



Financial and Policyholder Activity Report

January 2008

**HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY
JANUARY 2008 MONTHLY REPORT
TABLE OF CONTENTS**

FINANCIAL REPORTS

SUMMARY REVIEW UNAUDITED HIRSP FINANCIAL STATEMENTS	1-2
UNAUDITED BALANCE SHEET	3
UNAUDITED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS	4
CASH FLOW RECONCILIATION	5
COMPARISON OF STATEMENT OF REVENUES AND EXPENSES – CURRENT vs. PRIOR MONTH AND CURRENT vs. PRIOR FISCAL YEAR TO DATE.....	6
FISCAL YEAR COMPARISON OF STATEMENT OF REVENUES AND EXPENSES – BUDGET vs. ACTUAL FOR THE MONTH AND FISCAL YEAR TO DATE	7
FISCAL YEAR INTERIM RECONCILIATION	8-9
PROVIDER CONTRIBUTION REPORT	10
BREAKDOWN OF INCURRED CLAIMS AND EARNED PREMIUM	11

POLICYHOLDER ACTIVITY REPORTS

ENROLLMENT ACTIVITY	12
TOTAL SUBSIDY/NON-SUBSIDY	13
APPLICANT ACTIVITY	14
APPLICANT ELIGIBILITY DETERMINATION	15
CLAIMS DENIED REPORT	16
APPEALS AND GRIEVANCE SUMMARY	17

Summary Review
Un-audited HIRSP Authority Financial Statements
For the One-Month Period Ended January 31, 2008

ASSETS

HIRSP Authority total assets increased to \$80.1 million in January 2008, increasing during the month by \$11.9 million. Cash assets decreased \$6.7 million during the month to \$58.7 million as of January 31, 2008, principally due to the typical HIRSP seasonal increase in claim payments during the month of January. The January 2008 increase in total assets was primarily due to January 2008 recognition of an \$18.3 million asset for assessments receivable, as assessments for the first half of 2008 were billed during the month and were recorded in the balance sheet accounts. There were no assessment receivable assets in December 2007.

Total assets in January 2008 increased by \$3.4 million compared to January 2007 total assets, an increase of 4.4%. Cash assets year-to-date in 2008 increased by \$787,097 relative to January 2007, a 1.4% increase. Assessment receivables increased \$1.9 million, an 11.4% increase compared to January 2007. Drug rebate receivables of \$1.5 million in January 2008 increased \$788,221 or 52.2% compared to January 2007.

LIABILITIES

HIRSP Authority total liabilities increased to \$43.0 million in January 2008, increasing during the month by \$9.9 million. Unpaid medical loss liabilities decreased by \$4.5 million or 29.0% in January, to \$11.1 million, and unpaid drug loss liabilities decreased by \$31.6% to \$575,000. The decrease in loss liabilities during the month was offset by increased liability for unearned assessments, which was \$15.6 million as of January 31, 2008 compared to zero liability for unearned assessments in December 2007.

Total liabilities in January 2008 decreased by \$4.7 million compared to total liabilities in January 2007, having decreased 9.9% from the prior year. The largest year-to-year liability decrease was due to change in liability for unearned Federal grant funds; in January 2007 there was a liability of \$1.7 million where as in January 2008 there are no Federal grant funds available and there is no corresponding balance sheet liability. In January 2008, aggregate liabilities for unpaid medical and drug claims were \$11.7 million, decreasing \$1.0 million or 8.2% compared to 2007 year-to-date aggregate claim liabilities. Additional liability balances that decreased relative to January 2007 include unearned premium liability which decreased \$696,232 or 5.2%, unearned assessment liability which decreased \$669,763 or 4.1%, and other accrued liabilities which decreased \$610,812 or 22.4%.

CALENDAR YEAR 2008 NET INCOME

HIRSP Authority net income for the one month ended January 31, 2008 was \$2.0 million, increased by \$1.5 million relative to January 2007 net income of \$510,242. Year-to-date 2008 changes in income and expense include decreased premium and operating revenues, decreased total medical losses and total pharmacy losses, increased administrative expenses, and decreased non-operating revenues.

Net premium revenues of \$8.0 million year-to-date through January 2008 decreased by \$231,792 compared to 2007 year-to-date, primarily due to decreased HIRSP membership, new HIRSP benefit plans and rate structure changes that became effective January 1, 2008, and January 2008 changes in the distribution of enrollees among the HIRSP benefit plans. There were 17,070 HIRSP contracts in force as of January 31, 2008 compared to 18,117 contracts as of January 2007, the current number of contracts having decreased from the prior year by 1,047. January 2008 year-to-date total operating revenue of \$13.5 million decreased from 2007 year-to-date by \$788,001 or 5.5%.

Total medical losses for the one month ended January 31, 2008 were \$8.3 million, decreased by \$2.2 million or 21.2% from the one month ended January 31, 2007. Total pharmacy losses for the corresponding period in 2008 were \$2.9 million, reflecting a 2008 decrease of \$485,448 or 14.5% from 2007 year-to-date pharmacy losses. Aggregate medical and pharmacy losses for the one month of 2008 were \$11.2 million, decreased by \$2.7 million or 19.6% compared to aggregate medical and pharmacy losses of \$13.9 million for the first month of 2007.

Total administrative expenses and referral fees for the first month of 2008 increased by 2.1% compared to the same period in 2007, increasing from \$526,155 in 2007 to \$537,338 in 2008. Actuarial fees increased by \$17,293 to \$22,000. WPS administrative expenses decreased by 3.1% to \$355,393, primarily due to declining HIRSP contract counts. Year-to-date in 2008, pharmacy administration fees have decreased by 5.8% to \$93,885.

Investment income in January 2008 was \$215,878, decreased by \$35,923 or 14.3% compared to January 2007. In January 2008 there are no Federal grant funds available for income, whereas in January 2007 income from Federal grants was \$394,917. Total non-operating revenues 2008 year-to-date of \$215,878 were \$430,840 or 66.6% less than total non-operating revenues year-to-date in 2007, primarily due the January 2008 absence of income from Federal grants.

CASH FLOW

The January 2008 cash flow reflects \$7.0 million of operating sources of cash compared to \$13.9 million in operating uses of cash. The net result is a cash decrease of \$6.9 million in January 2008. The largest use of cash during the month was payment of medical claims.

CALENDAR YEAR 2008 OPERATING BUDGET

Relative to the calendar year 2008 operating budget as of January 31, 2008, actual net income of \$2.0 million exceeded budget net income by \$642,544. Actual total revenues of \$13.7 million were over budget by \$98,454. The variance in total revenues included a \$74,417 excess in net premium revenues, a \$45,476 excess in provider contributions, and a \$21,439 shortfall in investment income. Through January 2008, actual operating expenses were \$544,090 under budget, including medical and pharmacy losses of \$11.2 million that were under budget by \$527,019, and administrative expenses of \$537,338 that were under budget by \$17,071. The combined \$98,454 excess over budget in actual revenues and the shortfall of \$544,090 in operating expenses resulted in the noted \$642,544 excess of actual net income over budget net income.

The 2008 calendar year budget was amended in December 2007 due to the fact that fewer policyholders than were anticipated elected to change to higher deductible plans which charge lower premiums. The budget was revised to incorporate decreased HIRSP premium rates effective April 1, 2008.

RETAINED EQUITY

HIRSP Authority total equity increased by \$2.0 million during the month of January 2008 and equaled \$37.1 million as of January 31, 2008. The January increase in total equity resulted from January 2008 net operating gain of \$1.8 million plus January investment income revenue of \$215,878, which resulted in net income for the month of \$2,003,850.

In January 2008, policyholders' equity increased by \$1,648,643 and equaled \$26.2 million; providers' equity increased by \$312,779 and equaled \$5.1 million; and insurers' equity increased by \$42,428 and equaled \$5.8 million. Year-to-date through January 2008, HIRSP Authority total retained equity of \$37.1 million increased by \$8.1 million from the 2007 year-to-date total equity of \$29.0 million.

Health Insurance Risk-Sharing Plan Authority
January 31, 2008
Calendar Year 2008

Unaudited Balance Sheet

Assets	01/31/2008	02/28/2008	03/31/2008	04/30/2008	05/31/2008	06/30/2008	07/31/2008	08/31/2008	09/30/2008	10/31/2008	11/30/2008	12/31/2008
Cash and Cash Equivalents	58,717,832	-	-	-	-	-	-	-	-	-	-	-
Other Receivables	739,048	-	-	-	-	-	-	-	-	-	-	-
Drug Rebates Receivable	2,298,874	-	-	-	-	-	-	-	-	-	-	-
Assessments Receivable	18,264,346	-	-	-	-	-	-	-	-	-	-	-
Prepaid Items	14,836	-	-	-	-	-	-	-	-	-	-	-
Net Fixed Assets	28,825	-	-	-	-	-	-	-	-	-	-	-
Total Assets	80,063,761	-	-	-	-	-	-	-	-	-	-	-
Liabilities and Fund Equity												
Liabilities:												
Unpaid Medical Loss Liabilities	11,092,064	-	-	-	-	-	-	-	-	-	-	-
Unpaid Prescription Drug Loss Liabilities	575,000	-	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adjustment Expense	770,000	-	-	-	-	-	-	-	-	-	-	-
Unearned Premiums	12,794,456	-	-	-	-	-	-	-	-	-	-	-
Unearned Assessments	15,613,256	-	-	-	-	-	-	-	-	-	-	-
Unearned Federal Bonus Grant	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable and Other Accrued Liabilities	2,115,982	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	42,960,758	-	-	-	-	-	-	-	-	-	-	-
Fund Equity:												
Policyholder	26,217,667	-	-	-	-	-	-	-	-	-	-	-
Providers	5,076,153	-	-	-	-	-	-	-	-	-	-	-
Insurers	5,809,183	-	-	-	-	-	-	-	-	-	-	-
Total Retained Earnings	37,103,003	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Equity	80,063,761	-	-	-	-	-	-	-	-	-	-	-

**Health Insurance Risk-Sharing Plan Authority
for the Period Ended January 31, 2008
Calendar Year 2008**

Unaudited Statement of Revenues, Expenses, and Changes in Retained Earnings

Operating Revenues	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
Gross Premiums	8,531,568	-	-	-	-	-	-	-	-	-	-	-	8,531,568
Premium Subsidized	(580,275)	-	-	-	-	-	-	-	-	-	-	-	(580,275)
Net Premium Revenues	7,951,293	-	-	-	-	-	-	-	-	-	-	-	7,951,293
Provider Contribution	2,921,441	-	-	-	-	-	-	-	-	-	-	-	2,915,419
Insurer Assessments	2,651,090	-	-	-	-	-	-	-	-	-	-	-	2,651,090
Total Operating Revenues	13,523,824	-	-	-	-	-	-	-	-	-	-	-	13,517,802
Operating Expenses													
Medical Losses:													
Losses Paid or Approved for Payment	14,669,923	-	-	-	-	-	-	-	-	-	-	-	14,663,901
Increase (Decrease) in Unpaid Losses	(6,376,711)	-	-	-	-	-	-	-	-	-	-	-	(6,376,711)
Deductible Subsidy Paid	48,433	-	-	-	-	-	-	-	-	-	-	-	48,433
Total Medical Losses	8,341,645	-	-	-	-	-	-	-	-	-	-	-	8,335,623
Pharmacy Losses:													
Losses Paid or Approved for Payment	3,409,385	-	-	-	-	-	-	-	-	-	-	-	3,409,385
Increase (Decrease) in Unpaid Losses	(266,155)	-	-	-	-	-	-	-	-	-	-	-	(266,155)
Drug Rebates	(286,361)	-	-	-	-	-	-	-	-	-	-	-	(286,361)
Subsidy - Coinsurance Out-of-Pocket Max	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Pharmacy Losses	2,856,869	-	-	-	-	-	-	-	-	-	-	-	2,856,869
Total Losses	11,198,514	-	-	-	-	-	-	-	-	-	-	-	11,192,492
Loss adjustment expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses													
Authority Admin Fees	55,689	-	-	-	-	-	-	-	-	-	-	-	55,689
WPS Admin Fees	355,393	-	-	-	-	-	-	-	-	-	-	-	355,393
Navitus Admin Fees	93,885	-	-	-	-	-	-	-	-	-	-	-	93,885
Milliman USA Actuarial Services	22,000	-	-	-	-	-	-	-	-	-	-	-	22,000
Other Admin Fees	5,226	-	-	-	-	-	-	-	-	-	-	-	5,226
Total Administrative Expenses	532,193	-	-	-	-	-	-	-	-	-	-	-	532,193
Referral fees	5,145	-	-	-	-	-	-	-	-	-	-	-	5,145
Total Operating Expenses	11,735,852	-	-	-	-	-	-	-	-	-	-	-	11,729,830
Net Operating Income (Loss)	1,787,972	-	-	-	-	-	-	-	-	-	-	-	1,787,972
Non-Operating Revenues (Expenses)													
Federal Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	215,878	-	-	-	-	-	-	-	-	-	-	-	215,878
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	215,878	-	-	-	-	-	-	-	-	-	-	-	215,878
Net Income (Loss)	2,003,850	-	-	-	-	-	-	-	-	-	-	-	2,003,850
Additions to Retained Earnings													
Policyholder													
Retained Earnings, Beginning of Period	24,569,024	-	-	-	-	-	-	-	-	-	-	-	24,569,024
Unfunded Policyholder Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Earnings	1,648,643	-	-	-	-	-	-	-	-	-	-	-	1,652,257
Retained Earnings, End of Period	26,217,667	-	-	-	-	-	-	-	-	-	-	-	26,221,281
Providers													
Retained Earnings, Beginning of Period	4,763,374	-	-	-	-	-	-	-	-	-	-	-	4,763,374
Premium Subsidy Underpayment Adj.	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Earnings	312,779	-	-	-	-	-	-	-	-	-	-	-	307,961
Retained Earnings, End of Period	5,076,153	-	-	-	-	-	-	-	-	-	-	-	5,071,335
Insurers													
Retained Earnings, Beginning of Period	5,766,755	-	-	-	-	-	-	-	-	-	-	-	5,766,755
Premium Subsidy Underpayment Adj.	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Earnings	42,428	-	-	-	-	-	-	-	-	-	-	-	43,632
Retained Earnings, End of Period	5,809,183	-	-	-	-	-	-	-	-	-	-	-	5,810,387
Total Retained Earnings	37,103,003	-	-	-	-	-	-	-	-	-	-	-	37,103,003

**Health Insurance Risk-Sharing Plan Authority
Calendar Financial Statement Reconciliation
January 2008**

STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities	Month of January 2008	YTD Through January 2008
Sources of Cash		
Cash received for premiums	6,989,641	6,989,641
Cash received for assessments	-	-
Total Operating Sources	<u>6,989,641</u>	<u>6,989,641</u>
Uses of Cash		
Cash payments for Medical losses	(9,926,247)	(9,926,247)
Cash payments for Pharmacy losses	(3,434,502)	(3,434,502)
Cash payments for referral fees	(3,745)	(3,745)
Cash payments for other expenses	(534,936)	(534,936)
Total Operating Uses	<u>(13,899,430)</u>	<u>(13,899,430)</u>
Net Cash Provided (Used) by Operating Activities	<u>(6,909,789)</u>	<u>(6,909,789)</u>

Cash Flows from Non-Operating Activities		
Cash received from investment income	222,122	222,122
Cash received from Federal Grant	-	-
Cash received for miscellaneous income	-	-
Net Cash Provided/(Used) by Non-Operating Activities	<u>222,122</u>	<u>222,122</u>

Cash and Cash Equivalents		
Net Increase (Decrease) in Cash Equivalents	(6,687,667)	(6,687,667)
Cash and cash equivalents, beginning of period	65,405,499	65,405,499
Cash and Equivalents, End of Period	<u>58,717,832</u>	<u>58,717,832</u>

RECONCILIATION OF NET OPERATING INCOME TO CASH FLOWS FROM OPERATIONS

Net income (loss) from operations	1,787,972	1,787,972
<u>Adjustments to Reconcile Net Operating Income to Net Cash Provided By Operating Activities</u>		
Changes in assets and liabilities:		
Decrease (increase) in receivables	(18,627,879)	(18,627,879)
Decrease (increase) in prepaids	3,257	3,257
Increase (decrease) in liability for premium overpayments	-	-
Increase (decrease) in liability for accounts payable	15,612,699	15,612,699
Increase (decrease) in liability for unearned premiums	(873,301)	(873,301)
Increase (decrease) in liability for medical Loss liabilities	(4,521,265)	(4,521,265)
Increase (decrease) in liability for pharmacy loss liabilities	(291,272)	(291,272)
Other adjustments	-	-
Total adjustments	<u>(8,697,761)</u>	<u>(8,697,761)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(6,909,789)</u>	<u>(6,909,789)</u>

Health Insurance Risk-Sharing Plan Authority
Comparison of Current vs. Prior Month and Current Fiscal Year-to-Date Vs. Prior Fiscal Year-to-Date
Unaudited Statement of Revenues, Expenses, and Changes in Retained Earnings
Calendar Year 2008

Operating Revenues	January 2008	December 2007	Variance	Year-to-Date Through January 2008	Year-to-Date Through January 2007	Variance
Gross Premiums	8,531,568	8,651,159	(119,591)	8,531,568	8,616,036	(84,468)
Premium Subsidized	(580,275)	(387,558)	(192,717)	(580,275)	(432,951)	(147,324)
Net Premium Revenues	7,951,293	8,263,601	(312,308)	7,951,293	8,183,085	(231,792)
Provider Contribution	2,921,441	4,300,725	(1,379,284)	2,921,441	3,238,662	(317,221)
Insurer Assessments	2,651,090	2,843,098	(192,008)	2,651,090	2,890,078	(238,988)
Total Operating Revenues	13,523,824	15,407,424	(1,883,600)	13,523,824	14,311,825	(788,001)
Operating Expenses						
Medical Losses:						
Losses Paid or Approved for Payment	14,669,923	11,046,969	3,622,954	14,669,923	14,259,578	410,345
Increase (Decrease) in Unpaid Losses	(6,376,711)	2,615,832	(8,992,543)	(6,376,711)	(3,733,780)	(2,642,931)
Deductible Subsidy Paid	48,433	31,611	16,822	48,433	54,031	(5,598)
Total Medical Losses	8,341,645	13,694,412	(5,352,767)	8,341,645	10,579,829	(2,238,184)
Pharmacy Losses:						
Losses Paid or Approved for Payment	3,409,385	3,412,133	(2,748)	3,409,385	3,589,072	(179,687)
Increase (Decrease) in Unpaid Losses	(266,155)	129,275	(395,430)	(266,155)	(15,304)	(250,851)
Drug Rebates	(286,361)	(327,632)	41,271	(286,361)	(231,402)	(54,959)
Subsidy - Coinsurance Out-of-Pocket Max	-	54,112	(54,112)	-	(49)	49
Total Pharmacy Losses	2,856,869	3,267,888	(411,019)	2,856,869	3,342,317	(485,448)
Total Losses	11,198,514	16,962,300	(5,763,786)	11,198,514	13,922,146	(2,723,632)
Loss adjustment expenses	-	-	-	-	-	-
Administrative expenses						
Authority Admin Fees	55,689	52,764	2,925	55,689	48,177	7,512
WPS Admin Fees	355,393	359,985	(4,592)	355,393	366,750	(11,357)
Navitus Admin Fees	93,885	94,193	(308)	93,885	99,644	(5,759)
Milliman USA Actuarial Services	22,000	36,654	(14,654)	22,000	4,707	17,293
Other Admin Fees And Expenses	5,226	4,659	567	5,226	2,502	2,724
DHFS Admin Fees	-	-	-	-	-	-
Total Administrative Expenses	532,193	548,255	(16,062)	532,193	521,780	10,413
Referral fees	5,145	3,710	1,435	5,145	4,375	770
Total Operating Expenses	11,735,852	17,514,265	(5,778,413)	11,735,852	14,448,301	(2,712,449)
Net Operating Income (Loss)	1,787,972	(2,106,841)	3,894,813	1,787,972	(136,476)	1,924,448
Non-Operating Revenues (Expenses)						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	394,917	(394,917)
Investment Income	215,878	224,922	(9,044)	215,878	251,801	(35,923)
Miscellaneous Income	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	215,878	224,922	(9,044)	215,878	646,718	(430,840)
Net Income (Loss)	2,003,850	(1,881,919)	3,885,769	2,003,850	510,242	1,493,608

Health Insurance Risk-Sharing Plan Authority
Comparison of Budget Vs. Actual
Unaudited Statement of Revenues, Expenses, and Changes in Retained Earnings
Calendar Year 2008

	January 2008 Budget	January 2008 Actual	Variance	Year-to-Date Through January 2008 Budget	Year-to-Date Through January 2008 Actual	Variance
Operating Revenues						
Gross Premiums	8,719,213	8,531,568	(187,645)	8,719,213	8,531,568	(187,645)
Premium Subsidized	(842,337)	(580,275)	262,062	(842,337)	(580,275)	262,062
Net Premium Revenues	7,876,876	7,951,293	74,417	7,876,876	7,951,293	74,417
Provider Contribution	2,875,965	2,921,441	45,476	2,875,965	2,921,441	45,476
Insurer Assessments	2,651,090	2,651,090	-	2,651,090	2,651,090	-
Total Operating Revenues	13,403,931	13,523,824	119,893	13,403,931	13,523,824	119,893
Operating Expenses						
Medical and Pharmacy Losses:	11,672,230	11,150,081	522,149	11,672,230	11,150,081	522,149
Deductible Subsidy/RX OOP Max	53,303	48,433	4,870	53,303	48,433	4,870
Total Medical and Pharmacy Losses	11,725,533	11,198,514	527,019	11,725,533	11,198,514	527,019
Loss adjustment expenses	-	-	-	-	-	-
Total Administrative Expenses	549,981	532,193	17,788	549,981	532,193	17,788
Referral fees	4,428	5,145	(717)	4,428	5,145	(717)
Total Operating Expenses	12,279,942	11,735,852	544,090	12,279,942	11,735,852	544,090
Net Operating Income (Loss)	1,123,989	1,787,972	663,983	1,123,989	1,787,972	663,983
Non-Operating Revenues (Expenses)						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	-	-
Investment Income	237,317	215,878	(21,439)	237,317	215,878	(21,439)
Miscellaneous Income	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	237,317	215,878	(21,439)	237,317	215,878	(21,439)
Net Income (Loss)	1,361,306	2,003,850	642,544	1,361,306	2,003,850	642,544

Health Insurance Risk-Sharing Plan Authority
 Calendar Year 2008 Interim Reconciliation
 As of January 31, 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
1. Operating and Administrative Costs under s.149.143(1)													
Medical Losses Paid or Approved for Payment	14,669,923	-	-	-	-	-	-	-	-	-	-	-	14,663,901
Increase (Decrease) in Unpaid Medical Losses	(6,376,711)	-	-	-	-	-	-	-	-	-	-	-	(6,376,711)
Pharmacy Losses Paid or Approved for Payment	3,409,385	-	-	-	-	-	-	-	-	-	-	-	3,409,385
Increase (Decrease) in Unpaid Pharmacy Losses	(266,155)	-	-	-	-	-	-	-	-	-	-	-	(266,155)
Drug Rebates	(286,361)	-	-	-	-	-	-	-	-	-	-	-	(286,361)
Total Administrative Expenses	537,338	-	-	-	-	-	-	-	-	-	-	-	537,338
Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	11,687,419	-	-	-	-	-	-	-	-	-	-	-	11,681,397
2. Adjustments to Operating and Administrative Costs													
Total Non-operating Revenue (Expense) - excluding Federal Grant Funds	215,878	-	-	-	-	-	-	-	-	-	-	-	215,878
3. Total Fiscal Year Program Costs to be Split 60% 20% 20%	11,471,541	-	-	-	-	-	-	-	-	-	-	-	11,465,519
4. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Excluding Subsidy Costs)													
Funding Shares													
60% Policyholders	6,882,925	-	-	-	-	-	-	-	-	-	-	-	6,879,311
20% Providers	2,294,308	-	-	-	-	-	-	-	-	-	-	-	2,293,104
20% Insurers	2,294,308	-	-	-	-	-	-	-	-	-	-	-	2,293,104
5. Subsidy Funding Shares													
Premium subsidies	580,275	-	-	-	-	-	-	-	-	-	-	-	580,275
Deductible Subsidies	48,433	-	-	-	-	-	-	-	-	-	-	-	48,433
Subsidy - coinsurance out-of-pocket Max	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Subsidies	628,708	-	-	-	-	-	-	-	-	-	-	-	628,708
Federal Grant Funds Applied to Low Income Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Subsidy Funding Needed	628,708	-	-	-	-	-	-	-	-	-	-	-	628,708
Subsidy Funding Needed by Source in addition to Section 3 Funding Shares													
Providers	314,354	-	-	-	-	-	-	-	-	-	-	-	314,354
Insurers	314,354	-	-	-	-	-	-	-	-	-	-	-	314,354
	628,708	-	-	-	-	-	-	-	-	-	-	-	628,708
6. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Including Subsidy Costs)													
Policyholders	6,882,925	-	-	-	-	-	-	-	-	-	-	-	6,879,311
Providers	2,608,662	-	-	-	-	-	-	-	-	-	-	-	2,607,458
Insurers	2,608,662	-	-	-	-	-	-	-	-	-	-	-	2,607,458
7. Operating Revenues by Source													
Policyholders													
Premium	7,951,293	-	-	-	-	-	-	-	-	-	-	-	7,951,293
Premium and Deductible Subsidies Credited to Policyholders	580,275	-	-	-	-	-	-	-	-	-	-	-	580,275
Subtotal	8,531,568	-	-	-	-	-	-	-	-	-	-	-	8,531,568
Providers	2,921,441	-	-	-	-	-	-	-	-	-	-	-	2,915,419
Insurers	2,651,090	-	-	-	-	-	-	-	-	-	-	-	2,651,090
Total	14,104,099	-	-	-	-	-	-	-	-	-	-	-	14,098,077

(cont)

8. Interim Estimate of Surplus/(Deficit) Account Balance for 2007

Policyholders

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
Prior Period Surplus / (Deficit)	24,569,024	-	-	-	-	-	-	-	-	-	-	-	24,569,024
Premium (Including Premium and Deductible Subsidies)	8,531,568	-	-	-	-	-	-	-	-	-	-	-	8,531,568
Less Cost	6,882,925	-	-	-	-	-	-	-	-	-	-	-	6,879,311
Less Unfunded Policyholder Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Change	1,648,643	-	-	-	-	-	-	-	-	-	-	-	1,652,257
Ending Surplus / (Deficit)	26,217,667	-	-	-	-	-	-	-	-	-	-	-	26,221,281

Providers

Prior Period Surplus / (Deficit)	4,763,374	-	-	-	-	-	-	-	-	-	-	-	4,763,374
Contribution	2,921,441	-	-	-	-	-	-	-	-	-	-	-	2,915,419
Less Cost	2,608,662	-	-	-	-	-	-	-	-	-	-	-	2,607,458
Premium Subsidy Underpayment Adj.	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Change	312,779	-	-	-	-	-	-	-	-	-	-	-	307,961
Ending Surplus / (Deficit)	5,076,153	-	-	-	-	-	-	-	-	-	-	-	5,071,335

Insurers

Prior Period Surplus / (Deficit)	5,766,755	-	-	-	-	-	-	-	-	-	-	-	5,766,755
Assessment	2,651,090	-	-	-	-	-	-	-	-	-	-	-	2,651,090
Less Cost	2,608,662	-	-	-	-	-	-	-	-	-	-	-	2,607,458
Premium Subsidy Underpayment Adj.	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Change	42,428	-	-	-	-	-	-	-	-	-	-	-	43,632
Ending Surplus / (Deficit)	5,809,183	-	-	-	-	-	-	-	-	-	-	-	5,810,387

Total HIRSP Retained Earnings

	-	-	-	-	-	-	-	-	-	-	-	-	37,103,003
	-												
	-												

37,103,003

**Health Insurance Risk-Sharing Plan Authority
Monthly Provider Contribution Report
As of January 2008 Month End (1/29/2008)**

Provider Share Calculation for the Current Month - Claims by Claim Type						
Claims Incurred 1/1/2008 and After						
Claim Type	Billed Charges		HIRSP Fee Schedule	HIRSP Allowed	Provider Contribution	HIRSP Paid
Professional	\$2,053,140.43		\$1,232,366.05	\$879,113.27	\$353,252.78	\$174,852.82
Hospital Outpatient	\$1,053,786.11		\$753,398.85	\$536,964.63	\$216,434.22	\$206,184.51
Hospital Inpatient	\$267,980.02		\$215,352.89	\$152,900.64	\$62,452.25	\$120,199.74
Nursing Home	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Other	\$174,994.73		\$112,087.13	\$83,433.20	\$28,653.93	\$8,809.99
Total	\$3,549,901.29		\$2,313,204.92	\$1,652,411.74	\$660,793.18	\$510,047.06

Claims Incurred Prior to 1/1/2008						
Claim Type	Billed Charges	U&C Percentage	Usual and Customary	HIRSP Allowed	Provider Contribution	HIRSP Paid
Professional	\$8,062,063.71	28.5%	\$5,764,375.55	\$3,152,743.62	\$2,611,631.93	\$2,529,656.32
Hospital Outpatient	\$4,881,432.71	28.5%	\$3,490,224.39	\$3,181,368.71	\$308,855.68	\$2,792,541.75
Hospital Inpatient	\$6,329,133.47	28.5%	\$4,525,330.43	\$3,384,703.05	\$1,140,627.38	\$3,293,278.71
Nursing Home	\$22,937.57	28.5%	\$16,400.36	\$6,806.81	\$9,593.55	\$6,172.97
Other	\$863,934.58	28.5%	\$617,713.22	\$586,418.52	\$31,294.70	\$490,216.90
Total	\$20,159,502.04		\$14,414,043.96	\$10,312,040.71	\$4,102,003.25	\$9,111,866.65

Provider Contribution on Paid Claims	\$ 4,762,796.43
Provider Contribution on the Increase(Decrease) in Unpaid Losses	<u>\$ (1,841,355.00)</u>
Total Provider Contribution	\$ 2,921,441.43

Note: Provider contribution is captured through non-Medicare medical claims. It is not captured on pharmacy or Medicare crossover claims.

Wisconsin Health Insurance Risk-Sharing Plan Breakdown of Incurred Claims and Earned Premium by Quarter and Plan

2Q06					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$23,282,320	\$11,064,423	210.4%	\$1,088.26	\$517.17
Plan 1B	17,051,661	14,364,077	118.7%	551.10	464.24
Plan 2	3,242,457	1,991,718	162.8%	894.47	549.44
Total	\$43,576,438	\$27,420,218	158.9%	\$778.71	\$490.00
3Q06					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$21,935,197	\$11,414,082	192.2%	\$1,045.28	\$543.92
Plan 1B	17,835,325	15,021,978	118.7%	578.36	487.13
Plan 2	2,112,814	1,313,471	160.9%	702.40	436.66
Total	\$41,883,336	\$27,749,531	150.9%	\$763.86	\$506.09
4Q06					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$25,559,696	\$11,232,336	227.6%	\$1,248.76	\$548.78
Plan 1B	21,911,504	14,982,682	146.2%	716.18	489.71
Plan 2	2,121,702	1,319,577	160.8%	712.94	443.41
Total	\$49,592,902	\$27,534,595	180.1%	\$917.72	\$509.53
1Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$19,258,030	\$10,353,629	186.0%	\$1,000.16	\$537.71
Plan 1B	17,210,481	15,315,916	112.4%	546.45	486.30
Plan 2	1,732,053	1,258,329	137.6%	598.29	434.66
Total	\$38,200,564	\$26,927,874	141.9%	\$712.10	\$501.96
2Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$20,929,339	\$10,280,888	203.6%	\$1,105.21	\$542.90
Plan 1B	20,740,288	15,315,146	135.4%	664.80	490.90
Plan 2	1,705,047	1,256,896	135.7%	601.22	443.19
Total	\$43,374,674	\$26,852,930	161.5%	\$818.84	\$506.94
3Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$21,150,950	\$10,685,401	197.9%	\$1,152.58	\$582.28
Plan 1B	19,144,105	14,423,771	132.7%	620.61	467.59
Plan 2	1,405,185	987,774	142.3%	501.49	352.52
Total	\$41,700,239	\$26,096,946	159.8%	\$801.93	\$501.86

NOTES: Loss Ratio = Incurred Claims / Earned Premiums
 Earned Premium includes Premium Subsidies
 Incurred Claims include Provider Contributions
 Administrative Expenses are not included in this exhibit
 Incurred Claims and Earned Premiums are updated quarterly and restated to reflect
 the most current information available as of December 31, 2007

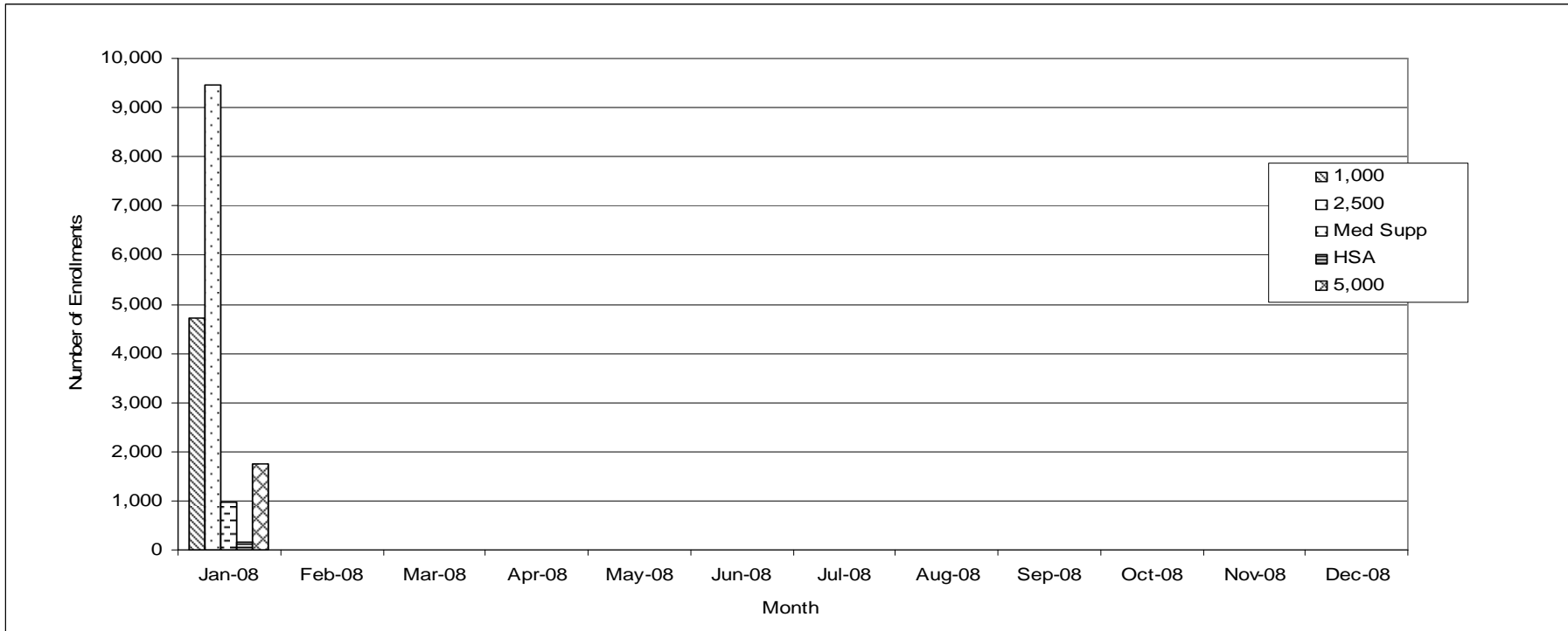
**Health Insurance Risk-Sharing Plan Authority
2007 Year-to-Date Enrollment**

January 2008
17,070

January 2007
17,881

HIRSP Enrollment 2008 (monthly)
Policyholders

Plan	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
1,000	4,721											
2,500	9,467											
Med Supp	978											
HSA	160											
5,000	1,744											
Total	17,070											



Health Insurance Risk-Sharing Plan Authority
Subsidy Report
Jan-08

Total Subsidy by Plan			
Plan		Number of Policyholders	% of Total
HIRSP 1,000	Non-subsidized	2,934	17.2%
	Subsidized	1,787	10.5%
	Total	4,721	27.7%
HIRSP 2,500	Non-subsidized	9,020	52.8%
	Subsidized	447	2.6%
	Total	9,467	55.5%
HIRSP Medicare Supplement	Non-subsidized	599	3.5%
	Subsidized	379	2.2%
	Total	978	5.7%
HIRSP Health Savings Account	Non-subsidized	148	0.9%
	Subsidized	12	0.1%
	Total	160	0.9%
HIRSP 5,000	Non-subsidized	1,564	9.2%
	Subsidized	180	1.1%
	Total	1,744	10.2%
Grand Total		17,070	100.0%

Total Subsidy by Level		
Subsidy Level	Number of Policyholders	% of Total
\$25,000 Above	14,265	83.6%
\$20,000 - \$24,999	308	1.8%
\$17,000 - \$19,999	384	2.2%
\$14,000 - \$16,999	471	2.8%
\$10,000 - \$13,999	1,256	7.4%
\$9,999 Under	386	2.3%
Total	17,070	100.0%

Health Insurance Risk-Sharing Plan Authority
Summary of Monthly Applicant Activity
 January 2008

Summary of Monthly Application Activity	
Number of Applications Pending December	128
Number of Applications Received January	515
Number of Applications Rejected January	22
Number of Applications Closed January	77
Number of Applications Pending January	119
Number of Applications Approved January	401

Detail of Applications Rejected	
65 or older	0
Current Medicaid Coverage	6
Currently covered by other insurance	1
Did not qualify for lost employer coverage.	4
Eligible for Group Health Coverage	7
Insufficient Premium Submitted	1
No Medical Reason	1
Not a Wisconsin Resident	0
Previous HIRSP <12 Months Ago	2
Total	22

Detail of Applications Closed	
Applicant Request	7
Application Data requested; never received	1
Proper eligibility requested; never received	69
Total	77

HIRSP 2008 New Enrollees						
Date	1,000	2,500	Med Supp	3,500	5,000	Total
January	79	218	3	23	100	423
February						
March						
April						
May						
June						

Health Insurance Risk-Sharing Plan Authority

Monthly Eligibility Report January 2008

A.	Medicare Eligible	2
B.	HIV +	17
C.	Eligible Individual	239
	<i>Newborn Applications</i>	10
D.	Letter of Medical Eligibility	143
	1. <i>Letter of Rejection By:</i>	
	<i>Alliance Insurance</i>	4
	<i>American Family</i>	52
	<i>American Medical Security Group</i>	2
	<i>American National Life Insurance Company of Texas</i>	2
	<i>American Republic</i>	2
	<i>Assurant Health</i>	42
	<i>Blue Cross & Blue Shield United of Wisconsin</i>	84
	<i>Celtic Life Insurance Company</i>	2
	<i>Continental General Insurance Company</i>	2
	<i>Dean Health Plan</i>	16
	<i>Golden Rule Insurance Company</i>	22
	<i>Humana Insurance Company</i>	24
	<i>Mega Life and Health Insurance</i>	8
	<i>Pekin Life Insurance</i>	4
	<i>Security Health Plan</i>	6
	<i>Trustmark</i>	4
	<i>United HealthCare Insurance</i>	2
	<i>Unity Health Plan</i>	2
	<i>Wisconsin Physicians Service Insurance</i>	2
	2. <i>Notice of Benefit Reduction</i>	2
	3. <i>Notice of Premium increase due to a Health Reason</i>	0
Total		401

Health Insurance Risk-Sharing Plan Authority
Medical Claims Denied Report
AS OF JANUARY 2008 MONTH END (1/28/2008)

Processed Month	All Plans			Denial Rate
	Paid	Denied	Total	
JANUARY 2007	32,144	5,694	37,838	15.0%
FEBRUARY 2007	27,757	4,949	32,706	15.1%
MARCH 2007	28,785	5,261	34,046	15.5%
APRIL 2007	27,571	5,213	32,784	15.9%
MAY 2007	34,079	6,277	40,356	15.6%
JUNE 2007	27,691	4,910	32,601	15.1%
JULY 2007	27,652	4,910	32,562	15.1%
AUGUST 2007	29,575	5,794	35,369	16.4%
SEPTEMBER 2007	27,077	5,548	32,625	17.0%
OCTOBER 2007	31,047	7,060	38,107	18.5%
NOVEMBER 2007	29,974	5,743	35,717	16.1%
DECEMBER 2007	27,185	5,442	32,627	16.7%
JANUARY 2008	36,066	7,602	43,668	17.4%

Denial Reason Detail		
Volume	% of Total	Reason
2009	4.60%	DUPLICATE CLAIM/SERVICE.
846	1.94%	SERVICES PERFORMED BY A PROVIDER WHO IS NOT MEDICAID CERTIFIED ARE NOT COVERED
684	1.57%	NONCOVERED SERVICES BECAUSE THIS A ROUTINE EXAM OR SCREENING PROCEDURE DONE IN CONJUNCTION OF A ROUTINE EXAM.
517	1.18%	EXPENSE(S) INCURRED OUTSIDE COVERAGE PERIOD ARE NOT COVERED.
471	1.08%	CLAIM DENIED/REDUCED BECAUSE CHARGES HAVE BEEN PAID BY ANOTHER PAYER AS PART OF COORDINATION OF BENEFITS.
245	0.56%	WE WILL BE ABLE TO COMPLETE PROCESSING OF THIS CLAIM WHEN WE RECEIVE THE MEDICAL RECORDS WE REQUESTED.
243	0.56%	THIS PROCEDURE IS INCIDENTAL TO AND CONSIDERED PART OF THE PRIMARY PROCEDURE.
235	0.54%	THE PRIMARY SERVICE CODE INCLUDES THE OTHER SERVICES BILLED, THEREFORE, NO PAYMENT HAS BEEN ALLOWED FOR THE OTHER SERVICES.
230	0.53%	THIS (THESE) SERVICE(S) IS (ARE) NOT COVERED.
215	0.49%	THIS IS A PREEXISTING CONDITION. MEDICAL RECORDS OBTAINED FROM YOUR PROVIDER HAVE IDENTIFIED A PRE-EXISTING CONDITION.

Note:

1) Claims denied by the PBM are not included.

2) A claim may have some paid lines and some denied lines. Therefore, a claim that has both paid and rejected lines has been counted as a paid claim and as a denied claim. This results in more total claims being reported in this report than in the report titled Claims That Have Finalized to Payment or Denial Report.

**Health Insurance Risk-Sharing Plan
Appeals and Grievances
January 2008**

Grievance

<u>Type of Grievance</u>		<u># of Grievances</u>
	Drug & Drug Formulary	3
	Enrollment/Eligibility Requirements	14
	Not Covered Benefit	7
	Not Medically Necessary	0
	Plan Administration	54
	Prior Authorization	7
	Experimental Treatment	1
	Billing/Claim Processing	0
<u>Grievance Committee Decision</u>		
	Eligibility Request Closed Prior to Committee	1
	Approved	32
	Upheld Denial	53
	Partial Approval	0
Total Grievances Received		86

Appeal

<u>Type of Appeal</u>		<u># of Appeal</u>
	Drug & Drug Formulary	0
	Enrollment/Eligibility Requirements	0
	Experimental Treatment	1
	Not Medically Necessary	1
	Plan Administration	0
	Not Covered Benefit	2
	Prior Authorization	1
	Billing/Claim Processing	1
<u>Appeal Committee Decision</u>		
	Eligibility Requests Closed Prior to Committee	0
	Approved	3
	Upheld Denial	1
	Upheld Denial with IRO Rights	2
Total Appeals Received		6