Table

(a) Name of related organization	**(b)** Transaction type (a-s)	**(c)** Amount involved	**(d)** Method of determining amount involved

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

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

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

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
Schedule R, Part II, Column (a)	The following Essentia Health entities have a doing business as name Legal Name, Doing Business As Name Brainerd Lakes Integrated Health System, Essentia Health Central Brainerd Medical Center, Inc , Essentia Health Brainerd Specialty Clinic Bridges Medical Center, Essentia Health Ada Deer River Healthcare Center, Inc , Essentia Health Deer River First Care Medical Services, Essentia Health Fosston Graceville Health Center, Essentia Health Holy Trinity Hospital Innovis Health, LLC, Essentia Health West Midwest Medical Equipment and Supplies, Inc , Essentia Health Medical Equipment & Supplies Northern Pines Medical Center, Essentia Health Northern Pines Pine Medical Center, Essentia Health Sandstone Polinsky Medical Rehabilitation Center, Essentia Health Polinsky Medical Rehabilitation Center SMDC Medical Center, Essentia Health Duluth St Joseph's Medical Center, Essentia Health St Joseph's Medical Center St Mary's Duluth Clinic Health System, Essentia Health East St Mary's EMS, Essentia Health St Mary's Emergency Medical Services-Detroit Lakes St Mary's Hospital of Superior, Essentia Health St Mary's Hospital-Superior St Mary's Medical Center, Essentia Health St Mary's Medical Center St Mary's Regional Health Center, Essentia Health St Mary's-Detroit Lakes

Additional Data

Software ID:
Software Version:
EIN: 20-0360007
Name: Essentia Health

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity? Yes	No
(1) 2024 S 6th St Brainerd, MN 56401 37-1532145	Supporting org	MN	501(c)(3)	Line 12b, II	Essentia Health	Yes	
(1) 2024 S 6th St Brainerd, MN 56401 37-1532148	Clinic	MN	501(c)(3)	Line 3	Brainerd Lakes Integrated Health System	Yes	
(2) 201 9th St W Ada, MN 56510 20-0479568	Hospital/Clinic	MN	501(c)(3)	Line 3	Innovis Health LLC	Yes	
(3) 301 Cedar Orofino, ID 83544 82-0497771	Hospital/Clinic	ID	501(c)(3)	Line 3	Critical Access Group	Yes	
(4) 503 E 3rd St Ste 400 Duluth, MN 55805 26-1219624	Supporting org	MN	501(c)(3)	Line 12b, II	Essentia Health	Yes	
(5) 115 10th Ave NE Deer River, MN 56636 41-0844574	Hospital/Clinic/Skilled Nursing Facility	MN	501(c)(3)	Line 3	St Mary's Duluth Clinic Health System	Yes	
(6) 502 E 2nd St Duluth, MN 55805 27-1984704	Foundation	MN	501(c)(3)	Line 7	Essentia Health	Yes	
(7) 502 E 2nd St Duluth, MN 55805 27-1291124	Research	MN	501(c)(3)	Line 4	The Duluth Clinic Ltd	Yes	
(8) 900 Hilligoss Blvd SE Fosston, MN 56542 41-0706143	Hospital/Clinic/Skilled Nursing Facility	MN	501(c)(3)	Line 3	Innovis Health LLC	Yes	
(9) 115 West 2nd St Graceville, MN 56240 41-0726173	Hospital/Clinic/Skilled Nursing Facility	MN	501(c)(3)	Line 3	Innovis Health LLC	Yes	
(10) 3000 32nd Ave S Fargo, ND 58103 26-1175213	Hospital/Clinic	DE	501(c)(3)	Line 3	Essentia Health	Yes	
(11) 4418 Haines Rd Duluth, MN 55811 41-1674021	Medical Equipment	MN	501(c)(3)	Line 10	St Mary's Medical Center	Yes	
(12) 5211 Hwy 110 Aurora, MN 55705 41-0841441	Hospital/Clinic/Skilled Nursing Facility	MN	501(c)(3)	Line 3	St Mary's Duluth Clinic Health System	Yes	
(13) 705 Lundorff Dr S Sandstone, MN 55072 41-1884597	hospital	MN	501(c)(3)	Line 3	St Mary's Duluth Clinic Health System	Yes	
(14) 530 E 2nd St Duluth, MN 55805 41-0691275	Rehabilitation services	MN	501(c)(3)	Line 3	St Mary's Medical Center	Yes	
(15) 502 E 2nd St Duluth, MN 55805 41-1878730	Hospital/Clinic	MN	501(c)(3)	Line 3	St Mary's Duluth Clinic Health System	Yes	
(16) 523 N 3rd St Brainerd, MN 56401 41-0695602	Hospital/Clinic	MN	501(c)(3)	Line 3	Brainerd Lakes Integrated Health System	Yes	
(17) 407 E 3rd St Duluth, MN 55805 41-1836633	Supporting org	MN	501(c)(3)	Line 12b, II	Essentia Health	Yes	
(18) 1027 Washington Ave Detroit Lakes, MN 56501 41-1805811	Emergency services	MN	501(c)(3)	Line 10	St Mary's Regional Health Center	Yes	
(19) 3500 Tower Ave Superior, WI 54880 41-1811073	Hospital/Clinic	MN	501(c)(3)	Line 3	St Mary's Medical Center	Yes	

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity? Yes	No
(21) PO Box 137 Cottonwood, ID 83522 82-0226453	Hospital/Clinic	ID	501(c)(3)	Line 3	Critical Access Group	Yes	
(1) 1027 Washington Ave Detroit Lakes, MN 56501 26-2861321	Pharmacy	MN	501(c)(3)	Line 3	Innovis Health LLC	Yes	
(2) 407 E 3rd St Duluth, MN 55805 41-0695604	Hospital	MN	501(c)(3)	Line 3	St Mary's Duluth Clinic Health System	Yes	
(3) 1027 Washington Ave Detroit Lakes, MN 56501 41-1620386	Hospital/Clinic/Skilled Nursing Facility	MN	501(c)(3)	Line 3	Innovis Health LLC	Yes	
(4) 400 E 3rd St Duluth, MN 55805 41-0883623	Clinic	MN	501(c)(3)	Line 3	St Mary's Duluth Clinic Health System	Yes	

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
(1)	BRAINERD MEDICAL CENTER INC	P	392,874	Actual Costs
(1)	BRAINERD MEDICAL CENTER INC	Q	806,770	Actual Costs
(2)	BRAINERD MEDICAL CENTER INC	L	1,097,660	Actual Costs
(3)	Bridges Medical Center	Q	133,583	Actual Costs
(4)	Bridges Medical Center	L	666,791	Actual Costs
(5)	CLEARWATER VALLEY HOSPITAL & CLINICS INC	Q	416,255	Actual Costs
(6)	CRITICAL ACCESS GROUP	L	499,992	Actual Costs
(7)	DEER RIVER HEALTHCARE CENTER INC	P	87,794	Actual Costs
(8)	DEER RIVER HEALTHCARE CENTER INC	Q	497,707	Actual Costs
(9)	DEER RIVER HEALTHCARE CENTER INC	L	2,464,354	Actual Costs
(10)	ESSENTIA HEALTH FOUNDATION	P	86,993	Actual Costs
(11)	ESSENTIA HEALTH INSURANCE SERVICES SPC	Q	955,662	Actual Costs
(12)	ESSENTIA HEALTH INSURANCE SERVICES SPC	S	5,821,002	Actual Costs
(13)	ESSENTIA HEALTH INSURANCE SERVICES SPC	R	17,800,933	Actual Costs
(14)	ESSENTIA INSTITUTE OF RURAL HEALTH	P	66,146	Actual Costs
(15)	ESSENTIA INSTITUTE OF RURAL HEALTH	Q	128,596	Actual Costs
(16)	ESSENTIA INSTITUTE OF RURAL HEALTH	L	600,040	Actual Costs
(17)	FIRST CARE MEDICAL SERVICES	P	86,982	Actual Costs
(18)	FIRST CARE MEDICAL SERVICES	Q	431,432	Actual Costs
(19)	FIRST CARE MEDICAL SERVICES	L	2,325,086	Actual Costs
(20)	GRACEVILLE HEALTH CENTER	Q	160,917	Actual Costs
(21)	GRACEVILLE HEALTH CENTER	L	753,586	Actual Costs
(22)	INNOVIS HEALTH LLC	R	2,978,742	Actual Costs
(23)	INNOVIS HEALTH LLC	S	3,000,000	Actual Costs
(24)	INNOVIS HEALTH LLC	P	3,567,046	Actual Costs

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
(26)	INNOVIS HEALTH LLC	Q	6,606,211	Actual Costs
(1)	INNOVIS HEALTH LLC	L	27,089,524	Actual Costs
(2)	MIDWEST MEDICAL EQUIPMENT AND SUPPLIES INC	Q	88,149	Actual Costs
(3)	MIDWEST MEDICAL EQUIPMENT AND SUPPLIES INC	L	469,138	Actual Costs
(4)	NORTHERN PINES MEDICAL CENTER	P	73,042	Actual Costs
(5)	NORTHERN PINES MEDICAL CENTER	Q	303,497	Actual Costs
(6)	NORTHERN PINES MEDICAL CENTER	L	1,500,289	Actual Costs
(7)	PINE MEDICAL CENTER	P	71,189	Actual Costs
(8)	PINE MEDICAL CENTER	Q	273,439	Actual Costs
(9)	PINE MEDICAL CENTER	L	1,407,364	Actual Costs
(10)	POLINSKY MEDICAL REHABILITATION CENTER	Q	211,397	Actual Costs
(11)	POLINSKY MEDICAL REHABILITATION CENTER	L	795,361	Actual Costs
(12)	SMDC MEDICAL CENTER	R	5,016,775	Actual Costs
(13)	SMDC MEDICAL CENTER	P	8,264,493	Actual Costs
(14)	SMDC MEDICAL CENTER	Q	18,943,991	Actual Costs
(15)	SMDC MEDICAL CENTER	L	39,732,063	Actual Costs
(16)	ST JOSEPH'S MEDICAL CENTER	P	1,264,564	Actual Costs
(17)	ST JOSEPH'S MEDICAL CENTER	S	1,500,000	Actual Costs
(18)	ST JOSEPH'S MEDICAL CENTER	Q	3,500,211	Actual Costs
(19)	ST JOSEPH'S MEDICAL CENTER	L	13,934,201	Actual Costs
(20)	ST MARY'S HOSPITAL OF SUPERIOR	P	202,538	Actual Costs
(21)	ST MARY'S HOSPITAL OF SUPERIOR	Q	1,177,469	Actual Costs
(22)	ST MARY'S HOSPITAL OF SUPERIOR	L	3,525,154	Actual Costs
(23)	ST MARY'S HOSPITAL INC	Q	656,172	Actual Costs
(24)	St Mary's Innovis Health	P	158,678	Actual Costs

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
(51)	St Mary's Innovis Health	Q	369,327	Actual Costs
(1)	ST MARY'S MEDICAL CENTER	P	5,620,381	Actual Costs
(2)	ST MARY'S MEDICAL CENTER	Q	10,998,352	Actual Costs
(3)	ST MARY'S MEDICAL CENTER	R	17,000,000	Actual Costs
(4)	ST MARY'S MEDICAL CENTER	L	30,760,088	Actual Costs
(5)	ST MARY'S REGIONAL HEALTH CENTER	P	596,723	Actual Costs
(6)	ST MARY'S REGIONAL HEALTH CENTER	Q	2,808,976	Actual Costs
(7)	ST MARY'S REGIONAL HEALTH CENTER	L	8,316,034	Actual Costs
(8)	THE DULUTH CLINIC LTD	R	511,796	Actual Costs
(9)	THE DULUTH CLINIC LTD	P	3,689,714	Actual Costs
(10)	THE DULUTH CLINIC LTD	Q	10,405,354	Actual Costs
(11)	THE DULUTH CLINIC LTD	L	11,847,504	Actual Costs