



Financial and Policyholder Activity Report

June 2008
Revised (August 2008)

**HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY
JUNE 2008 MONTHLY REPORT
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Summary Review
Un-audited HIRSP Authority Financial Statements
For the Six-Month Period Ended June 30, 2008

ASSETS

Total assets increased to \$70.0 million in June 2008, increasing during the month by \$2.8 million. Cash assets increased \$3.2 million or 5.0% during the month to \$67.5 million as of June 30, 2008, and accounted for most of the increase in total assets during the month.

Total assets year-to-date in June 2008 decreased by \$187,852 compared to June 2007 total assets, a decrease of 0.3%. Cash assets year-to-date increased by \$289,477 relative to June 2007, a 0.4% increase. Year-to-date increased cash assets were offset by decreased other receivable assets, which decreased \$315,607 or 32.8% compared to June 2007.

LIABILITIES

Total liabilities increased to \$26.0 million in June 2008, increasing during the month by \$2.1 million. Unpaid medical loss liabilities increased by \$987,240 or 10.2% in June to \$10.7 million, and unpaid drug loss liabilities decreased from May to June by \$21,028 or 3.4% and equaled \$601,160. Unearned assessment liability decreased \$3.4 million and equaled zero as of June 2008 as assessment receipts were recognized as income during the month. Unearned premium liability increased \$4.6 million in June, reflecting the HIRSP end-of-quarter premium billing cycle and June accrual of unearned premium liabilities.

Total liabilities year-to-date in June 2008 decreased by \$2.1 million relative to total liabilities in June 2007, decreasing 7.4% from the prior year. June 2008 year-to-date aggregate liabilities for unpaid medical and drug claims were \$11.3 million, reflecting a decrease of \$941,784 or 7.7% compared to 2007 year-to-date aggregate claim liabilities. The remainder of the year-to-date decrease in liabilities was a decrease of \$1.1 million in unearned premium liability.

CALENDAR YEAR 2008 NET INCOME

Net income for the six months ended June 30, 2008 was \$9.0 million, decreased by \$4.7 million compared to 2007 year-to-date net income of \$13.7 million. Year-to-date 2008 changes in income and expense include decreased premium revenues and assessments, decreased total medical losses and total pharmacy losses, decreased administrative expenses, and decreased non-operating revenues.

Net premium revenues of \$46.0 million year-to-date through June 2008 decreased by \$5.2 million compared to 2007 year-to-date, primarily due to decreased HIRSP membership, enrollment changes in HIRSP benefit plans, changes to the plans offered, and new rates. There were 16,330 HIRSP contracts in force as of June 30, 2008 compared to 17,612 contracts as of June 2007, the current number of contracts having decreased from the prior year by 1,282. June 2008 year-to-date total operating revenue of \$84.4 million decreased from 2007 year-to-date by \$5.7 million, or 6.3%.

Incurred medical loss expense for the six months ended June 30, 2008 was \$56.4 million, decreased by \$2.4 million or 4.1% from incurred losses in the six months ended June 30, 2007. Year-to-date paid medical losses increased to \$63.0 million, increased by \$280,296 or 0.4% compared to June 2007. June 2008 year-to-date incurred medical loss expense was \$7.0 million less than the paid medical loss expense due to the effect of \$5.0 million of 2008 year-to-date decreases in estimated loss reserve liabilities.

Estimated liabilities for unpaid medical losses decreased by \$5.0 million from December 2007 through June 2008. Estimated loss reserve liabilities were decreased in 2008 to correct for prior overstatement of estimated liabilities and to adjust for changes in expected loss seasonality due to the introduction of higher deductible benefit plans in 2008. The decrease in loss reserve liability flows through revenues and expenses in the income statement, and results in decreased incurred medical loss expense, decreased total operating expense, and increased reported net income. The year-to-date change in loss reserves resulted in a \$7.0 million decrease in incurred medical loss expense through June 2008. Absent the 2008 change in loss reserve liabilities, the year-to-date reported net income of \$9.0 million would have been \$5.0 million less, and would otherwise have been \$4.0 million as of June 2008.

Incurred pharmacy loss expense year-to-date in 2008 was \$16.7 million, reflecting a 2008 decrease of \$1.3 million or 7.4% compared to 2007 year-to-date total pharmacy loss expense. Aggregate incurred medical and pharmacy loss expense for the first six months of 2008 was \$73.1 million, decreased by \$3.7 million or 4.8% compared to aggregate medical and pharmacy loss expense of \$76.8 million for the first six months of 2007.

Total administrative expenses and referral fees of \$3.2 million for the first six months of 2008 decreased by 2.6% compared to the same period in 2007. Year-to-date in 2008, WPS administrative fees decreased \$17,839 to \$2.2 million and pharmacy administration fees decreased 9.0% to \$536,065, primarily due to declining HIRSP contract counts. Actuarial services expense decreased 42.0% to \$57,503.

Investment income for the six months ended June 30, 2008 was \$839,635, decreased by \$768,975 or 47.8% compared to the same period in 2007. The decreased investment income is due to decreased interest rate yield on cash deposits in 2008. Year-to-date 2008 total non-operating revenues are comprised solely of interest income, and decreased \$2.9 million compared to year-to-date 2007. Federal grants awarded to HIRSP in fiscal year 2006-07 contributed \$2.1 million to non-operating revenues year-to-date in 2007.

CASH FLOW

Year-to-date 2008 cash flows from operating activities reflect \$62.6 million of sources of cash compared to \$61.5 million in uses of cash. Non-operating activities provided cash of \$970,417. The net change was a \$2.1 million increase in cash through June 2008. The largest use of cash was payment of medical claims.

2008 OPERATING BUDGET

Relative to the 2008 operating budget for the six-month period ended June 30, 2008, actual net income of \$9.0 million exceeded budgeted net income by \$8.8 million. Actual total revenues of \$85.2 million were under budget by \$784,526. The variance in actual revenues included a \$559,593 excess in net premium revenues, a \$754,815 shortfall in provider contributions, and a \$589,304 shortfall in investment income. Actual total expenses of \$76.3 million were under budget by \$9.6 million. Actual medical and pharmacy loss expenses of \$73.1 million were under budget by \$9.5 million, and administrative expenses of \$3.3 million were under budget by \$90,028. Year-to-date net income was \$9.0 million as of June 30, 2008, whereas the 2008 budget projected net income was \$152,695.

RETAINED EQUITY

HIRSP Authority total equity increased by \$746,870 during the month of June 2008 and equaled \$44.1 million as of June 30, 2008. The June increase in total equity resulted from June 2008 net operating income of \$637,263 plus June investment income of \$109,607, which resulted in net income for the month of \$746,870.

In June 2008, policyholders' equity decreased by \$124,281 to equal \$29.1 million, and exceeded RBC target reserves by \$19.0 million. Providers' equity increased by \$443,700 to equal \$7.9 million, and exceeded RBC target reserves by \$4.5 million. Insurers' equity increased by \$427,451 to equal \$7.0 million, and exceeded RBC target reserves by \$3.7 million. Year-to-date through June 2008, HIRSP Authority total retained equity of \$44.1 million increased by \$1.9 million from the June 2007 year-to-date total equity of \$42.2 million.

Year-to-date through June 2008, total reported net income was \$9.0 million, and reported net retained equity increased from \$35.1 million as of December 31, 2007 to \$44.1 million as of June 30, 2008. However, as noted under the caption "Calendar Year 2008 Net Income," year-to-date reported net income has been increased by \$5.0 million due to 2008 decreases in estimated loss reserve liabilities, which flow through revenues and expenses in the income statement and result in increased reported net income. Excluding the effect of the 2008 decreases in loss reserve liabilities, year-to-date net income would have been \$4.0 million and net retained equity would have been \$39.1 million as of June 30, 2008.

Health Insurance Risk-Sharing Plan Authority
June 30, 2008
Calendar Year 2008

Unaudited Balance Sheet

Assets	01/31/2008	02/29/2008	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	59,543,907	67,641,923	70,515,545	64,288,952	67,499,165	-	-	-	-	-	-
Other Receivables	739,048	575,608	820,274	601,531	672,539	647,572	-	-	-	-	-	-
Drug Rebates Receivable	2,298,874	2,006,092	2,081,288	1,610,054	1,576,370	1,812,374	-	-	-	-	-	-
Assessments Receivable	18,264,346	12,645,085	8,194,412	1,280,201	583,242	-	-	-	-	-	-	-
Prepaid Items	14,836	14,268	14,431	19,175	13,930	15,948	-	-	-	-	-	-
Net Fixed Assets	28,825	28,362	27,899	27,436	26,973	26,510	-	-	-	-	-	-
Total Assets	80,063,761	74,813,322	78,780,227	74,053,942	67,162,006	70,001,569	-	-	-	-	-	-
Liabilities and Fund Equity												
Liabilities:												
Unpaid Medical Loss Liabilities	11,092,064	9,840,187	9,223,069	8,863,807	9,685,744	10,672,984	-	-	-	-	-	-
Unpaid Prescription Drug Loss Liabilities	575,000	575,000	689,741	596,889	622,188	601,160	-	-	-	-	-	-
Unpaid Loss Adjustment Expense	770,000	770,000	770,000	770,000	770,000	770,000	-	-	-	-	-	-
Unearned Premiums	12,794,456	7,868,730	12,444,433	11,440,337	7,333,106	11,962,671	-	-	-	-	-	-
Unearned Assessments	15,613,256	12,862,921	9,839,542	6,732,488	3,443,710	-	-	-	-	-	-	-
Unearned Federal Bonus Grant	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable and Other Accrued Liabilities	2,115,982	1,851,552	1,919,771	1,934,209	2,003,538	1,944,164	-	-	-	-	-	-
Total Liabilities	42,960,758	33,768,390	34,886,556	30,337,730	23,858,286	25,950,979	-	-	-	-	-	-
Fund Equity:												
Policyholder	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	29,120,927	-	-	-	-	-	-
Providers	5,076,153	5,526,722	6,054,326	6,681,857	7,443,849	7,887,549	-	-	-	-	-	-
Insurers	5,809,183	6,321,938	6,727,885	6,675,712	6,614,663	7,042,114	-	-	-	-	-	-
Total Retained Earnings	37,103,003	41,044,932	43,893,671	43,716,212	43,303,720	44,050,590	-	-	-	-	-	-
Total Liabilities and Fund Equity	80,063,761	74,813,322	78,780,227	74,053,942	67,162,006	70,001,569	-	-	-	-	-	-

**Health Insurance Risk-Sharing Plan Authority
for the Period Ended June 30, 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	8,724,789	8,663,222	7,706,807	7,912,144	7,901,563	-	-	-	-	-	-	49,440,093
Premium Subsidized	(580,275)	(577,024)	(582,048)	(561,321)	(565,254)	(571,686)	-	-	-	-	-	-	(3,437,608)
Net Premium Revenues	7,951,293	8,147,765	8,081,174	7,145,486	7,346,890	7,329,877	-	-	-	-	-	-	46,002,485
Provider Contribution	2,921,441	2,688,150	3,145,037	3,786,758	4,111,820	3,459,959	-	-	-	-	-	-	20,113,165
Insurer Assessments	2,651,090	2,750,335	3,023,379	3,107,054	3,288,778	3,443,710	-	-	-	-	-	-	18,264,346
Total Operating Revenues	13,523,824	13,586,250	14,249,590	14,039,298	14,747,488	14,233,546	-	-	-	-	-	-	84,379,996
Operating Expenses													
Medical Losses:													
Losses Paid or Approved for Payment	14,669,923	8,238,591	8,956,769	11,470,894	10,660,148	9,012,908	-	-	-	-	-	-	63,009,233
Increase (Decrease) in Unpaid Losses	(6,376,711)	(1,761,391)	(876,308)	(508,715)	1,163,863	1,394,970	-	-	-	-	-	-	(6,964,292)
Deductible Subsidy Paid	48,433	67,349	76,337	67,446	56,406	49,480	-	-	-	-	-	-	365,451
Total Medical Losses	8,341,645	6,544,549	8,156,798	11,029,625	11,880,417	10,457,358	-	-	-	-	-	-	56,410,392
Pharmacy Losses:													
Losses Paid or Approved for Payment	3,409,385	3,001,720	2,959,067	3,132,355	2,959,459	2,835,977	-	-	-	-	-	-	18,297,963
Increase (Decrease) in Unpaid Losses	(266,155)	-	114,741	(92,852)	25,299	(21,028)	-	-	-	-	-	-	(239,995)
Drug Rebates	(286,361)	(267,918)	(280,011)	(277,811)	(277,779)	(248,380)	-	-	-	-	-	-	(1,638,260)
Subsidy - Coinsurance Out-of-Pocket Max	-	-	77,792	49,939	60,941	60,790	-	-	-	-	-	-	249,462
Total Pharmacy Losses	2,856,869	2,733,802	2,871,589	2,811,631	2,767,920	2,627,359	-	-	-	-	-	-	16,669,170
Total Losses	11,198,514	9,278,351	11,028,387	13,841,256	14,648,337	13,084,717	-	-	-	-	-	-	73,079,562
Loss adjustment expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses													
Authority Admin Fees	55,689	45,916	63,745	51,293	59,636	53,543	-	-	-	-	-	-	329,822
WPS Admin Fees	355,393	348,264	350,371	345,470	452,316	353,800	-	-	-	-	-	-	2,205,614
Navitus Admin Fees	93,885	92,686	92,219	90,041	83,597	83,637	-	-	-	-	-	-	536,065
Milliman USA Actuarial Services	22,000	6,096	(5,000)	4,038	19,459	10,910	-	-	-	-	-	-	57,503
Other Admin Fees	5,226	5,248	5,174	5,272	5,022	4,706	-	-	-	-	-	-	30,648
Total Administrative Expenses	532,193	498,210	506,509	496,114	620,030	506,596	-	-	-	-	-	-	3,159,652
Referral fees	5,145	4,760	4,900	4,515	4,690	4,970	-	-	-	-	-	-	28,980
Total Operating Expenses	11,735,852	9,781,321	11,539,796	14,341,885	15,273,057	13,596,283	-	-	-	-	-	-	76,268,194
Net Operating Income (Loss)	1,787,972	3,804,929	2,709,794	(302,587)	(525,569)	637,263	-	-	-	-	-	-	8,111,802
Non-Operating Revenues (Expenses)													
Federal Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	215,878	137,000	138,945	125,128	113,077	109,607	-	-	-	-	-	-	839,635
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	215,878	137,000	138,945	125,128	113,077	109,607	-	-	-	-	-	-	839,635
Net Income (Loss)	2,003,850	3,941,929	2,848,739	(177,459)	(412,492)	746,870	-	-	-	-	-	-	8,951,437
Additions to Retained Earnings													
Policyholder													
Retained Earnings, Beginning of Period	24,569,024	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	-	-	-	-	-	-	24,569,024
Current Earnings	1,648,643	2,978,605	1,915,188	(752,817)	(1,113,435)	(124,281)	-	-	-	-	-	-	4,551,903
Retained Earnings, End of Period	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	29,120,927	-	-	-	-	-	-	29,120,927
RBC Target Reserves	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	-	-	-	-	-	-	(10,107,074)
Retained Earnings in Excess of RBC	16,110,593	19,089,198	21,004,386	20,251,569	19,138,134	19,013,853	-	-	-	-	-	-	19,013,853
Providers													
Retained Earnings, Beginning of Period	4,763,374	5,076,153	5,526,722	6,054,326	6,681,857	7,443,849	-	-	-	-	-	-	4,763,374
Current Earnings	312,779	450,569	527,604	627,531	761,992	443,700	-	-	-	-	-	-	3,124,175
Retained Earnings, End of Period	5,076,153	5,526,722	6,054,326	6,681,857	7,443,849	7,887,549	-	-	-	-	-	-	7,887,549
RBC Target Reserves	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	-	-	-	-	-	-	(3,369,025)
Retained Earnings in Excess of RBC	1,707,128	2,157,697	2,685,301	3,312,832	4,074,824	4,518,524	-	-	-	-	-	-	4,518,524
Insurers													
Retained Earnings, Beginning of Period	5,766,755	5,809,183	6,321,938	6,727,885	6,675,712	6,614,663	-	-	-	-	-	-	5,766,755
Current Earnings	42,428	512,755	405,947	(52,173)	(61,049)	427,451	-	-	-	-	-	-	1,275,359
Retained Earnings, End of Period	5,809,183	6,321,938	6,727,885	6,675,712	6,614,663	7,042,114	-	-	-	-	-	-	7,042,114
RBC Target Reserves	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	-	-	-	-	-	-	(3,369,025)
Retained Earnings in Excess of RBC	2,440,158	2,952,913	3,358,860	3,306,687	3,245,638	3,673,089	-	-	-	-	-	-	3,673,089
Retained Earnings, End of Period	37,103,003	41,044,932	43,893,671	43,716,212	43,303,720	44,050,590	-	-	-	-	-	-	44,050,590
RBC Target Reserves	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	-	-	-	-	-	-	(16,845,124)
Retained Earnings in Excess of RBC	20,257,879	24,199,808	27,048,547	26,871,088	26,458,596	27,205,466	-	-	-	-	-	-	27,205,466

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

STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities	Month of June 2008	YTD Through June 2008
<u>Sources of Cash</u>		
Cash received for premiums	11,987,743	44,316,211
Cash received for assessments	583,242	18,264,346
Total Operating Sources	<u>12,570,985</u>	<u>62,580,557</u>
<u>Uses of Cash</u>		
Cash payments for Medical losses	(6,066,063)	(41,377,622)
Cash payments for Pharmacy losses	(2,802,188)	(16,877,960)
Cash payments for referral fees	(4,620)	(27,720)
Cash payments for other expenses	(600,509)	(3,174,006)
Total Operating Uses	<u>(9,473,380)</u>	<u>(61,457,308)</u>
Net Cash Provided (Used) by Operating Activities	3,097,605	1,123,249

Cash Flows from Non-Operating Activities		
Cash received from investment income	112,608	970,417
Cash received from Federal Grant	-	-
Cash received for miscellaneous income	-	-
Net Cash Provided/(Used) by Non-Operating Activities	112,608	970,417

Cash and Cash Equivalents		
Net Increase (Decrease) in Cash Equivalents	3,210,213	2,093,666
Cash and cash equivalents, beginning of period	64,288,952	65,405,499
Cash and Equivalents, End of Period	67,499,165	67,499,165

RECONCILIATION OF NET OPERATING INCOME TO CASH FLOWS FROM OPERATIONS

Net income (loss) from operations	637,263	8,111,802
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Adjustments to Reconcile Net Operating Income to Net Cash Provided By Operating Activities

Changes in assets and liabilities:

Decrease (increase) in receivables	369,667	92,220
Decrease (increase) in prepaids	(2,018)	2,144
Increase (decrease) in liability for premium overpayments	-	-
Increase (decrease) in liability for accounts payable	(3,534,822)	(14,053)
Increase (decrease) in liability for unearned premiums	4,641,417	(1,687,288)
Increase (decrease) in liability for medical Loss liabilities	924,922	(4,972,646)
Increase (decrease) in liability for pharmacy loss liabilities	61,176	(408,930)
Other adjustments	-	-
Total adjustments	<u>2,460,342</u>	<u>(6,988,553)</u>

Net Cash Provided/(Used) by Operating Activities	3,097,605	1,123,249
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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	June 2008	May 2008	Variance	Year-to-Date Through June 2008	Year-to-Date Through June 2007	Variance
Gross Premiums	7,901,563	7,912,144	(10,581)	49,440,093	53,780,804	(4,340,711)
Premium Subsidized	(571,686)	(565,254)	(6,432)	(3,437,608)	(2,554,677)	(882,931)
Net Premium Revenues	<u>7,329,877</u>	<u>7,346,890</u>	<u>(17,013)</u>	<u>46,002,485</u>	<u>51,226,127</u>	<u>(5,223,642)</u>
Provider Contribution	3,459,959	4,111,820	(651,861)	20,113,165	19,663,370	449,795
Insurer Assessments	3,443,710	3,288,778	154,932	18,264,346	19,173,097	(908,751)
Total Operating Revenues	<u>14,233,546</u>	<u>14,747,488</u>	<u>(513,942)</u>	<u>84,379,996</u>	<u>90,062,594</u>	<u>(5,682,598)</u>
Operating Expenses						
Medical Losses:						
Losses Paid or Approved for Payment	9,012,908	10,660,148	(1,647,240)	63,009,233	62,728,937	280,296
Increase (Decrease) in Unpaid Losses	1,394,970	1,163,863	231,107	(6,964,292)	(4,322,473)	(2,641,819)
Deductible Subsidy Paid	49,480	56,406	(6,926)	365,451	389,219	(23,768)
Total Medical Losses	<u>10,457,358</u>	<u>11,880,417</u>	<u>(1,423,059)</u>	<u>56,410,392</u>	<u>58,795,683</u>	<u>(2,385,291)</u>
Pharmacy Losses:						
Losses Paid or Approved for Payment	2,835,977	2,959,459	(123,482)	18,297,963	20,891,069	(2,593,106)
Increase (Decrease) in Unpaid Losses	(21,028)	25,299	(46,327)	(239,995)	(46,977)	(193,018)
Drug Rebates	(248,380)	(277,779)	29,399	(1,638,260)	(2,901,599)	1,263,339
Subsidy - Coinsurance Out-of-Pocket Max	60,790	60,941	(151)	249,462	60,712	188,750
Total Pharmacy Losses	<u>2,627,359</u>	<u>2,767,920</u>	<u>(140,561)</u>	<u>16,669,170</u>	<u>18,003,205</u>	<u>(1,334,035)</u>
Total Losses	13,084,717	14,648,337	(1,563,620)	73,079,562	76,798,888	(3,719,326)
Loss adjustment expenses	-	-	-	-	-	-
Administrative expenses						
Authority Admin Fees	53,543	59,636	(6,093)	329,822	301,475	28,347
WPS Admin Fees	353,800	452,316	(98,516)	2,205,614	2,223,453	(17,839)
Navitus Admin Fees	83,637	83,597	40	536,065	589,343	(53,278)
Milliman USA Actuarial Services	10,910	19,459	(8,549)	57,503	99,212	(41,709)
Other Admin Fees And Expenses	4,706	5,022	(316)	30,648	32,805	(2,157)
Total Administrative Expenses	<u>506,596</u>	<u>620,030</u>	<u>(113,434)</u>	<u>3,159,652</u>	<u>3,246,288</u>	<u>(86,636)</u>
Referral fees	4,970	4,690	280	28,980	28,700	280
Total Operating Expenses	<u>13,596,283</u>	<u>15,273,057</u>	<u>(1,676,774)</u>	<u>76,268,194</u>	<u>80,073,876</u>	<u>(3,805,682)</u>
Net Operating Income (Loss)	<u>637,263</u>	<u>(525,569)</u>	<u>1,162,832</u>	<u>8,111,802</u>	<u>9,988,718</u>	<u>(1,876,916)</u>
Non-Operating Revenues (Expenses)						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	2,089,225	(2,089,225)
Investment Income	109,607	113,077	(3,470)	839,635	1,608,610	(768,975)
Miscellaneous Income	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	<u>109,607</u>	<u>113,077</u>	<u>(3,470)</u>	<u>839,635</u>	<u>3,697,835</u>	<u>(2,858,200)</u>
Net Income (Loss)	<u>746,870</u>	<u>(412,492)</u>	<u>1,159,362</u>	<u>8,951,437</u>	<u>13,686,553</u>	<u>(4,735,116)</u>

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

	June 2008 Budget	June 2008 Actual	Variance	Year-to-Date Through June 2008 Budget	Year-to-Date Through June 2008 Actual	Variance
Operating Revenues						
Gross Premiums	8,052,831	7,901,563	(151,268)	50,319,102	49,440,093	(879,009)
Premium Subsidized	(782,983)	(571,686)	211,297	(4,876,210)	(3,437,608)	1,438,602
Net Premium Revenues	7,269,848	7,329,877	60,029	45,442,892	46,002,485	559,593
Provider Contribution	4,113,921	3,459,959	(653,962)	20,867,980	20,113,165	(754,815)
Insurer Assessments	3,443,710	3,443,710	-	18,264,346	18,264,346	-
Total Operating Revenues	14,827,479	14,233,546	(593,933)	84,575,218	84,379,996	(195,222)
Operating Expenses						
Medical and Pharmacy Losses:	15,818,716	12,974,447	2,844,269	82,182,500	72,464,649	9,717,851
Deductible Subsidy/RX OOP Max	51,556	110,270	(58,714)	390,302	614,913	(224,611)
Total Medical and Pharmacy Losses	15,870,272	13,084,717	2,785,555	82,572,802	73,079,562	9,493,240
Loss adjustment expenses	-	-	-	-	-	-
Total Administrative Expenses	533,671	506,596	27,075	3,250,952	3,159,652	91,300
Referral fees	4,808	4,970	(162)	27,708	28,980	(1,272)
Total Operating Expenses	16,408,751	13,596,283	2,812,468	85,851,462	76,268,194	9,583,268
Net Operating Income (Loss)	(1,581,272)	637,263	2,218,535	(1,276,244)	8,111,802	9,388,046
Non-Operating Revenues (Expenses)						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	-	-
Investment Income	238,996	109,607	(129,389)	1,428,939	839,635	(589,304)
Miscellaneous Income	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	238,996	109,607	(129,389)	1,428,939	839,635	(589,304)
Net Income (Loss)	(1,342,276)	746,870	2,089,146	152,695	8,951,437	8,798,742

Health Insurance Risk-Sharing Plan Authority
Calendar Year 2008 Interim Reconciliation
As of June 30, 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	8,238,591	8,956,769	11,470,894	10,660,148	9,012,908	-	-	-	-	-	-	63,009,233
Increase (Decrease) in Unpaid Medical Losses	(6,376,711)	(1,761,391)	(876,308)	(508,715)	1,163,863	1,394,970	-	-	-	-	-	-	(6,964,292)
Pharmacy Losses Paid or Approved for Payment	3,409,385	3,001,720	2,959,067	3,132,355	2,959,459	2,835,977	-	-	-	-	-	-	18,297,963
Increase (Decrease) in Unpaid Pharmacy Losses	(266,155)	-	114,741	(92,852)	25,299	(21,028)	-	-	-	-	-	-	(239,995)
Drug Rebates	(286,361)	(267,918)	(280,011)	(277,811)	(277,779)	(248,380)	-	-	-	-	-	-	(1,638,260)
Total Administrative Expenses	537,338	502,970	511,409	500,629	624,720	511,566	-	-	-	-	-	-	3,188,632
Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	11,687,419	9,713,972	11,385,667	14,224,500	15,155,710	13,486,013	-	-	-	-	-	-	75,653,281
2. Adjustments to Operating and Administrative Costs													
Total Non-operating Revenue (Expense) - excluding Federal Grant Funds	215,878	137,000	138,945	125,128	113,077	109,607	-	-	-	-	-	-	839,635
3. Total Fiscal Year Program Costs to be Split 60% 20% 20%	11,471,541	9,576,972	11,246,722	14,099,372	15,042,633	13,376,406	-	-	-	-	-	-	74,813,646
4. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Excluding Subsidy Costs)													
Funding Shares													
60% Policyholders	6,882,925	5,746,184	6,748,034	8,459,624	9,025,579	8,025,844	-	-	-	-	-	-	44,888,190
20% Providers	2,294,308	1,915,394	2,249,344	2,819,874	3,008,527	2,675,281	-	-	-	-	-	-	14,962,728
20% Insurers	2,294,308	1,915,394	2,249,344	2,819,874	3,008,527	2,675,281	-	-	-	-	-	-	14,962,728
5. Subsidy Funding Shares													
Premium subsidies	580,275	577,024	582,048	561,321	565,254	571,686	-	-	-	-	-	-	3,437,608
Deductible Subsidies	48,433	67,349	76,337	67,446	56,406	49,480	-	-	-	-	-	-	365,451
Subsidy - coinsurance out-of-pocket Max	-	-	77,792	49,939	60,941	60,790	-	-	-	-	-	-	249,462
Total Subsidies	628,708	644,373	736,177	678,706	682,601	681,956	-	-	-	-	-	-	4,052,521
Federal Grant Funds Applied to Low Income Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Subsidy Funding Needed	628,708	644,373	736,177	678,706	682,601	681,956	-	-	-	-	-	-	4,052,521
Subsidy Funding Needed by Source in addition to Section 3 Funding Shares													
Providers	314,354	322,187	368,089	339,353	341,301	340,978	-	-	-	-	-	-	2,026,262
Insurers	314,354	322,186	368,088	339,353	341,300	340,978	-	-	-	-	-	-	2,026,259
	628,708	644,373	736,177	678,706	682,601	681,956	-	-	-	-	-	-	4,052,521
6. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Including Subsidy Costs)													
Policyholders	6,882,925	5,746,184	6,748,034	8,459,624	9,025,579	8,025,844	-	-	-	-	-	-	44,888,190
Providers	2,608,662	2,237,581	2,617,433	3,159,227	3,349,828	3,016,259	-	-	-	-	-	-	16,988,990
Insurers	2,608,662	2,237,580	2,617,432	3,159,227	3,349,827	3,016,259	-	-	-	-	-	-	16,988,987
7. Operating Revenues by Source													
Policyholders													
Premium	7,951,293	8,147,765	8,081,174	7,145,486	7,346,890	7,329,877	-	-	-	-	-	-	46,002,485
Premium and Deductible Subsidies Credited to Policyholders	580,275	577,024	582,048	561,321	565,254	571,686	-	-	-	-	-	-	3,437,608
Subtotal	8,531,568	8,724,789	8,663,222	7,706,807	7,912,144	7,901,563	-	-	-	-	-	-	49,440,093
Providers	2,921,441	2,688,150	3,145,037	3,786,758	4,111,820	3,459,959	-	-	-	-	-	-	20,113,165
Insurers	2,651,090	2,750,335	3,023,379	3,107,054	3,288,778	3,443,710	-	-	-	-	-	-	18,264,346
Total	14,104,099	14,163,274	14,831,638	14,600,619	15,312,742	14,805,232	-	-	-	-	-	-	87,817,604

(cont)

8. Interim Estimate of Surplus/(Deficit) Account Balance for 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
Policyholders													
Prior Period Surplus / (Deficit)	24,569,024	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	-	-	-	-	-	-	24,569,024
Premium (Including Premium and Deductible Subsidies)	8,531,568	8,724,789	8,663,222	7,706,807	7,912,144	7,901,563	-	-	-	-	-	-	49,440,093
Less Cost	6,882,925	5,746,184	6,748,034	8,459,624	9,025,579	8,025,844	-	-	-	-	-	-	44,888,190
Monthly Change	1,648,643	2,978,605	1,915,188	(752,817)	(1,113,435)	(124,281)	-	-	-	-	-	-	4,551,903
Ending Surplus / (Deficit)	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	29,120,927	-	-	-	-	-	-	29,120,927
Policyholders' RBC Target Reserves	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	-	-	-	-	-	-	(10,107,074)
Ending Surplus / (Deficit) Net of RBC Reserves	16,110,593	19,089,198	21,004,386	20,251,569	19,138,134	19,013,853	-	-	-	-	-	-	19,013,853
Providers													
Prior Period Surplus / (Deficit)	4,763,374	5,076,153	5,526,722	6,054,326	6,681,857	7,443,849	-	-	-	-	-	-	4,763,374
Contribution	2,921,441	2,688,150	3,145,037	3,786,758	4,111,820	3,459,959	-	-	-	-	-	-	20,113,165
Less Cost	2,608,662	2,237,581	2,617,433	3,159,227	3,349,828	3,016,259	-	-	-	-	-	-	16,988,990
Monthly Change	312,779	450,569	527,604	627,531	761,992	443,700	-	-	-	-	-	-	3,124,175
Ending Surplus / (Deficit)	5,076,153	5,526,722	6,054,326	6,681,857	7,443,849	7,887,549	-	-	-	-	-	-	7,887,549
Provider's RBC Target Reserves	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	-	-	-	-	-	-	(3,369,025)
Ending Surplus / (Deficit) Net of RBC Reserves	1,707,128	2,157,697	2,685,301	3,312,832	4,074,824	4,518,524	-	-	-	-	-	-	4,518,524
Insurers													
Prior Period Surplus / (Deficit)	5,766,755	5,809,183	6,321,938	6,727,885	6,675,712	6,614,663	-	-	-	-	-	-	5,766,755
Assessment	2,651,090	2,750,335	3,023,379	3,107,054	3,288,778	3,443,710	-	-	-	-	-	-	18,264,346
Less Cost	2,608,662	2,237,580	2,617,432	3,159,227	3,349,827	3,016,259	-	-	-	-	-	-	16,988,987
Monthly Change	42,428	512,755	405,947	(52,173)	(61,049)	427,451	-	-	-	-	-	-	1,275,359
Ending Surplus / (Deficit)	5,809,183	6,321,938	6,727,885	6,675,712	6,614,663	7,042,114	-	-	-	-	-	-	7,042,114
Insurer's RBC Target Reserves	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	-	-	-	-	-	-	(3,369,025)
Ending Surplus / (Deficit) Net of RBC Reserves	2,440,158	2,952,913	3,358,860	3,306,687	3,245,638	3,673,089	-	-	-	-	-	-	3,673,089
Total HIRSP Retained Earnings	37,103,003	41,044,932	43,893,671	43,716,212	43,303,720	44,050,590	-	-	-	-	-	-	44,050,590
Total RBC Target Reserves	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	-	-	-	-	-	-	(16,845,124)
Total Retained Earnings in Excess of RBC Target Reserves	20,257,879	24,199,808	27,048,547	26,871,088	26,458,596	27,205,466	-	-	-	-	-	-	27,205,466

**Health Insurance Risk-Sharing Plan Authority
Monthly Provider Contribution Report
As of June 2008 Month End (6/26/2008)**

Provider Contribution 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	\$ 7,047,912.53		\$ 3,974,691.41	\$ 2,849,151.50	\$ 1,125,539.91	\$ 1,861,609.84
Hospital Outpatient	\$ 4,277,628.53		\$ 3,050,800.59	\$ 2,169,281.95	\$ 881,518.64	\$ 1,662,651.71
Hospital Inpatient	\$ 5,125,549.66		\$ 3,031,785.90	\$ 2,161,064.36	\$ 870,721.54	\$ 2,055,261.70
Nursing Home	\$ 11,655.16		\$ 11,155.87	\$ 7,939.47	\$ 3,216.40	\$ 7,986.71
Other	\$ 786,197.56		\$ 565,002.73	\$ 414,649.20	\$ 150,353.53	\$ 263,974.20
Total	\$ 17,248,943.44		\$ 10,633,436.50	\$ 7,602,086.48	\$ 3,031,350.02	\$ 5,851,484.16

Claims Incurred Prior to 1/1/2008						
Claim Type	Billed Charges	U&C Percentage	Usual and Customary	HIRSP Allowed	Provider Contribution	HIRSP Paid
Professional	\$ 78,097.05	28.5%	\$ 55,839.39	\$ 22,691.79	\$ 33,147.60	\$ 17,352.84
Hospital Outpatient	\$ 36,577.05	28.5%	\$ 26,152.59	\$ 23,670.97	\$ 2,481.62	\$ 18,486.23
Hospital Inpatient	\$ (44,939.13)	28.5%	\$ (32,131.48)	\$ (8,270.55)	\$ (23,860.93)	\$ (3,248.55)
Nursing Home	\$ 4,897.89	28.5%	\$ 3,501.99	\$ 4,763.29	\$ (1,261.30)	\$ 4,809.24
Other	\$ 29,330.45	28.5%	\$ 20,971.27	\$ 10,599.35	\$ 10,371.92	\$ 3,500.78
Total	\$ 103,963.31		\$ 74,333.77	\$ 53,454.85	\$ 20,878.92	\$ 40,900.54

Provider Contribution on the Increase(Decrease) in Unpaid Losses	\$ 407,730.00
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Total Provider Contribution	\$ 3,459,958.94
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**Wisconsin Health Insurance Risk-Sharing Plan
Breakdown of Incurred Claims and Earned Premium
by Quarter and Plan**

4Q06					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$25,565,682	\$11,232,336	227.6%	\$1,249.06	\$548.78
Plan 1B	21,919,831	14,982,682	146.3%	716.45	489.71
Plan 2	2,115,265	1,319,577	160.3%	710.77	443.41
Total	\$49,600,778	\$27,534,595	180.1%	\$917.87	\$509.53
1Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$19,289,650	\$10,353,629	186.3%	\$1,001.80	\$537.71
Plan 1B	17,193,672	15,315,916	112.3%	545.92	486.30
Plan 2	1,747,767	1,258,329	138.9%	603.72	434.66
Total	\$38,231,088	\$26,927,874	142.0%	\$712.67	\$501.96
2Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$20,894,910	\$10,280,888	203.2%	\$1,103.45	\$542.93
Plan 1B	20,726,948	15,315,146	135.3%	664.37	490.90
Plan 2	1,707,537	1,256,896	135.9%	602.09	443.19
Total	\$43,329,395	\$26,852,930	161.4%	\$818.00	\$506.95
3Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$21,073,788	\$10,685,401	197.2%	\$1,149.75	\$582.98
Plan 1B	19,246,906	14,423,771	133.4%	624.15	467.74
Plan 2	1,477,076	987,774	149.5%	527.15	352.52
Total	\$41,797,770	\$26,096,946	160.2%	\$804.30	\$502.17
4Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$23,009,109	\$10,369,954	221.9%	\$1,296.73	\$584.42
Plan 1B	24,533,374	14,425,926	170.1%	794.81	467.36
Plan 2	1,323,043	993,617	133.2%	475.23	356.90
Total	\$48,865,526	\$25,789,496	189.5%	\$950.78	\$501.79
1Q08					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$15,586,841	\$8,912,951	174.9%	\$1,151.68	\$658.56
Plan 1B	17,748,405	13,682,977	129.7%	637.35	491.36
Plan 1C	59,477	239,700	24.8%	107.17	431.89
Plan 1D	1,628,244	2,067,147	78.8%	300.52	381.53
Plan 2	Plan 2 not available due to pharmacy claims error				
Total*	\$35,022,966	\$24,902,775	140.6%	\$739.60	\$525.89

* Total for 1Q08 excludes Plan 2 data due to pharmacy claims error

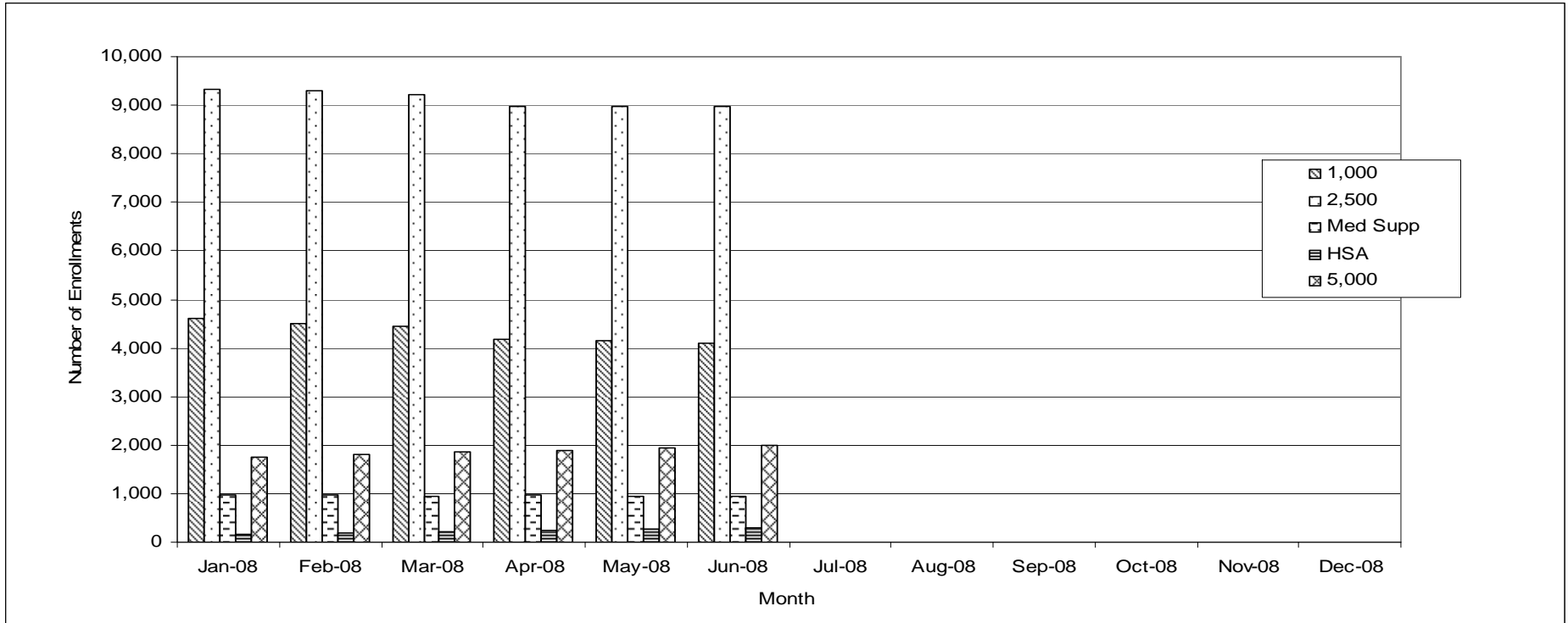
NOTES: Loss Ratio = Incurred Claims / Earned Premiums
Earned Premium includes Premium Subsidies
Incurred Claims include Provider Contributions

**Health Insurance Risk-Sharing Plan Authority
2008 Year-to-Date Enrollment**

June 2008
16,330

June 2007
17,584

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	4,600	4,491	4,434	4,187	4,146	4,107						
2,500	9,339	9,288	9,212	8,976	8,974	8,965						
Med Supp	961	967	945	959	955	954						
HSA	161	181	213	241	268	301						
5,000	1,749	1,810	1,856	1,889	1,950	2,003						
Total	16,810	16,737	16,660	16,252	16,293	16,330						



**Health Insurance Risk-Sharing Plan Authority
Subsidy Report
Jun-08**

Total Subsidy by Plan			
Plan		Number of Policyholders	% of Total
HIRSP 1,000	Non-subsidized	2,415	14.8%
	Subsidized	1,692	10.4%
	Total	4,107	25.2%
HIRSP 2,500	Non-subsidized	8,337	51.1%
	Subsidized	628	3.8%
	Total	8,965	54.9%
HIRSP Medicare Supplement	Non-subsidized	578	3.5%
	Subsidized	376	2.3%
	Total	954	5.8%
HIRSP Health Savings Account	Non-subsidized	282	1.7%
	Subsidized	19	0.1%
	Total	301	1.8%
HIRSP 5,000	Non-subsidized	1,762	10.8%
	Subsidized	241	1.5%
	Total	2,003	12.3%
Non-subsidized Total		13,374	81.9%
Subsidized Total		2,956	18.1%
Grand Total		16,330	100.0%

Total Subsidy by Level		
Subsidy Level	Number of Policyholders	% of Total
\$25,000 Above	13,374	81.9%
\$20,000 - \$24,999	322	2.0%
\$17,000 - \$19,999	405	2.5%
\$14,000 - \$16,999	498	3.0%
\$10,000 - \$13,999	1,293	7.9%
\$9,999 Under	438	2.7%
Total	16,330	100.0%

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

Summary of Monthly Application Activity	
Number of Applications Pending May	125
Number of Applications Received June	415
Number of Applications Rejected June	26
Number of Applications Closed June	60
Number of Applications Pending June	144
Number of Applications Approved June	310

Detail of Applications Rejected	
65 or older	0
Current Medicaid Coverage	3
Currently covered by other insurance	2
Did not qualify for lost employer coverage.	0
Eligible for Group Health Coverage	21
Insufficient Premium Submitted	0
No Medical Reason	0
Not a Wisconsin Resident	0
Previous HIRSP <12 Months Ago	0
Total	26

Detail of Applications Closed	
Applicant Request	2
Application Data requested; never received	0
Proper eligibility requested; never received	58
Total	60

Applications Approved*						
Date	1,000	2,500	Med Supp	3,500	5,000	Total
January	79	218	3	23	100	423
February	43	126	1	25	80	275
March	36	141	1	36	84	298
April	43	173	3	29	116	364
May	29	144	1	31	65	270
June	22	136	0	35	104	297
July						
August						
September						
October						
November						
December						
Total	252	938	9	179	549	1927

Disenrollment						
Date	1,000	2,500	Med Supp	3,500	5,000	Total
January	302	348	26	0	2	678
February	146	192	3	5	23	369
March	88	208	10	0	34	340
April	269	382	15	5	61	732
May	117	200	21	5	39	382
June	63	149	5	0	31	248
July						
August						
September						
October						
November						
December						
Total	985	1479	80	15	190	2749

* Month application was approved, not the effective date.

Health Insurance Risk-Sharing Plan Authority

Monthly Eligibility Report June, 2008

A.	Medicare Eligible	1
B.	HIV +	5
C.	Eligible Individual	202
D.	Letter of Medical Eligibility	102
1.	<i>Letter of Rejection By:</i>	
	<i>American Community Mutual Insurance</i>	6
	<i>American Family</i>	16
	<i>American Heritage</i>	3
	<i>American Medical Security Group</i>	1
	<i>American Republic</i>	2
	<i>Arise</i>	4
	<i>Assurant Health</i>	17
	<i>Blue Cross & Blue Shield United of Wisconsin</i>	44
	<i>Celtic Life Insurance Company</i>	3
	<i>Dean Health Plan</i>	5
	<i>Golden Rule Insurance Company</i>	17
	<i>Group Health Cooperative</i>	1
	<i>Humana Insurance Company</i>	29
	<i>John Alden Life Insurance</i>	1
	<i>Mega Life And Health Insurance</i>	5
	<i>Mid-West National Life Insurance Company of</i>	1
	<i>Physicians Mutual Insurance Company</i>	1
	<i>Security Health Plan</i>	7
	<i>Unity Health Plan</i>	1
	<i>WEA Insurance Corp.</i>	1
	<i>Wisconsin Physicians Service Insurance</i>	31
	<i>World Insurance</i>	2
2.	<i>Notice of Benefit Reduction</i>	3
3.	<i>Notice of Premium increase due to a Health Reason</i>	0
Total		310

Health Insurance Risk-Sharing Plan Authority
Medical Claims Denied Report
AS OF JUNE 2008 MONTH END (6/23/2008)

Processed Month	All Plans			Denial Rate
	Paid	Denied	Total	
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%
FEBRUARY 2008	25,437	5,471	30,908	17.7%
MARCH 2008	27,612	5,484	33,096	16.6%
APRIL 2008	31,274	6,312	37,586	16.8%
MAY 2008	28,362	5,485	33,847	16.2%
JUNE 2008	24,905	4,893	29,798	16.4%

Denial Reason Detail		
Volume	% of Total	Reason
1152	3.87%	DUPLICATE CLAIM/SERVICE
459	1.54%	NONCOVERED SERVICES BECAUSE THIS A ROUTINE EXAM OR SCREENING PROCEDURE DONE IN CONJUNCTION OF A ROUTINE EXAM.
444	1.49%	EXPENSE(S) INCURRED AFTER COVERAGE TERMINATED. SERVICES PROVIDED AFTER THE TERMINATION DATE, NON-COVERED
386	1.30%	CLAIM DENIED/REDUCED BECAUSE CHARGES HAVE BEEN PAID BY ANOTHER PAYER AS PART OF COORDINATION OF BENEFITS.
377	1.27%	SERVICES PERFORMED BY A PROVIDER WHO IS NOT MEDICAID CERTIFIED ARE NOT COVERED
290	0.97%	THIS IS A PREEXISTING CONDITION. MEDICAL RECORDS OBTAINED FROM YOUR PROVIDER HAVE IDENTIFIED A PRE-EXISTING CONDITION.
195	0.65%	WE WILL BE ABLE TO COMPLETE PROCESSING OF THIS CLAIM WHEN WE RECEIVE THE MEDICAL RECORDS WE REQUESTED.
178	0.60%	THIS PROCEDURE IS INCIDENTAL TO AND CONSIDERED PART OF THE PRIMARY PROCEDURE.
138	0.46%	THE PRIMARY SERVICE CODE INCLUDES THE OTHER SERVICES BILLED, THEREFORE, NO OTHER PAYMENTS HAVE BEEN ALLOWED FOR THE OTHER SERVICES.
130	0.44%	WE WERE UNABLE TO PROCESS YOUR CLAIM BECAUSE WE DIDNT RECEIVE A REPLY TO OUR QUESTIONAIRE REGARDING WORKER'S COMPENSATION.

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 Authority
Pharmacy Claims Denied Report
As of June 2008 Month End (06/30/2008)**

Processed Month	Denied	% of Total
June 2007	16,770	20.59%
July 2007	16,482	19.31%
August 2007	16,865	19.34%
September 2007	15,983	20.33%
October 2007	16,711	18.83%
November 2007	16,196	19.15%
December 2007	15,193	18.24%
January 2008	15,826	19.92%
February 2008	11,654	15.92%
March 2008	10,368	14.66%
April 2008	10,325	14.60%
May 2008	10,763	14.98%
June 2008	9,858	14.60%

Denial Reason Detail		
Reason	Volume	% of Total
Refill Too Soon	2,726	4.04%
Product/Service Not Covered	1,751	2.59%
Plan Limitations Exceeded	1,355	2.01%
Submit Bill to Other Processor or Primary Payer	1,297	1.92%
DUR Reject Error	650	0.96%
Patient is Not Covered	422	0.63%
Missing/Invalid Dispense as Written Code (DAW)	323	0.48%
Missing/Invalid Prescriber ID Qualifier	307	0.45%
Prior Authorization Required	277	0.41%
Missing/Invalid Prescriber Identification	188	0.28%

Note:

- 1) Each prescription processed and denied is counted as one claim

- 2) Note the different end of month date from previous reports in this packet. This is due to these figures being taken from a production PBM report rather than from the current HIRSP plan administrator's reporting files.

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

Grievance

<u>Type of Grievance</u>		<u># of Grievances</u>
	Drug & Drug Formulary	4
	Enrollment/Eligibility Requirements	14
	Not Covered Benefit	9
	Not Medically Necessary	5
	Plan Administration	1
	Prior Authorization	2
	Experimental Treatment	1
	Billing/Claim Processing	0
<u>Grievance Committee Decision</u>		
	Eligibility Request Closed Prior to Committee	1
	Approved	18
	Upheld Denial	14
	Partial Approval	3
Total Grievances Received		36

Appeal

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