



Financial and Policyholder Activity Report

September 2007

**HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY
SEPTEMBER 2007 MONTHLY REPORT
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Summary Review
Un-audited HIRSP Authority Financial Statements
For the Nine-Month Period Ended September 30, 2007

ASSETS

HIRSP Authority total assets increased to \$76.3 million in September 2007, increasing during the month by \$1.9 million or 2.6% from prior month total assets of \$74.4 million. Cash assets of \$66.8 million as of September 30, 2007 increased by \$3 million during the month. The September 2007 net increase in total assets was primarily due to the \$3 million increase in cash offset by a \$1.8 million decrease in assessment receivables.

Total assets in September 2007 decreased by \$16.4 million compared to September 2006 total assets, a 17.7% decrease. Cash assets year-to-date in 2007 increased by \$6.9 million relative to September 2006, an 11.5% increase. The \$6.9 million increase in cash was offset by a \$4.5 million decrease in other receivables and an \$18.6 million decrease in assessment receivables compared to September 2006. Current-period assessment receivables are less than 2006 year-to-date because September 2007 assessment receivables pertain solely to the last six months of calendar 2007, whereas September 2006 assessment receivables were for the twelve-month period ending June 2007.

LIABILITIES

HIRSP Authority total liabilities increased to \$36.6 million in September 2007, increasing during the month by \$2.8 million or 8.3%. Unpaid medical loss liabilities increased by \$1.1 million or 9.4% in September, to \$12.5 million. Unpaid drug loss liabilities decreased by \$51,082 to \$725,326, and unearned assessment liability decreased \$2.3 million as assessments were recognized as earned during the month. Unearned premiums increased \$4.4 million in September 2007 to \$12.5 million, reflecting the typical timing of the HIRSP business cycle with increased premiums written during the final month of the calendar quarter.

September 2007 total liabilities of \$36.6 million were \$27 million less than total liabilities in September 2006, reflecting a 42.5% decrease from the prior year. Aggregate liability for unpaid medical and drug claims in September 2007 was \$13.2 million, which was \$687,978 or 5% less than September 2006 aggregate claims liability of \$13.7 million. September 2007 unearned premium liability of \$12.5 million was \$1.3 million less than the September 2006 unearned premium liability. Unearned assessment liability in September 2007 of \$8.1 million was \$21.6 million less than unearned assessment liability in September 2006, due to the July 2007 change to a six-month assessment cycle for the second half of 2007.

NET INCOME

HIRSP Authority net income for the nine months ended September 30, 2007 was \$11.4 million, decreased by \$4.6 million or 28.8% relative to 2006 year-to-date net income of \$16 million. Notable 2007 year-to-date income and expense changes include decreased premium revenues, increased net medical losses, decreased net pharmacy losses, decreased administrative expenses, and increased non-operating revenues.

Net premium revenues of \$76.2 million year-to-date through September 2007 decreased by \$2.9 million compared to 2006 year-to-date, primarily due to decreased HIRSP membership and due to enrollment changes in HIRSP benefit plans. There were 17,294 HIRSP contracts in force as of September 30, 2007 compared to 18,278 contracts as of September 2006, the current number of contracts having decreased from the prior year by 984. September 2007 year-to-date total operating revenue of \$131.2 million decreased from 2006 year-to-date by \$3.5 million or 2.6%.

Total medical losses for the nine months ended September 30, 2007 were \$92.1 million, increased by \$6.2 million or 7.2% from the nine months ended September 30, 2006. Total pharmacy losses for the corresponding period in 2007 were \$27.5 million, reflecting a decrease of \$3.2 million or 10.4% from pharmacy losses year-to-date in 2006. Aggregate medical and pharmacy losses for the first nine months of 2007 were \$119.5 million compared to aggregate losses of \$116.6 million for the first nine months of 2006, as 2007 aggregate medical and pharmacy losses year-to-date have increased by \$3 million or 2.6%.

Total administrative expenses and referral fees year-to-date in 2007 decreased by 3.6% compared to the same period in 2006, decreasing from \$5 million in 2006 to \$4.9 million in 2007. WPS administrative expenses decreased by 6.0% to \$3.3 million, the decrease primarily due to declining HIRSP contract counts as well as scope-of-work differences between the two years. Year-to-date in 2007, pharmacy administration fees have decreased by 8% to \$876,526.

Investment income in the first nine months of 2007 was \$2.5 million, increased by \$698,884 or 38.8% compared to the same period in 2006. Federal grants of \$4.4 million awarded to HIRSP in fiscal year 2007 contributed \$2.1 million to calendar year 2007 non-operating revenue through June 2007. All of the fiscal year 2007 Federal grant funds were earned from July 2006 through June 2007, and there are no remaining unearned fiscal year 2007 Federal grant funds available in the second half of 2007. Total non-operating revenues 2007 year-to-date of \$4.6 million were \$1.6 million or 54.8% greater than total non-operating revenues year-to-date in 2006.

SECOND-HALF 2007 OPERATING BUDGET

The HIRSP Authority will commence using a calendar year budget cycle effective January 1, 2008. A six-month operating budget is in effect for the second-half 2007 interim period, from July 1, 2007 through December 31, 2007.

Relative to the second-half 2007 operating budget as of September 30, 2007, actual total revenues of \$42.0 million were under budget by \$939,974. The variance in total revenues included a \$588,341 shortfall in net premium revenues, a \$459,430 shortfall in provider contributions, and a \$107,797 excess in investment income. Through September 2007, actual medical and pharmacy losses of \$42.7 million were under budget by \$2.4 million, and administrative expenses of \$1.6 million were under budget by \$62,651. The budget shortfall in total losses and expenses exceeded the budget shortfall in total revenues by \$1,477,777 and resulted in actual net income exceeding budgeted net income. The second-half 2007 actual net loss through September 2007 was \$2.3 million, whereas the second-half 2007 budget projected a net loss of \$3.8 million.

RETAINED EQUITY

HIRSP Authority total equity decreased by \$911,162 during the month of September 2007 and equaled \$39.7 million as of September 30, 2007. The September decrease in total equity resulted from September 2007 net operating loss of \$1.2 million partially offset by September investment income revenue of \$312,676, which resulted in a net loss for the month of \$911,162.

In September 2007, policyholders' equity decreased by \$178,932 and equaled \$28.7 million; providers' equity increased by \$208,950 and equaled \$2.7 million; and insurers' equity decreased by \$941,180 and equaled \$8.3 million. Year-to-date through September 2007, HIRSP Authority total retained equity of \$39.7 million increased by \$10.6 million from the 2006 year-to-date total equity of \$29.1 million. The increase in retained equity through September 2007 was due to unanticipated favorable incurred loss experience that prevailed during the period and to the receipt of unbudgeted federal grant funding through June 2007.

Health Insurance Risk-Sharing Plan Authority

September 30, 2007

Calendar Year 2007

Unaudited Balance Sheet

Assets	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash and Cash Equivalents	57,930,735	56,460,353	65,242,923	69,144,472	64,184,988	67,209,688	65,451,130	63,855,574	66,822,534	-	-	-
Other Receivables	794,950	828,232	1,108,277	790,958	741,337	963,179	621,017	659,383	1,099,039	-	-	-
Drug Rebates Receivable	1,510,653	1,486,146	1,921,757	1,971,499	2,149,322	1,809,997	1,850,470	1,876,143	2,169,118	-	-	-
Assessments Receivable	16,394,356	11,752,046	8,862,293	2,733,824	186,008	153,352	14,562,926	7,970,440	6,186,069	-	-	-
Prepaid Items	22,299	21,472	21,370	21,847	25,569	21,138	26,859	26,754	21,393	-	-	-
Net Fixed Assets	16,216	34,041	33,548	33,054	32,560	32,067	31,604	31,141	30,678	-	-	-
Total Assets	76,669,209	70,582,290	77,190,168	74,695,654	67,319,784	70,189,421	82,544,006	74,419,435	76,328,831	-	-	-
Liabilities and Fund Equity												
Liabilities:												
Unpaid Medical Loss Liabilities	11,928,349	12,279,131	13,282,392	10,094,444	9,472,346	11,468,437	11,368,792	11,429,645	12,503,782	-	-	-
Unpaid Prescription Drug Loss Liabilities	779,162	713,919	799,631	683,399	690,262	747,489	1,130,235	776,408	725,326	-	-	-
Unpaid Loss Adjustment Expense	770,000	770,000	770,000	770,000	770,000	770,000	770,000	770,000	770,000	-	-	-
Unearned Premiums	13,490,688	8,269,775	14,102,236	13,335,785	8,343,961	13,099,663	13,001,566	8,152,349	12,547,377	-	-	-
Unearned Assessments	16,283,019	13,268,157	9,974,527	6,737,125	3,364,411	-	12,517,550	10,373,256	8,102,827	-	-	-
Unearned Federal Bonus Grant	1,694,308	1,304,937	916,930	528,453	145,228	-	-	-	-	-	-	-
Accounts Payable and Other Accrued Liabilities	2,726,794	2,306,711	2,631,380	2,003,172	2,474,898	1,930,632	2,138,120	2,299,920	1,972,824	-	-	-
Total Liabilities	47,672,320	38,912,630	42,477,096	34,152,378	25,261,106	28,016,221	40,926,263	33,801,578	36,622,136	-	-	-
Fund Equity:												
Policyholder	21,777,327	23,500,762	25,188,132	29,036,595	29,117,628	28,618,404	29,248,010	28,874,903	28,695,971	-	-	-
Providers	(1,074,569)	(596,998)	5,319	436,403	1,566,804	2,163,893	1,949,621	2,457,032	2,665,982	-	-	-
Insurers	8,294,131	8,765,896	9,519,621	11,070,278	11,374,246	11,390,903	10,420,112	9,285,922	8,344,742	-	-	-
Total Retained Earnings	28,996,889	31,669,660	34,713,072	40,543,276	42,058,678	42,173,200	41,617,743	40,617,857	39,706,695	-	-	-
Total Liabilities and Fund Equity	76,669,209	70,582,290	77,190,168	74,695,654	67,319,784	70,189,421	82,544,006	74,419,435	76,328,831	-	-	-

Health Insurance Risk-Sharing Plan Authority
for the Period Ended September 30, 2007
Calendar Year 2007

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	8,616,036	9,166,394	9,145,444	8,736,289	9,099,140	9,017,501	8,544,135	8,784,532	8,768,279	-	-	-	79,877,750
Premium Subsidized	(432,951)	(427,052)	(425,444)	(426,111)	(420,785)	(422,334)	(369,345)	(373,398)	(378,338)	-	-	-	(3,675,758)
Net Premium Revenues	8,183,085	8,739,342	8,720,000	8,310,178	8,678,355	8,595,167	8,174,790	8,411,134	8,389,941	-	-	-	76,201,992
Provider Contribution	3,238,662	3,020,666	3,142,222	2,117,830	4,199,147	3,944,843	2,648,544	3,785,895	3,420,560	-	-	-	29,518,369
Insurer Assessments	2,890,078	3,014,862	3,293,630	3,237,402	3,372,714	3,364,411	1,892,024	2,144,294	2,270,429	-	-	-	25,479,844
Total Operating Revenues	14,311,825	14,774,870	15,155,852	13,665,410	16,250,216	15,904,421	12,715,358	14,341,323	14,080,930	-	-	-	131,200,205
Operating Expenses													
Medical Losses:													
Losses Paid or Approved for Payment	14,259,578	8,819,856	8,325,375	9,344,180	12,146,259	9,833,689	9,379,161	11,873,544	10,431,892	-	-	-	94,413,534
Increase (Decrease) in Unpaid Losses	(3,733,780)	472,153	1,357,412	(4,329,233)	(754,839)	2,665,814	(138,307)	85,012	1,494,125	-	-	-	(2,881,643)
Deductible Subsidy Paid	54,031	85,954	65,579	65,508	67,344	50,803	49,834	41,577	40,878	-	-	-	521,508
Total Medical Losses	10,579,829	9,377,963	9,748,366	5,080,455	11,458,764	12,550,306	9,290,688	12,000,133	11,966,895	-	-	-	92,053,399
Pharmacy Losses:													
Losses Paid or Approved for Payment	3,589,072	3,089,173	3,468,639	3,306,818	3,987,107	3,450,260	3,452,922	3,740,812	3,148,641	-	-	-	31,233,444
Increase (Decrease) in Unpaid Losses	(15,304)	(65,243)	85,712	(116,232)	6,863	57,227	382,746	(353,827)	(51,082)	-	-	-	(69,140)
Drug Rebates	(231,402)	(205,516)	(1,165,263)	(307,473)	(608,508)	(383,437)	(319,446)	(324,149)	(292,975)	-	-	-	(3,838,169)
Subsidy - Coinsurance Out-of-Pocket Max	(49)	584	4,747	11,797	20,518	23,115	30,100	36,899	39,195	-	-	-	166,906
Total Pharmacy Losses	3,342,317	2,818,998	2,393,835	2,894,910	3,405,980	3,147,165	3,546,322	3,099,735	2,843,779	-	-	-	27,493,041
Total Losses	13,922,146	12,196,961	12,142,201	7,975,365	14,864,744	15,697,471	12,837,010	15,099,868	14,810,674	-	-	-	119,546,440
Loss adjustment expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses													
Authority Admin Fees	48,177	45,001	42,378	49,964	55,046	60,909	50,636	58,216	41,714	-	-	-	452,041
WPS Admin Fees	366,750	375,760	374,963	374,169	362,964	368,847	362,343	359,824	356,079	-	-	-	3,301,699
Navitus Admin Fees	99,644	98,527	98,621	98,505	97,180	96,866	96,762	95,304	95,117	-	-	-	876,526
Milliman USA Actuarial Services	4,707	32,452	15,225	31,772	11,691	3,365	8,231	45,260	(6,803)	-	-	-	145,900
Other Admin Fees	2,502	2,500	6,084	5,695	1,399	14,625	6,478	5,667	4,452	-	-	-	49,402
Total Administrative Expenses	521,780	554,240	537,271	560,105	528,280	544,612	524,450	564,271	490,559	-	-	-	4,825,568
Referral fees	4,375	4,130	5,390	5,600	4,445	4,760	5,215	4,375	3,535	-	-	-	41,825
Total Operating Expenses	14,448,301	12,755,331	12,684,862	8,541,070	15,397,469	16,246,843	13,366,675	15,668,514	15,304,768	-	-	-	124,413,833
Net Operating Income (Loss)	(136,476)	2,019,539	2,470,990	5,124,340	852,747	(342,422)	(651,317)	(1,327,191)	(1,223,838)	-	-	-	6,786,372
Non-Operating Revenues (Expenses)													
Federal Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Bonus Grant Funds	394,917	389,370	388,008	388,477	383,225	145,228	-	-	-	-	-	-	2,089,225
Investment Income	251,801	263,862	184,414	317,387	279,430	311,716	251,065	327,305	312,676	-	-	-	2,499,656
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	646,718	653,232	572,422	705,864	662,655	456,944	251,065	327,305	312,676	-	-	-	4,588,881
Net Income (Loss)	510,242	2,672,771	3,043,412	5,830,204	1,515,402	114,522	(400,252)	(999,886)	(911,162)	-	-	-	11,375,253
Additions to Retained Earnings													
Policyholder													
Retained Earnings, Beginning of Period	21,646,801	21,777,327	23,500,762	25,188,132	29,036,595	29,117,628	28,618,404	29,248,010	28,874,903	-	-	-	21,646,801
Unfunded Policyholder Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Earnings	130,526	1,723,435	1,687,370	3,848,463	81,033	(499,224)	629,606	(373,107)	(178,932)	-	-	-	7,049,170
Retained Earnings, End of Period	21,777,327	23,500,762	25,188,132	29,036,595	29,117,628	28,618,404	29,248,010	28,874,903	28,695,971	-	-	-	28,695,971
Providers													
Retained Earnings, Beginning of Period	(1,438,719)	(1,074,569)	(596,998)	5,319	436,403	1,566,804	2,163,893	1,949,621	2,457,032	-	-	-	(1,438,719)
Premium Subsidy Underpayment Adj.	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Earnings	364,150	477,571	602,317	431,084	1,130,401	597,089	(214,272)	507,411	208,950	-	-	-	4,104,701
Retained Earnings, End of Period	(1,074,569)	(596,998)	5,319	436,403	1,566,804	2,163,893	1,949,621	2,457,032	2,665,982	-	-	-	2,665,982
Insurers													
Retained Earnings, Beginning of Period	8,278,565	8,294,131	8,765,896	9,519,621	11,070,278	11,374,246	11,390,903	10,420,112	9,285,922	-	-	-	8,278,565
Premium Subsidy Underpayment Adj.	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Earnings	15,566	471,765	753,725	1,550,657	303,968	16,657	(970,791)	(1,134,190)	(941,180)	-	-	-	66,177
Retained Earnings, End of Period	8,294,131	8,765,896	9,519,621	11,070,278	11,374,246	11,390,903	10,420,112	9,285,922	8,344,742	-	-	-	8,344,742
Total Retained Earnings	28,996,889	31,669,660	34,713,072	40,543,276	42,058,678	42,173,200	41,617,743	40,617,857	39,706,695	-	-	-	39,706,695

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 2007

Operating Revenues	September 2007	August 2007	Variance	Year-to-Date Through September 2007	Year-to-Date Through September 2006	Variance
Gross Premiums	8,768,279	8,784,532	(16,253)	79,877,750	82,906,914	(3,029,164)
Premium Subsidized	(378,338)	(373,398)	(4,940)	(3,675,758)	(3,761,898)	86,140
Net Premium Revenues	<u>8,389,941</u>	<u>8,411,134</u>	<u>(21,193)</u>	<u>76,201,992</u>	<u>79,145,016</u>	<u>(2,943,024)</u>
Provider Contribution	3,420,560	3,785,895	(365,335)	29,518,369	26,256,122	3,262,247
Insurer Assessments	2,270,429	2,144,294	126,135	25,479,844	29,332,362	(3,852,518)
Total Operating Revenues	<u>14,080,930</u>	<u>14,341,323</u>	<u>(260,393)</u>	<u>131,200,205</u>	<u>134,733,500</u>	<u>(3,533,295)</u>
Operating Expenses						
Medical Losses:						
Losses Paid or Approved for Payment	10,431,892	11,873,544	(1,441,652)	94,413,534	94,728,832	(315,298)
Increase (Decrease) in Unpaid Losses	1,494,125	85,012	1,409,113	(2,881,643)	(9,396,216)	6,514,573
Deductible Subsidy Paid	40,878	41,577	(699)	521,508	562,950	(41,442)
Total Medical Losses	<u>11,966,895</u>	<u>12,000,133</u>	<u>(33,238)</u>	<u>92,053,399</u>	<u>85,895,566</u>	<u>6,157,833</u>
Pharmacy Losses:						
Losses Paid or Approved for Payment	3,148,641	3,740,812	(592,171)	31,233,444	33,498,664	(2,265,220)
Increase (Decrease) in Unpaid Losses	(51,082)	(353,827)	302,745	(69,140)	(238,714)	169,574
Drug Rebates	(292,975)	(324,149)	31,174	(3,838,169)	(2,767,172)	(1,070,997)
Subsidy - Coinsurance Out-of-Pocket Max	39,195	36,899	2,296	166,906	181,226	(14,320)
Total Pharmacy Losses	<u>2,843,779</u>	<u>3,099,735</u>	<u>(255,956)</u>	<u>27,493,041</u>	<u>30,674,004</u>	<u>(3,180,963)</u>
Total Losses	14,810,674	15,099,868	(289,194)	119,546,440	116,569,570	2,976,870
Loss adjustment expenses	-	-	-	-	110,000	110,000
Administrative expenses						
Authority Admin Fees	41,714	58,216	(16,502)	452,041	95,793	356,248
WPS Admin Fees	356,079	359,824	(3,745)	3,301,699	3,514,089	(212,390)
Navitus Admin Fees	95,117	95,304	(187)	876,526	953,213	(76,687)
Milliman USA Actuarial Services	(6,803)	45,260	(52,063)	145,900	144,754	1,146
Other Admin Fees And Expenses	4,452	5,667	(1,215)	49,402	292,801	(243,399)
Total Administrative Expenses	<u>490,559</u>	<u>564,271</u>	<u>(73,712)</u>	<u>4,825,568</u>	<u>5,000,650</u>	<u>(175,082)</u>
Referral fees	3,535	4,375	(840)	41,825	48,930	(7,105)
Total Operating Expenses	<u>15,304,768</u>	<u>15,668,514</u>	<u>(363,746)</u>	<u>124,413,833</u>	<u>121,729,150</u>	<u>2,904,683</u>
Net Operating Income (Loss)	<u>(1,223,838)</u>	<u>(1,327,191)</u>	<u>103,353</u>	<u>6,786,372</u>	<u>13,004,350</u>	<u>(6,437,978)</u>
Non-Operating Revenues (Expenses)						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	2,089,225	1,162,624	926,601
Investment Income	312,676	327,305	(14,629)	2,499,656	1,800,772	698,884
Miscellaneous Income	-	-	-	-	41	(41)
Total Non-operating Revenues (Expenses)	<u>312,676</u>	<u>327,305</u>	<u>(14,629)</u>	<u>4,588,881</u>	<u>2,963,437</u>	<u>1,625,444</u>
Net Income (Loss)	<u>(911,162)</u>	<u>(999,886)</u>	<u>88,724</u>	<u>11,375,253</u>	<u>15,967,787</u>	<u>(4,812,534)</u>

Health Insurance Risk-Sharing Plan Authority
Comparison of Budget Vs. Actual
Unaudited Statement of Revenues, Expenses, and Changes in Retained Earnings
Second Half 2007

	September 2007			Period-to-Date Through September 2007		
	Budget	Actual	Variance	Budget	Actual	Variance
Operating Revenues						
Gross Premiums	8,950,167	8,768,279	(181,888)	26,894,048	26,096,946	(797,102)
Premium Subsidized	(415,331)	(378,338)	36,993	(1,329,842)	(1,121,081)	208,761
Net Premium Revenues	<u>8,534,836</u>	<u>8,389,941</u>	<u>(144,895)</u>	<u>25,564,206</u>	<u>24,975,865</u>	<u>(588,341)</u>
Provider Contribution	3,703,503	3,420,560	(282,943)	10,314,429	9,854,999	(459,430)
Insurer Assessments	2,270,429	2,270,429	-	6,306,747	6,306,747	-
Total Operating Revenues	<u>14,508,768</u>	<u>14,080,930</u>	<u>(427,838)</u>	<u>42,185,382</u>	<u>41,137,611</u>	<u>(1,047,771)</u>
Operating Expenses						
Medical and Pharmacy Losses:	15,857,919	14,730,601	1,127,318	44,829,826	42,509,069	2,320,757
Deductible Subsidy/RX OOP Max	85,019	80,073	4,946	272,388	238,483	33,905
Total Medical and Pharmacy Losses	<u>15,942,938</u>	<u>14,810,674</u>	<u>1,132,264</u>	<u>45,102,214</u>	<u>42,747,552</u>	<u>2,354,662</u>
Loss adjustment expenses	-	-	-	-	-	-
Total Administrative Expenses	547,310	490,559	56,751	1,641,931	1,579,280	62,651
Referral fees	4,521	3,535	986	13,563	13,125	438
Total Operating Expenses	<u>16,494,769</u>	<u>15,304,768</u>	<u>1,190,001</u>	<u>46,757,708</u>	<u>44,339,957</u>	<u>2,417,751</u>
Net Operating Income (Loss)	<u>(1,986,001)</u>	<u>(1,223,838)</u>	<u>762,163</u>	<u>(4,572,326)</u>	<u>(3,202,346)</u>	<u>1,369,980</u>
Non-Operating Revenues (Expenses)						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	-	-
Investment Income	261,083	312,676	51,593	783,249	891,046	107,797
Miscellaneous Income	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	<u>261,083</u>	<u>312,676</u>	<u>51,593</u>	<u>783,249</u>	<u>891,046</u>	<u>107,797</u>
Net Income (Loss)	<u>(1,724,918)</u>	<u>(911,162)</u>	<u>813,756</u>	<u>(3,789,077)</u>	<u>(2,311,300)</u>	<u>1,477,777</u>

Health Insurance Risk-Sharing Plan Authority
Calendar Year 2007 Interim Reconciliation
As of September 30, 2007

	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	14,259,578	8,819,856	8,325,375	9,344,180	12,146,259	9,833,689	9,379,161	11,873,544	10,431,892	-	-	-	94,413,534
Increase (Decrease) in Unpaid Medical Losses	(3,733,780)	472,153	1,357,412	(4,329,233)	(754,839)	2,665,814	(138,307)	85,012	1,494,125	-	-	-	(2,881,643)
Pharmacy Losses Paid or Approved for Payment	3,589,072	3,089,173	3,468,639	3,306,818	3,987,107	3,450,260	3,452,922	3,740,812	3,148,641	-	-	-	31,233,444
Increase (Decrease) in Unpaid Pharmacy Losses	(15,304)	(65,243)	85,712	(116,232)	6,863	57,227	382,746	(353,827)	(51,082)	-	-	-	(69,140)
Drug Rebates	(231,402)	(205,516)	(1,165,263)	(307,473)	(608,508)	(383,437)	(319,446)	(324,149)	(292,975)	-	-	-	(3,838,169)
Total Administrative Expenses	526,155	558,370	542,661	565,705	532,725	549,372	529,665	568,646	494,094	-	-	-	4,867,393
Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	14,394,319	12,668,793	12,614,536	8,463,765	15,309,607	16,172,925	13,286,741	15,590,038	15,224,695	-	-	-	123,725,419
2. Adjustments to Operating and Administrative Costs													
Total Non-operating Revenue (Expense) - excluding Federal Grant Funds	251,801	263,862	184,414	317,387	279,430	311,716	251,065	327,305	312,676	-	-	-	2,499,656
3. Total Fiscal Year Program Costs to be Split 60% 20% 20%	14,142,518	12,404,931	12,430,122	8,146,378	15,030,177	15,861,209	13,035,676	15,262,733	14,912,019	-	-	-	121,225,763
4. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Excluding Subsidy Costs)													
Funding Shares													
60% Policyholders	8,485,510	7,442,959	7,458,074	4,887,826	9,018,107	9,516,725	7,821,406	9,157,639	8,947,211	-	-	-	72,735,457
20% Providers	2,828,504	2,480,986	2,486,024	1,629,276	3,006,035	3,172,242	2,607,135	3,052,547	2,982,404	-	-	-	24,245,153
20% Insurers	2,828,504	2,480,986	2,486,024	1,629,276	3,006,035	3,172,242	2,607,135	3,052,547	2,982,404	-	-	-	24,245,153
5. Subsidy Funding Shares													
Premium subsidies	432,951	427,052	425,444	426,111	420,785	422,334	369,345	373,398	378,338	-	-	-	3,675,758
Deductible Subsidies	54,031	85,954	65,579	65,508	67,344	50,803	49,834	41,577	40,878	-	-	-	521,508
Subsidy - coinsurance out-of-pocket Max	(49)	584	4,747	11,797	20,518	23,115	30,100	36,899	39,195	-	-	-	166,906
Federal Grant for low income subsidy	(394,917)	(389,370)	(388,008)	(388,477)	(383,225)	(145,228)	-	-	-	-	-	-	(2,089,225)
Total Subsidies	92,016	124,220	107,762	114,939	125,422	351,024	449,279	451,874	458,411	-	-	-	2,274,947
Subsidy Funding Needed by Source in addition to Section 3 Funding Shares													
Providers	46,008	62,110	53,881	57,470	62,711	175,512	224,640	225,937	229,206	-	-	-	1,137,475
Insurers	46,008	62,110	53,881	57,469	62,711	175,512	224,639	225,937	229,205	-	-	-	1,137,472
6. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Including Subsidy Costs)													
Policyholders	8,485,510	7,442,959	7,458,074	4,887,826	9,018,107	9,516,725	7,821,406	9,157,639	8,947,211	-	-	-	72,735,457
Providers	2,874,512	2,543,095	2,539,905	1,686,746	3,068,746	3,347,754	2,831,775	3,278,484	3,211,610	-	-	-	25,382,627
Insurers	2,874,512	2,543,097	2,539,905	1,686,745	3,068,746	3,347,754	2,831,774	3,278,484	3,211,609	-	-	-	25,382,626
7. Operating Revenues by Source													
Policyholders													
Premium	8,183,085	8,739,342	8,720,000	8,310,178	8,678,355	8,595,167	8,174,790	8,411,134	8,389,941	-	-	-	76,201,992
Premium and Deductible Subsidies Credited to Policyholders	432,951	427,052	425,444	426,111	420,785	422,334	369,345	373,398	378,338	-	-	-	3,675,758
Subtotal	8,616,036	9,166,394	9,145,444	8,736,289	9,099,140	9,017,501	8,544,135	8,784,532	8,768,279	-	-	-	79,877,750
Providers	3,238,662	3,020,666	3,142,222	2,117,830	4,199,147	3,944,843	2,648,544	3,785,895	3,420,560	-	-	-	29,518,369
Insurers	2,890,078	3,014,862	3,293,630	3,237,402	3,372,714	3,364,411	1,892,024	2,144,294	2,270,429	-	-	-	25,479,844
Total	14,744,776	15,201,922	15,581,296	14,091,521	16,671,001	16,326,755	13,084,703	14,714,721	14,459,268	-	-	-	134,875,963

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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)	21,646,801	21,777,327	23,500,762	25,188,132	29,036,595	29,117,628	28,618,404	29,248,010	28,874,903	-	-	-	21,646,801
Premium (Including Premium and Deductible Subsidies)	8,616,036	9,166,394	9,145,444	8,736,289	9,099,140	9,017,501	8,544,135	8,784,532	8,768,279	-	-	-	79,877,750
Less Cost	8,485,510	7,442,959	7,458,074	4,887,826	9,018,107	9,516,725	7,914,529	9,157,639	8,947,211	-	-	-	72,828,580
Less Unfunded Policyholder Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Change	130,526	1,723,435	1,687,370	3,848,463	81,033	(499,224)	629,606	(373,107)	(178,932)	-	-	-	7,049,170
Ending Surplus / (Deficit)	21,777,327	23,500,762	25,188,132	29,036,595	29,117,628	28,618,404	29,248,010	28,874,903	28,695,971	-	-	-	28,695,971

Assigned Surplus

Unassigned Surplus	21,777,327	23,500,762	25,188,132	29,036,595	29,117,628	28,618,404	29,248,010	28,874,903	28,695,971	-	-	-	28,695,971
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Providers

Prior Period Surplus / (Deficit)	(1,438,719)	(1,074,569)	(596,998)	5,319	436,403	1,566,804	2,163,893	1,949,621	2,457,032	-	-	-	(1,438,719)
Contribution	3,238,662	3,020,666	3,142,222	2,117,830	4,199,147	3,944,843	2,648,544	3,785,895	3,420,560	-	-	-	29,518,369
Less Cost	2,874,512	2,543,095	2,539,905	1,686,746	3,068,746	3,347,754	2,862,816	3,278,484	3,211,610	-	-	-	25,413,668
Premium Subsidy Underpayment Adj.	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Change	364,150	477,571	602,317	431,084	1,130,401	597,089	(214,272)	507,411	208,950	-	-	-	4,104,701
Ending Surplus / (Deficit)	(1,074,569)	(596,998)	5,319	436,403	1,566,804	2,163,893	1,949,621	2,457,032	2,665,982	-	-	-	2,665,982

Insurers

Prior Period Surplus / (Deficit)	8,278,565	8,294,131	8,765,896	9,519,621	11,070,278	11,374,246	11,390,903	10,420,112	9,285,922	-	-	-	8,278,565
Assessment	2,890,078	3,014,862	3,293,630	3,237,402	3,372,714	3,364,411	1,892,024	2,144,294	2,270,429	-	-	-	25,479,844
Less Cost	2,874,512	2,543,097	2,539,905	1,686,745	3,068,746	3,347,754	2,862,815	3,278,484	3,211,609	-	-	-	25,413,667
Premium Subsidy Underpayment Adj.	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Change	15,566	471,765	753,725	1,550,657	303,968	16,657	(970,791)	(1,134,190)	(941,180)	-	-	-	66,177
Ending Surplus / (Deficit)	8,294,131	8,765,896	9,519,621	11,070,278	11,374,246	11,390,903	10,420,112	9,285,922	8,344,742	-	-	-	8,344,742

Total HIRSP Retained Earnings

	28,996,889	31,669,660	34,713,072	40,543,276	42,058,678	42,173,200	41,617,743	40,617,857	39,706,695	-	-	-	39,706,695
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**Health Insurance Risk-Sharing Plan Authority
Monthly Provider Contribution Report
As of September 2007 Month End (09/26/2007)**

Provider Share Calculation for the Current Month - Claims by Claim Type					
Regular Claims					
Claim Type	Billed Charges	U&C Percentage	Usual and Customary	Less HIRSP Allowed Charges	Provider Share
Professional	\$ 6,816,296.08	28.5%	\$ 4,873,651.70	\$ 2,730,407.54	\$ 2,143,244.16
Hospital Outpatient	\$ 4,150,399.60	28.5%	\$ 2,967,535.71	\$ 2,720,855.20	\$ 246,680.51
Hospital Inpatient	\$ 4,741,548.10	28.5%	\$ 3,390,206.89	\$ 2,735,411.64	\$ 654,795.25
Nursing Home	\$ 20,433.12	28.5%	\$ 14,609.68	\$ 18,846.51	\$ (4,236.83)
Other	\$ 671,034.35	28.5%	\$ 479,789.56	\$ 517,778.07	\$ (37,988.51)
Total	\$ 16,399,711.25		\$ 11,725,793.54	\$ 8,723,298.96	\$ 3,002,494.58

Crossover Claims					
Claim Type	Medicare Allowed Charges	Medicare Paid	HIRSP Paid	HIRSP Deductible/Coinsurance	Provider Share
Professional	\$ 409,075.08	\$ 273,762.08	\$ 126,495.86	\$ 8,698.40	\$ 118.74
Hospital Outpatient	\$ 275,523.97	\$ 201,326.64	\$ 71,394.99	\$ 2,674.26	\$ 128.08
Hospital Inpatient	\$ 413,390.27	\$ 371,778.83	\$ 40,643.27	\$ 1,894.35	\$ (926.18)
Nursing Home	\$ 24,748.38	\$ 18,421.06	\$ 6,327.32	\$ -	\$ -
Other	\$ 95,018.68	\$ 65,824.24	\$ 27,786.45	\$ 2,650.84	\$ (1,242.85)
Total	\$ 1,217,756.38	\$ 931,112.85	\$ 272,647.89	\$ 15,917.85	\$ (1,922.21)

Provider Contribution on the Increase(Decrease) in Unpaid Losses	\$ 419,988.00
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Total Provider Contribution Non-Pharmacy	\$ 3,420,560.37
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Pharmacy Claims					
Claim Type	Billed Charges	U&C Percentage	Usual and Customary	Less HIRSP Allowed Charges	Provider Share
Prescription Drug Not processed by PBM	\$ -	0.0%			\$ -
Prescription Drug Processed by PBM	\$ 5,846,451.80	0.0%	\$ 3,543,187.50	\$ 3,543,187.50	\$ -
Total Provider Contribution Pharmacy	\$ 5,846,451.80		\$ 3,543,187.50	\$ 3,543,187.50	\$ -

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

1Q06					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$22,595,186	\$11,152,584	202.6%	\$1,046.65	\$516.61
Plan 1B	14,859,907	14,260,163	104.2%	485.73	466.13
Plan 2	4,051,253	2,324,418	174.3%	963.44	552.77
Total	\$41,506,346	\$27,737,165	149.6%	\$736.11	\$491.92
2Q06					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$23,308,135	\$11,064,423	210.7%	\$1,089.47	\$517.17
Plan 1B	17,025,430	14,364,077	118.5%	550.25	464.24
Plan 2	3,239,907	1,991,718	162.7%	893.77	549.44
Total	\$43,573,472	\$27,420,218	158.9%	\$778.65	\$490.00
3Q06					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$21,915,607	\$11,414,082	192.0%	\$1,044.35	\$543.92
Plan 1B	17,810,462	15,021,978	118.6%	577.55	487.13
Plan 2	2,118,274	1,313,471	161.3%	704.21	436.66
Total	\$41,844,343	\$27,749,531	150.8%	\$763.15	\$506.09
4Q06					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$25,539,829	\$11,232,336	227.4%	\$1,247.79	\$548.78
Plan 1B	21,902,374	14,982,682	146.2%	715.88	489.71
Plan 2	2,118,662	1,319,577	160.6%	711.92	443.41
Total	\$49,560,865	\$27,534,595	180.0%	\$917.13	\$509.53
1Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$19,311,837	\$10,353,629	186.5%	\$1,002.90	\$537.68
Plan 1B	17,214,256	15,315,916	112.4%	546.59	486.31
Plan 2	1,725,445	1,258,329	137.1%	596.01	434.66
Total	\$38,251,538	\$26,927,874	142.1%	\$713.05	\$501.96
2Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
Plan 1A	\$20,986,491	\$10,280,888	204.1%	\$1,108.11	\$542.84
Plan 1B	20,490,153	15,315,146	133.8%	656.80	490.92
Plan 2	1,657,097	1,256,896	131.8%	584.31	443.19
Total	\$43,133,742	\$26,852,930	160.6%	\$814.27	\$506.93

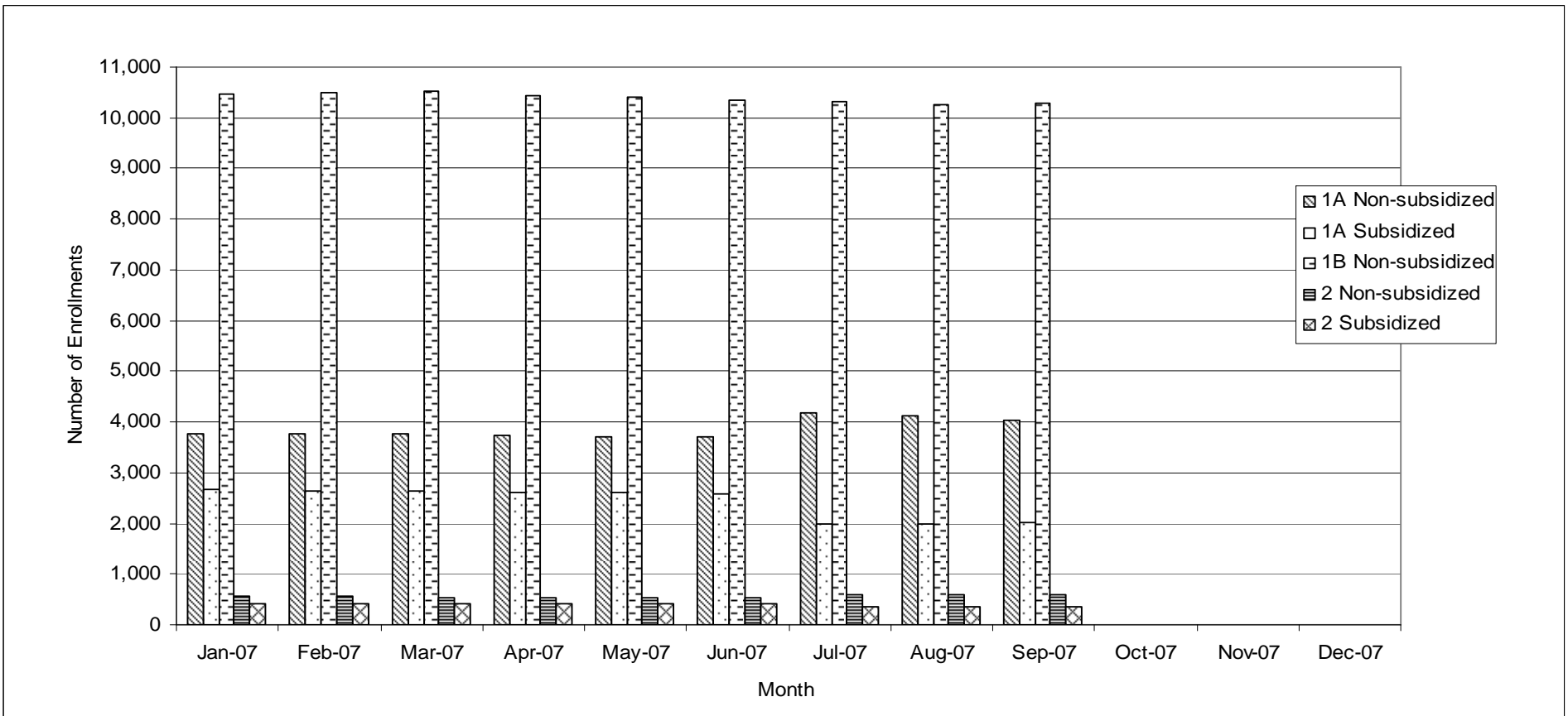
NOTES: Loss Ratio = Incurred Claims / Earned Premiums
 Earned Premium includes Premium Subsidies
 Incurred Claims include Provider Contributions
 Administrative Expenses are not included in this exhibit
 Incurred Claims and Earned Premiums are updated quarterly and restated to reflect
 the most current information available as of September 30, 2007

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

**September 2007
17,294**

**September 2006
18,278**

Plan	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
1A Non-subsidized	3,780	3,768	3,777	3,723	3,706	3,703	4,185	4,115	4,046			
1A Subsidized	2,658	2,637	2,637	2,615	2,601	2,589	1,993	1,998	2,022			
1B Non-subsidized	10,470	10,486	10,538	10,448	10,397	10,349	10,314	10,270	10,293			
2 Non-subsidized	560	556	546	537	538	538	591	582	581			
2 Subsidized	413	412	409	411	407	405	345	349	352			



**Health Insurance Risk-Sharing Plan Authority
Subsidy Report
Sep-07**

Total Subsidy by Plan		
Plan		Number of Policyholders
1A	Non-subsidized	4,046
1A	Subsidized	2,022
1B	Non-subsidized	10,293
2	Non-subsidized	581
2	Subsidized	352
Total		17,294

Total Subsidy by Level	
Subsidy Level	Number of Policyholders
Level 0	14,920
Level 1	268
Level 2	304
Level 3	425
Level 4	1,051
Level 5	326
Total	17,294

Total Subsidy by Plan and Region	
	Number of Policyholders
Plan 1A, Zone 1, Non-Subsidized	318
Plan 1A, Zone 1, Subsidized	193
Plan 1A, Zone 2, Non-Subsidized	1,246
Plan 1A, Zone 2, Subsidized	563
Plan 1A, Zone 3, Non-Subsidized	2,482
Plan 1A, Zone 3, Subsidized	1,266
Plan 1B, Zone 1, Non-Subsidized	618
Plan 1B, Zone 2, Non-Subsidized	3,103
Plan 1B, Zone 3, Non-Subsidized	6,572
Plan 2, Zone 1, Non-Subsidized	65
Plan 2, Zone 1, Subsidized	45
Plan 2, Zone 2, Non-Subsidized	165
Plan 2, Zone 2, Subsidized	121
Plan 2, Zone 3, Non-Subsidized	351
Plan 2, Zone 3, Subsidized	186
Total	17,294

Health Insurance Risk-Sharing Plan Authority
Summary of Monthly Applicant Activity
September 2007

Summary of Monthly Application Activity	
Number of Applications Pending August	130
Number of Applications Received September	352
Number of Applications Rejected September	9
Number of Applications Closed September	62
Number of Applications Pending September	136
Number of Applications Approved September	275

Detail of Applications Rejected	
65 or older	0
Current Medicaid Coverage	0
Currently covered by other insurance	1
Did not qualify for lost employer coverage.	5
Eligible for Group Health Coverage	3
Insufficient Premium Submitted	0
No Medical Reason	0
Not a Wisconsin Resident	0
Previous HIRSP <12 Months Ago	0
Total	9

Detail of Applications Closed	
Applicant Request	4
Application Data requested; never received	1
Proper eligibility requested; never received	57
Total	62

HEALTH INSURANCE RISK-SHARING PLAN

Monthly Eligibility Report September 2007

A.	Medicare Eligible	1
B.	HIV +	3
C.	Eligible Individual	164
	<i>New Born Applications</i>	7
D.	Letter of Medical Eligibility	107
	1. <i>Letter of Rejection By:</i>	
	<i>American Family</i>	18
	<i>American Medical Security Group</i>	4
	<i>Assurant Health</i>	20
	<i>Atrium Health Plan</i>	2
	<i>Blue Cross & Blue Shield United of Wisconsin</i>	49
	<i>CompCare Blue</i>	1
	<i>Dean Health Plan</i>	2
	<i>Golden Rule Insurance Company</i>	17
	<i>Group Health Cooperative</i>	2
	<i>Humana Insurance Company</i>	44
	<i>Insurers Administrative Corporation</i>	2
	<i>John Alden Life Insurance</i>	2
	<i>Mega Life And Health Insurance</i>	3
	<i>Pekin Life Insurance</i>	2
	<i>Physicians Mutual Insurance Company</i>	4
	<i>Physicians Plus Insurance</i>	3
	<i>Security Health Plan</i>	3
	<i>Unity Health Plan</i>	2
	<i>Wisconsin Physicians Service Insurance</i>	28
	2. <i>Notice of Benefit Reduction</i>	3
	3. <i>Notice of Premium increase due to a Health Reason</i>	0
Total		275

**Health Insurance Risk-Sharing Plan Authority
Medical Claims Denied Report
AS OF SEPTEMBER 2007 MONTH END (9/24/2007)**

Processed Month	Plan 1A		Plan 1B		Plan 2		All Plans			Denial Rate
	Paid	Denied	Paid	Denied	Paid	Denied	Paid	Denied	Total	
September 2006	11,775	2,163	11,430	2,096	3,577	1,244	26,782	5,503	32,285	17.0%
October 2006	14,407	2,295	13,941	2,071	4,306	1,481	32,654	5,847	38,501	15.2%
November 2006	13,612	2,423	13,460	2,262	3,993	1,139	31,065	5,824	36,889	15.8%
December 2006	15,451	2,515	14,821	2,134	4,412	1,180	34,684	5,829	40,513	14.4%
January 2007	13,222	2,138	14,214	2,204	4,708	1,352	32,144	5,694	37,838	15.0%
February 2007	11,867	1,941	12,378	2,051	3,512	957	27,757	4,949	32,706	15.1%
March 2007	12,169	1,997	12,693	2,260	3,923	1,004	28,785	5,261	34,046	15.5%
April 2007	11,418	1,958	12,283	2,293	3,870	962	27,571	5,213	32,784	15.9%
May 2007	13,917	2,341	15,746	2,701	4,416	1,235	34,079	6,277	40,356	15.6%
June 2007	11,202	1,906	12,780	2,003	3,709	1,001	27,691	4,910	32,601	15.1%
July 2007	11,057	1,859	12,529	2,016	4,066	1,035	27,652	4,910	32,562	15.1%
August 2007	12,208	2,345	13,504	2,451	3,863	998	29,575	5,794	35,369	16.4%
September 2007	11,151	2,104	12,291	2,214	3,635	1,230	27,077	5,548	32,625	17.0%

Denial Reason Detail		
Volume	% of Total	Reason
1232	3.78%	DUPLICATE CLAIM/SERVICE.
490	1.50%	NONCOVERED SERVICES BECAUSE THIS A ROUTINE EXAM OR SCREENING PROCEDURE DONE IN CONJUNCTION OF A ROUTINE EXAM.
435	1.33%	EXPENSE(S) INCURRED OUTSIDE COVERAGE PERIOD ARE NOT COVERED.
434	1.33%	CLAIM DENIED/REDUCED BECAUSE CHARGES HAVE BEEN PAID BY ANOTHER PAYER AS PART OF COORDINATION OF BENEFITS.
401	1.23%	THIS IS A PREEXISTING CONDITION. MEDICAL RECORDS OBTAINED FROM YOUR PROVIDER HAVE IDENTIFIED A PRE-EXISTING CONDITION.
353	1.08%	SERVICES PERFORMED BY A PROVIDER WHO IS NOT MEDICAID CERTIFIED ARE NOT COVERED
216	0.66%	WE WILL BE ABLE TO COMPLETE PROCESSING OF THIS CLAIM WHEN WE RECEIVE THE MEDICAL RECORDS WE REQUESTED.
176	0.54%	THIS (THESE) SERVICE(S) IS (ARE) NOT COVERED.
148	0.45%	THE PRIMARY SERVICE CODE INCLUDES THE OTHER SERVICES BILLED, THEREFORE, NO PAYMENT HAS BEEN ALLOWED FOR OTHER SERVICES
144	0.44%	THIS PROCEDURE IS INCIDENTAL TO AND CONSIDERED PART OF THE PRIMARY PROCEDURE.

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 September 2007 Month End (09/30/2007)**

Processed Month	Denied	% of Total
September 2006	17,091	20.93%
October 2006	18,073	20.71%
November 2006	17,178	19.42%
December 2006	16,826	19.39%
January 2007	17,128	20.04%
February 2007	14,824	19.44%
March 2007	16,177	20.12%
April 2007	14,885	18.51%
May 2007	17,209	21.13%
June 2007	16,770	20.59%
July 2007	16,482	19.31%
August 2007	16,865	19.34%
September 2007	15,983	20.33%

Denial Reason Detail		
Reason	Volume	% of Total
DUR Reject Error	5,260	6.69%
Plan Limitations Exceeded	2,948	3.75%
Product/Service Not Covered	2,163	2.75%
Refill Too Soon	1,186	1.51%
Submit Bill to Other Processor or Primary Payer	708	0.90%
Filled After Coverage Terminated	567	0.72%
Non-Matched Pharmacy Number	466	0.59%
Duplicate Paid/Captured Claim	390	0.50%
Missing/Invalid Other Payer ID Qualifier	357	0.45%
Missing/Invalid Dispense as Written Code (DAW)	347	0.44%

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
September 2007**

<u>Type of Grievance</u>	Grievance	<u># of Appeals</u>
Drug & Drug Formulary		5
Enrollment/Eligibility Requirements		26
Not Covered Benefit		9
Not Medically Necessary		4
Plan Administration		10
Prior Authorization		2
Experimental Treatment		0
Billing/Claim Processing		1
 <u>Grievance Committee Decision</u>		
Eligibility Request Closed Prior to Committee		0
Approved		36
Upheld Denial		20
Partial Approval		1
Total Grievances Received		57

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